

Volume 1

STATUTES OF CALIFORNIA

AND DIGESTS OF MEASURES

2003

Constitution of 1879 as Amended

Measures Submitted to Vote of Electors,
Statewide Special Election, October 7, 2003

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

2003–04 Regular Session

2003–04 First Extraordinary Session

2003–04 Second Extraordinary Session

2003–04 Third Extraordinary Session

2003–04 Fourth Extraordinary Session

2003–04 Fifth Extraordinary Session



Compiled by
DIANE F. BOYER-VINE
Legislative Counsel

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EFFECTIVE DATES

Regular Session

The 2003–04 Regular Session convened on December 2, 2002, and the interim study recess commenced on September 13, 2003. Statutes enacted in 2003, other than those taking immediate effect, will become effective January 1, 2004.

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 2003–04 First Extraordinary Session convened on December 9, 2002, and adjourned *sine die* on July 29, 2003. The 91st day after adjournment is October 28, 2003.

The 2003–04 Second Extraordinary Session convened on January 23, 2003, and adjourned *sine die* on February 18, 2003. The 91st day after adjournment is May 20, 2003.

The 2003–04 Third Extraordinary Session, the 2003–04 Fourth Extraordinary Session, and the 2003–04 Fifth Extraordinary Session convened on November 18, 2003. These Extraordinary Sessions had not

been adjourned prior to publication of this Statutes and Amendments to the Codes; please refer to the succeeding year's Statutes and Amendments to the Codes.

PROPOSED CHANGES IN CONSTITUTION

NOTE: The following proposed changes were defeated at the Statewide Special Election, October 7, 2003:

<i>Article</i>	<i>Section</i>	<i>Proposed Change</i>	<i>Constitutional amendment number</i>	<i>Year</i>	<i>Resolution chapter number</i>	<i>Proposition number</i>	<i>Subject</i>
I	32	Addition	Initiative Measure	2003	—	54	Classification by Race, Ethnicity, Color, or National Origin.
XVIA	1	Addition	ACA 11	2002	185	53	Funds Dedicated for State and Local Infrastructure.
	2	Addition	ACA 11	2002	185	53	Funds Dedicated for State and Local Infrastructure.
	3	Addition	ACA 11	2002	185	53	Funds Dedicated for State and Local Infrastructure.
	4	Addition	ACA 11	2002	185	53	Funds Dedicated for State and Local Infrastructure.
	5	Addition	ACA 11	2002	185	53	Funds Dedicated for State and Local Infrastructure.
	6	Addition	ACA 11	2002	185	53	Funds Dedicated for State and Local Infrastructure.
	7	Addition	ACA 11	2002	185	53	Funds Dedicated for State and Local Infrastructure.

**CONSTITUTION OF THE STATE
OF CALIFORNIA**

1879

CONSTITUTION OF THE STATE OF CALIFORNIA*

AS AMENDED AND IN FORCE NOVEMBER 5, 2002

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 convincing 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. See Section 2.5, below.]

[Right to Have Vote Counted]

SEC. 2.5. A voter who casts a vote in an election in accordance with the laws of this State shall have that vote counted. [New Section adopted November 5, 2002.]

SEC. 2³/₄. [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 state-

wide 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 incurred. 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:

* New Article III adopted November 7, 1972.

(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;

(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 allow-

ance 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 and Raffles for Charitable Purposes—Gaming on Tribal Lands*]

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.

(f)* Notwithstanding subdivisions (a) and (e), and any other provision of state law, the Governor is authorized to negotiate and conclude compacts, subject to ratification by the Legislature, for the operation of slot machines and for the conduct of lottery games and banking and percentage card games by federally recognized Indian tribes on Indian lands in California in accordance with federal law. Accordingly, slot machines, lottery games, and banking and percentage card games are hereby permitted to be conducted and operated on tribal lands subject to those compacts.

(f)† Notwithstanding subdivision (a), the Legislature may authorize private, nonprofit, eligible organizations, as defined by the Legislature, to conduct raffles as a funding mechanism to provide support for their own

* Ballot Proposition 1A (SCA 11) March 7, 2000.

† Ballot Proposition 17 (SCA 4) March 7, 2000.

or another private, nonprofit, eligible organization's beneficial and charitable works, provided that (1) at least 90 percent of the gross receipts from the raffle go directly to beneficial or charitable purposes in California, and (2) any person who receives compensation in connection with the operation of a raffle is an employee of the private nonprofit organization that is conducting the raffle. The Legislature, two-thirds of the membership of each house concurring, may amend the percentage of gross receipts required by this subdivision to be dedicated to beneficial or charitable purposes by means of a statute that is signed by the Governor. [*As amended March 7, 2000.*]

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 resolution 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. 25⁵/₈. [*Renumbered Section 22 of Article XIII and amended November 8, 1966.*]

SEC. 25³/₄. [*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.*]

* New Article V adopted November 8, 1966.

[*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 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 attorney. 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, and superior courts, all of which are courts of record. *[As amended November 5, 2002.]*

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.

* New Article VI adopted November 8, 1966.

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.

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.*]

SEC. 5. [*Repealed November 5, 2002.*]

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

[*Judicial Council—Membership and Powers*]

SEC. 6. (a) The Judicial Council consists of the Chief Justice and one other judge of the Supreme Court, three judges of courts of appeal, 10 judges of superior courts, two nonvoting court administrators, and any other nonvoting members as determined by the voting membership of the

council, each appointed by the Chief Justice for a three-year term pursuant to procedures established by the council; four members of the State Bar appointed by its governing body for three-year terms; and one member of each house of the Legislature appointed as provided by the house.

(b) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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 November 5, 2002.*]

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 two judges of superior courts, each appointed by the Supreme Court; two members of the State Bar of California who have practiced law in this State for 10 years, each appointed by the Governor; and six citizens who are not judges, retired judges, or members of the State Bar of California, two of whom shall be appointed by the Governor, two

by the Senate Committee on Rules, and two by the Speaker of the Assembly. Except as provided in subdivisions (b) and (c), all terms are for four years. No member shall serve more than two four-year terms, or for more than a total of 10 years if appointed to fill a vacancy.

(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 two-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 two 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 two 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 two 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 two 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 two years and may be reappointed to one full term.

(6) All other members shall be appointed to full four-year terms commencing March 1, 1995. [*As amended November 5, 2002.*]

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.

The court may make any 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 November 5, 2002.*]

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 10 years immediately preceding selection, the person has been a member of the State Bar or served as a judge of a court of record in this State. [*As amended November 5, 2002.*]

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) 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.

(c) Terms of judges of superior courts are six 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) (1) 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.

(2) 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.

(3) 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 November 5, 2002.*]

[*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 in-

stitute 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.

(d) This section shall remain in effect only until January 1, 2007, and as of that date is repealed. [*As amended and repealed November 5, 2002. Repealed on January 1, 2007.*]

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

* New Article VII adopted June 8, 1976.

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.

(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 postmaster 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 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.

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

(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 preceding 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

* New Article X adopted June 8, 1976.

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 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;

* New Article X A adopted November 4, 1980.

† Chapter 632, Statutes of 1980.

(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 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.

(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

† Chapter 632, Statutes of 1980.

† Chapter 632, Statutes of 1980.

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 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.*]

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.*]

† Chapter 632, Statutes of 1980.

* New Article X B 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 non-transferable 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.

(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 article 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

* New Article XI adopted June 2, 1970.

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.*]

[*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, propo-

sition 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.]

* New Article XII 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 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 subpoenas, 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

* New Article XIII adopted November 5, 1974.

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.*]

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 rev-

enue 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 Legislature, 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 Section 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. 12^{3/4}. [*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. 14^{5/5}. [*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 lo-

cal 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 subvented 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 ex-

cludes 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 any of the following:

(1) Indebtedness approved by the voters prior to July 1, 1978.

(2) 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.

(3) Bonded indebtedness incurred by a school district, community college district, or county office of education for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters of

* New Article XIII A adopted June 6, 1978. Operative for tax year beginning July 1, 1979. Initiative measure.

the district or county, as appropriate, voting on the proposition on or after the effective date of the measure adding this paragraph. This paragraph shall apply only if the proposition approved by the voters and resulting in the bonded indebtedness includes all of the following accountability requirements:

(A) A requirement that the proceeds from the sale of the bonds be used only for the purposes specified in Article XIII A, Section 1(b)(3), and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

(B) A list of the specific school facilities projects to be funded and certification that the school district board, community college board, or county office of education has evaluated safety, class size reduction, and information technology needs in developing that list.

(C) A requirement that the school district board, community college board, or county office of education conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed.

(D) A requirement that the school district board, community college board, or county office of education conduct an annual, independent financial audit of the proceeds from the sale of the bonds until all of those proceeds have been expended for the school facilities projects.

(c) Notwithstanding any other provisions of law or of this Constitution, school districts, community college districts, and county offices of education may levy a 55 percent vote ad valorem tax pursuant to subdivision (b). [*As amended November 7, 2000. Initiative measure.*]

[*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, constructed 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 To-

bacco 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.*]

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

* New Article XIII C adopted November 5, 1996. Initiative measure.

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.

* New Article XIII D adopted November 5, 1996. Initiative measure.

(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 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 bal-

lots 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 determin-

ing 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

* New Article XIV adopted June 8, 1976.

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 sustained 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 inmate 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

(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

* New Article XV adopted June 8, 1976.

“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 fixing 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 per cent 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 insurrection, 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 irrevocable 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 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

[†] Chapter 740.

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 pur-

pose, 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 sup-

ported 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 facility 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 settle-

ment 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 proceeds 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 revenues 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 Colleges 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, co-operation 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 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.*]

[†] Section 20, Article XI, repealed June 2, 1970.

[*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 alternative 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 rea-

son 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 prevailing 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. (a) 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 voters of the public entity 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 voters 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 provide for 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 indebtedness.

(b) Notwithstanding subdivision (a), on or after the effective date of the measure adding this subdivision, in the case of any school district, community college district, or county office of education, any proposition for the incurrence of indebtedness in the form of general obligation bonds for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, shall be adopted upon the approval of 55 percent of the voters of the district or county, as appropriate, voting on the proposition at an election. This subdivision shall apply only to a proposition for the incurrence of indebtedness in the form of general obligation bonds for the purposes specified in this subdivision if the proposition meets all of the accountability requirements of paragraph (3) of subdivision (b) of Section 1 of Article XIII A.

(c) 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 ma-

majority or 55 percent of the voters, as the case may be, voting on any one of those propositions, vote in favor thereof, the proposition shall be deemed adopted. [*As amended November 7, 2000. Initiative measure.*]

[*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.]

[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.]

* New Article XVIII 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 administrative 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 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

* Former Article XXVI, as renumbered June 8, 1976.

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 con-

sideration 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.*]

[*"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.

* New Article XIX A adopted November 3, 1998.

(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 XIX B *

MOTOR VEHICLE FUEL SALES TAX REVENUES AND TRANSPORTATION IMPROVEMENT FUNDING

[*Transfer and Allocation of Funds*]

SECTION 1. (a) For the 2003–04 fiscal year and each fiscal year thereafter, all moneys that are collected during the fiscal year from taxes under the Sales and Use Tax Law (Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code), or any successor to that law, upon the sale, storage, use, or other consumption in this State of motor vehicle fuel, and that are deposited in the General Fund of the State pursuant to that law, shall be transferred to the Transportation Investment Fund, which is hereby created in the State Treasury.

(b) (1) For the 2003–04 to 2007–08 fiscal years, inclusive, moneys in the Transportation Investment Fund shall be allocated, upon appropriation by the Legislature, in accordance with Section 7104 of the Revenue and Taxation Code as that section read on the operative date of this article.

(2) For the 2008–09 fiscal year and each fiscal year thereafter, moneys in the Transportation Investment Fund shall be allocated solely for the following purposes:

(A) Public transit and mass transportation.

(B) Transportation capital improvement projects, subject to the laws governing the State Transportation Improvement Program, or any successor to that program.

(C) Street and highway maintenance, rehabilitation, reconstruction, or storm damage repair conducted by cities, including a city and county.

(D) Street and highway maintenance, rehabilitation, reconstruction, or storm damage repair conducted by counties, including a city and county.

(c) For the 2008–09 fiscal year and each fiscal year thereafter, moneys in the Transportation Investment Fund shall be allocated, upon appropriation by the Legislature, as follows:

(A) Twenty percent of the moneys for the purposes set forth in subparagraph (A) of paragraph (2) of subdivision (b).

* New Article XIX B adopted November 5, 2002.

(B) Forty percent of the moneys for the purposes set forth in subparagraph (B) of paragraph (2) of subdivision (b).

(C) Twenty percent of the moneys for the purposes set forth in subparagraph (C) of paragraph (2) of subdivision (b).

(D) Twenty percent of the moneys for the purpose set forth in subparagraph (D) of paragraph (2) of subdivision (b).

(d) The transfer of revenues from the General Fund of the State to the Transportation Investment Fund pursuant to subdivision (a) may be suspended, in whole or in part, for a fiscal year if both of the following conditions are met:

(1) The Governor has issued a proclamation that declares that the transfer of revenues pursuant to subdivision (a) will result in a significant negative fiscal impact on the range of functions of government funded by the General Fund of the State.

(2) The Legislature enacts by statute, pursuant to a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, a suspension for that fiscal year of the transfer of revenues pursuant to subdivision (a), provided that the bill does not contain any other unrelated provision.

(e) The Legislature may enact a statute that modifies the percentage shares set forth in subdivision (c) by a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, provided that the bill does not contain any other unrelated provision and that the moneys described in subdivision (a) are expended solely for the purposes set forth in paragraph (2) of subdivision (b). [*New section adopted November 5, 2002.*]

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.*]

[*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.”

[†] Sections 10 and 15 of Article IX repealed November 5, 1974.

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**

ARCHITECTURAL AND ENGINEERING SERVICES

[*Authority of Government to Contract for Architectural and Engineering Services*]

SECTION 1. The State of California and all other governmental entities, including, but not limited to, cities, counties, cities and counties, school districts and other special districts, local and regional agencies and joint power agencies, shall be allowed to contract with qualified private entities

* New Article XXI adopted June 3, 1980.

** New Article XXII adopted November 7, 2000. Initiative measure.

for architectural and engineering services for all public works of improvement. The choice and authority to contract shall extend to all phases of project development including permitting and environmental studies, rights-of-way services, design phase services and construction phase services. The choice and authority shall exist without regard to funding sources whether federal, state, regional, local or private, whether or not the project is programmed by a state, regional or local governmental entity, and whether or not the completed project is a part of any state owned or state operated system or facility. [*New section adopted November 7, 2000. Initiative measure.*]

[*Construction of Article VII*]

SECTION 2. Nothing contained in Article VII of this Constitution shall be construed to limit, restrict or prohibit the State or any other governmental entities, including, but not limited to, cities, counties, cities and counties, school districts and other special districts, local with regional agencies and joint power agencies, from contracting and private entities for the performance of architectural and engineering services. [*New section adopted November 7, 2000. Initiative measure.*]

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.*]

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,

* New article adopted November 7, 1950. Initiative measure.

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.*]

[*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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MEASURES SUBMITTED TO
VOTE OF ELECTORS

Statewide Special Election, October 7, 2003



STATE OF CALIFORNIA

LIEUTENANT GOVERNOR CRUZ M. BUSTAMANTE

Proclamation

Special Election Proclamation

I, CRUZ M. BUSTAMANTE, Lieutenant Governor of the State of California, by the power and authority vested in me by Sections 15 and 17, Article II of the Constitution of the State of California, do hereby proclaim and order that a special statewide election shall be held on the 7th day of October, 2003, to determine whether Gray Davis, Governor of the State of California, shall be recalled, and if the majority vote on the question is to recall, to elect a successor.



IN WITNESS WHEREOF, I hereunto set my hand and have caused the Great Seal of the State of California to be affixed on this 24th day of July, of the Year Two Thousand and Three.

Crúz M. Bustamante
CRUZ M. BUSTAMANTE
Lieutenant Governor of California

ATTEST:

Kevin Shelley
KEVIN SHELLEY
Secretary of State

**MEASURES SUBMITTED TO
VOTE OF ELECTORS
Statewide Special Election, October 7, 2003**

MEASURES ADOPTED

None.

MEASURES DEFEATED

CONSTITUTIONAL AMENDMENT SUBMITTED BY LEGISLATURE

*Number
on ballot*

53. **Funds Dedicated for State and Local Infrastructure.** (Statutes 2002, Resolution Chapter 185, ACA 11)

INITIATIVE CONSTITUTIONAL AMENDMENT

54. **Classification by Race, Ethnicity, Color, or National Origin.**



SECRETARY OF STATE

I, KEVIN SHELLEY, Secretary of State of the State of California, hereby certify, based on the records on file in my office:

That pursuant to Government Code section 12167, the following are the results of all elections upon any initiative or referendum measures submitted to the voters of the State within calendar year 2003.

No proposed laws were **approved** by voters at the Statewide Special Election held on Tuesday, October 7, 2003.

The following proposed laws were **defeated** by voters at the Statewide Special Election held on Tuesday, October 7, 2003:

Funds Dedicated for State and Local Infrastructure. Legislative Constitutional Amendment. (Assembly Constitutional Amendment 11, Resolution Chapter 185, Statutes of 2002)

Classification by Race, Ethnicity, Color, or National Origin. Initiative Constitutional Amendment.



IN WITNESS WHEREOF, I
hereunto set my hand and
affix the Great Seal of
California, at Sacramento,
this 14th day of November, 2003.

A handwritten signature in black ink that reads "Kevin Shelley". The signature is written in a cursive style.

KEVIN SHELLEY
Secretary of State

**PROPOSITIONS SUBMITTED TO
VOTE OF ELECTORS**

Statewide Special Election, October 7, 2003

MEASURES ADOPTED

None.

MEASURES DEFEATED

CONSTITUTIONAL AMENDMENT SUBMITTED BY LEGISLATURE

Number
on ballot

53. **Funds Dedicated for State and Local Infrastructure.** (Statutes 2002, Resolution Chapter 185, ACA 11)

[Rejected by electors October 7, 2003.]

PROPOSED ADDITION OF ARTICLE XVI A

ARTICLE XVI A

INFRASTRUCTURE INVESTMENT FUND

SECTION 1. The California Twenty-First Century Infrastructure Investment Fund is hereby established in the State Treasury for the purpose of funding capital outlay expenses. The Department of Finance shall prepare an annual plan to expend these funds, unless the Governor directs another state agency to prepare the plan.

SEC. 2. As used in this article:

(a) "Department of Finance" means the Department of Finance or a successor agency.

(b) "General Fund revenues" excludes transfers from other funds into the General Fund and transfers from the General Fund into other funds.

(c) "Infrastructure fund" means the California Twenty-First Century Infrastructure Investment Fund.

(d) "Made for purposes of the current fiscal year Budget Act as determined by the Department of Finance" means General Fund revenues contained in the Final Budget Summary published by the Department of Finance for the current fiscal year.

SEC. 3. (a) Commencing in the 2006–07 fiscal year, and in every fiscal year thereafter, the Controller shall make the following transfers from the General Fund to the infrastructure fund:

(1) During the 2006–07 fiscal year, a sum equal to 1 percent of the total amount of General Fund revenues as estimated by the Department of Finance for purposes of the Budget Act for that fiscal year.

(2) During the 2007–08 fiscal year, a sum equal to 1.3 percent of the total amount of General Fund revenues as estimated by the Department of Finance for purposes of the Budget Act for that fiscal year.

(3) During the 2008–09 fiscal year, a sum equal to 1.6 percent of the total amount of General Fund revenues as estimated by the Department of Finance for purposes of the Budget Act for that fiscal year.

(4) During the 2009–10 fiscal year, a sum equal to 1.9 percent of the total amount of General Fund revenues as estimated by the Department of Finance for purposes of the Budget Act for that fiscal year.

(5) During the 2010–11 fiscal year, a sum equal to 2.2 percent of the total amount of General Fund revenues as estimated by the Department of Finance for purposes of the Budget Act for that fiscal year.

(6) During the 2011–12 fiscal year, a sum equal to 2.5 percent of the total amount of General Fund revenues as estimated by the Department of Finance for purposes of the Budget Act for that fiscal year.

(7) During the 2012–13 fiscal year, a sum equal to 2.8 percent of the total amount of General Fund revenues as estimated by the Department of Finance for purposes of the Budget Act for that fiscal year.

(8) During the 2013–14 fiscal year, and every fiscal year thereafter, a sum equal to 3 percent of the total amount of General Fund revenues as estimated by the Department of Finance for purposes of the Budget Act for the applicable fiscal year.

(b) Notwithstanding subdivision (a), if the total General Fund revenues for a fiscal year are estimated by the Department of Finance to not increase by at least 4 percent, after adjusting for inflation, compared to the revenues for the prior fiscal year, the increase in the percentage amount to be transferred in the budget year, as otherwise specified in paragraphs (2) to (8), inclusive, of subdivision (a) shall be delayed by one fiscal year.

(c) Notwithstanding subdivision (a), if the total General Fund revenues for a fiscal year are estimated by the Department of Finance to increase by at least 8 percent, after adjusting for inflation, compared to the revenues for the prior fiscal year, the increase in the percentage amount to be transferred in the budget year, as otherwise specified in paragraphs (2) to (8), inclusive, of subdivision (a) shall be accelerated by one fiscal year from the schedule in subdivision (a).

(d) Notwithstanding paragraph (1) of subdivision (a), the initial annual transfer to the infrastructure fund shall not occur until General Fund revenues for a fiscal year are estimated by the Department of Finance to increase by at least 4 percent, after adjusting for inflation, compared to the revenues for the prior fiscal year.

(e) Notwithstanding subdivision (a), in a fiscal year in which both of the conditions specified in subparagraphs (A) and (B) of paragraph (1) apply, the transfer pursuant to this section shall be reduced by an amount determined pursuant to paragraph (2):

(1) (A) The percentage growth in the amount required to be applied for the support of school districts and community college districts pursuant to Section 8 of Article XVI is greater than the percentage growth in General Fund revenues.

(B) The transfer specified pursuant to this section is not otherwise reduced pursuant to subdivision (b) or (f) or pursuant to subdivision (b) or (c) of Section 4.

(2) (A) Determine the amount required to be applied for the support of school districts and community college districts pursuant to Section 8 of Article XVI for the current fiscal year based on the estimate contained in the Governor's May Revision proposal for that fiscal year.

(B) Determine an amount equal to the amount required to be applied for the support of school districts and community college districts pursuant to Section 8 of Article XVI for the prior fiscal year multiplied by the percentage growth in General Fund revenues from the prior to the current fiscal year based on the estimate contained in the Governor's May Revision proposal for the current fiscal year.

(C) Subtract the amount determined pursuant to subparagraph (B) from the amount determined pursuant to subparagraph (A) and multiply that difference by 0.5.

(f) Notwithstanding subdivision (a), the percentage of General Fund revenues transferred to the infrastructure fund in any fiscal year may not exceed the difference between 7.5 percent of estimated General Fund revenues for that fiscal year less the percentage of General Fund revenues for the prior fiscal year that were used to make debt payments in the prior fiscal year on general obligation bonds of the State and lease-revenue bonds issued by the State Public Works Board.

(g) The annual amount transferred to the infrastructure fund, as required pursuant to subdivision (a), shall be reduced by an amount equal to the sales tax revenue in each fiscal year that is redirected to the Traffic Congestion Relief and Safe School Bus Trust Fund pursuant to Proposition 51 if that measure was approved by the voters in November 2002.

SEC. 4. (a) The annual transfer from the General Fund to the infrastructure fund, as provided for by this article, shall be made over four time periods in the fiscal year as follows:

(1) The first transfer shall be made on August 1, or 30 days after enactment of the budget, whichever is later, and shall be in the amount of 25 percent of the total transfer for the fiscal year based on revenue assumptions made for purposes of the Budget Act, as determined by the Department of Finance.

(2) The second transfer shall be made on November 1, and shall be in the same amount as the first transfer.

(3) The third transfer shall be made on February 1, and the amount shall be the difference between 75 percent of the total required transfer for the current fiscal year, based on the adjusted revenue estimate for the current fiscal year according to the Governor's Budget proposal for the following fiscal year, and the total amount of the first and second transfers.

(4) The fourth transfer shall be made on May 31, and the amount shall be based on the difference between the total required transfer for the current fiscal year based on the adjusted revenue estimate for the current fiscal year according to the Governor's May Revision proposal for the following fiscal year and the total amount previously transferred.

(b) (1) If the updated revenue estimate for the current fiscal year, as contained in the Governor's Budget proposal for the next fiscal year, is more than 5 percent below the revenue assumptions made for purposes of the current fiscal year Budget Act as determined by the Department of Finance, the February 1 transfer shall be suspended until no sooner than May 31.

(2) If the updated revenue estimate for the current fiscal year, as contained in the Governor's May Revision proposal for the next fiscal year, is more than 5 percent below the revenue assumptions made for purposes of the current fiscal year Budget Act as determined by the Department of Finance, the February 1 transfer and the May 31 transfer shall be suspended for that fiscal year. If the February 1 transfer had already been made because revenue estimates at that

time did not show a 5 percent or greater decline, that amount shall be credited toward the transfer for the next fiscal year.

(3) If the revenue estimate for the current fiscal year, as contained in the Governor's May Revision proposal for the next fiscal year, is between 2 percent and 5 percent below the revenue assumptions made for purposes of the current fiscal year Budget Act, as determined by the Department of Finance, the total transfer for that fiscal year shall be only 75 percent of what it would otherwise be if revenues had not declined from the original estimate.

(4) If the revenue estimate for the current fiscal year, as contained in the Governor's May Revision proposal for the next fiscal year, is between zero and 2 percent below the revenue assumptions made for purposes of the current fiscal year Budget Act as determined by the Department of Finance, the total transfer amount for that fiscal year shall be 100 percent of that required under Section 3, and the fourth transfer on May 31 shall include the balance needed to fulfill the transfer requirement.

(c) If there is a year-to-year revenue decline on the basis that revenues in a fiscal year, as estimated either for purposes of the Budget Act at the beginning of the fiscal year, the following January in the Governor's Budget, or the following May in the Governor's May Revision, are estimated to be either less than the actual revenues in the prior fiscal year or more than 4 percent below actual revenues in the prior fiscal year after adjusting for inflation, both of the following shall occur:

(1) The transfer shall be suspended for that year. If the year-to-year decline in revenues is based on January or May revenue estimates, any transfers already made in August, November, and February of that fiscal year shall be credited toward transfer requirements for the following fiscal year. However, if the transfer is suspended in any fiscal year, the transfer in the following fiscal year shall be only one-half of the amount otherwise required based on the percentages specified in Section 3. That transfer requirement shall include amounts credited from transfers made in the prior fiscal year pursuant to this paragraph prior to any suspension occurring.

(2) Any unencumbered funds in the infrastructure fund that are allocated only to the State, and are subject to appropriation, may be loaned interest-free to the General Fund, either in the fiscal year that the transfer is suspended or in the following fiscal year, provided that these loans do not result in the delay of any previously funded projects.

SEC. 5. The funds transferred to the infrastructure fund in each fiscal year shall be allocated by the Legislature in the following fiscal year for capital outlay purposes, as follows:

(a) Fifty percent for acquisition, construction, rehabilitation, modernization, or renovation of infrastructure that is owned, or is to be acquired by, the State.

(b) Fifty percent for acquisition, construction, rehabilitation, modernization, or renovation of infrastructure, including, but not limited to, streets, roads, highways, transportation, water, parks, and open space, that is owned, or is to be acquired by, local governments, including cities, counties, a city and county, and special districts, but not school districts or community college districts. The Legislature shall provide by law a method for the annual allocation of these funds to local governments for their use on projects that meet the requirements of this section.

SEC. 6. Neither transfers to, nor allocations from, the infrastructure fund shall in any manner affect the calculations otherwise made pursuant to Section 8 or Section 8.5 of Article XVI.

SEC. 7. For purposes of this article, appropriations from the infrastructure fund pursuant to this article constitute appropriations for qualified capital outlay projects for purposes of Section 9 of Article XIII B.

INITIATIVE CONSTITUTIONAL AMENDMENT

Number
on ballot

54. **Classification by Race, Ethnicity, Color, or National Origin.**

[Submitted by the initiative and rejected by electors October 7, 2003.]

PROPOSED AMENDMENT OF ARTICLE I

Prohibition Against Classifying by Race by State and Other Public Entities

SECTION 1. Section 32 is added to Article I of the California Constitution, to read:

SEC. 32. (a) The State shall not classify any individual by race, ethnicity, color, or national origin in the operation of public education, public contracting, or public employment.

(b) The State shall not classify any individual by race, ethnicity, color, or national origin in the operation of any other state operations, unless the Legislature specifically determines that said classification serves a compelling state interest and approves said classification by a two-thirds majority in both houses of the Legislature, and said classification is subsequently approved by the Governor.

(c) For purposes of this section, "classifying" by race, ethnicity, color, or national origin shall be defined as the act of separating, sorting, or organizing by race, ethnicity, color, or national origin including, but not limited to, inquiring, profiling, or collecting such data on government forms.

(d) For purposes of subdivision (a), "individual" refers to current or prospective students, contractors, or employees. For purposes of subdivision (b), "individual" refers to persons subject to the state operations referred to in subdivision (b).

(e) The Department of Fair Employment and Housing (DFEH) shall be exempt from this section with respect to DFEH-conducted classifications in place as of March 5, 2002.

(1) Unless specifically extended by the Legislature, this exemption shall expire 10 years after the effective date of this measure.

(2) Notwithstanding DFEH's exemption from this section, DFEH shall not impute a race, color, ethnicity, or national origin to any individual.

(f) Otherwise lawful classification of medical research subjects and patients shall be exempt from this section.

(g) Nothing in this section shall prevent law enforcement officers, while carrying out their law enforcement duties, from describing particular persons in otherwise lawful ways. Neither the Governor, the Legislature, nor any statewide agency shall require law enforcement officers to maintain records that track individuals on the basis of said classifications, nor shall the Governor,

the Legislature, or any statewide agency withhold funding to law enforcement agencies on the basis of the failure to maintain such records.

(h) Otherwise lawful assignment of prisoners and undercover law enforcement officers shall be exempt from this section.

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

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

(k) 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, California State University, community college district, school district, special district, or any other political subdivision or governmental instrumentality of or within the State.

(l) This section shall become effective January 1, 2005.

(m) 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.

LIST OF OFFICERS

LIST OF OFFICERS
2003
STATE CAPITOL AND OTHER BUILDINGS
Sacramento 95814

Name	Office	Residence
Gray Davis	Governor	Los Angeles
Cruz Bustamante	Lieutenant Governor	Sacramento
Kevin Shelley	Secretary of State	San Francisco
Steve Westly	Controller	Menlo Park
Philip Angelides	Treasurer	Sacramento
Bill Lockyer	Attorney General	Hayward
John Garamendi	Insurance Commissioner	Walnut Grove
Jack O'Connell	Superintendent of Public Instruction	San Luis Obispo
Diane F. Boyer-Vine	Legislative Counsel	Sacramento

OFFICE OF GOVERNOR

Lynn Schenk	Chief of Staff
Michael Yamaki	Appointments Secretary
Burt Pines	Judicial Appointments Secretary
Susan Kennedy	Cabinet Secretary
Barry P. Goode	Legal Affairs Secretary
Mike Gotch	Legislative Secretary
Steve Maviglio	Press Secretary
Megan Egoscue	Director of Scheduling
Peter Ragone	Director of Communications
Tal Finney	Interim Director of Planning & Research
Ed Emerson	Director of Advance
Trish Fontana	Director of Special Projects
Michael Flores	Secretary of Foreign Affairs & Director of Administration & Protocol
Kari Dohn	Policy Director

Offices: State Capitol, Sacramento 95814

STATE BOARD OF EQUALIZATION
450 N Street, Sacramento 95814

Name	Office	Residence
Carole Migden	Board Member, First District	San Francisco
Bill Leonard	Board Member, Second District	Sacramento
Claude Parrish	Board Member, Third District	Santa Ana
John Chiang	Board Member, Fourth District	Los Angeles
Steve Westly (Controller)	Ex-Officio Member	Menlo Park

LEGISLATIVE DEPARTMENT

UNITED STATES SENATORS

Dianne Feinstein (D)..... 331 Hart Senate Office Building
 Washington, D.C. 20510
 One Post Street, #2450, San Francisco 94104

Barbara Boxer (D)..... 112 Hart Senate Office Building
 Washington, D.C. 20510
 1700 Montgomery Street, #240, San Francisco 94111

REPRESENTATIVES IN CONGRESS

Name	Party	District	Counties	Main District Office*
Baca, Joe	D	43	San Bernardino.....	201 N.E. Street, Suite 102 San Bernardino 92401
Becerra, Xavier	D	31	Los Angeles.....	1910 Sunset Blvd., #560 Los Angeles 90026
Berman, Howard L.	D	28	Los Angeles.....	14546 Hamlin, Suite 202 Van Nuys 91411
Bono, Mary	R	45	Riverside	707 Tahquitz Canyon Way, Suite 9 Palm Springs 92262
Calvert, Ken	R	44	Orange, Riverside.....	3400 Central Ave., #200 Riverside 92506
Capps, Lois	D	23	San Luis Obispo, Santa Barbara, Ventura.....	1216 State St., #403 Santa Barbara 93101
Cardoza, Dennis	D	18	Fresno, Madera, Merced, San Joaquin, Stanislaus.....	2222 M Street, Suite 305 Merced 95340
Cox, C. Christopher	R	48	Orange.....	One Newport Pl., #1010 Newport Beach 92660
Cunningham, Randy "Duke"	R	50	San Diego.....	613 West Valley Parkway, #320 Escondido 92025
Davis, Susan A.	D	53	San Diego.....	4305 University Ave. San Diego 92105
Dooley, Calvin M.	D	20	Fresno, Kern, Kings	1060 Fulton Mall, #1015 Fresno 93721
Doolittle, John T.	R	4	Butte, El Dorado, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Sierra Los Angeles, San Bernardino.....	4230 Douglas Blvd., #200 Granite Bay 95746
Dreier, David	R	26	Los Angeles, San Bernardino.....	2220 E. Route 66, Suite 225 Glendora 91740
Eshoo, Anna G.	D	14	San Mateo, Santa Clara, Santa Cruz.....	698 Emerson St. Palo Alto 94301
Farr, Sam	D	17	Monterey, San Benito, Santa Cruz.....	100 W. Alisal St. Salinas 93901
Filner, Bob	D	51	Imperial, San Diego	333 F St., Suite A Chula Vista 91910
Galleghy, Elton	R	24	Santa Barbara, Ventura.....	2829 Townsgate Road, Suite 315 Thousand Oaks 91361
Harman, Jane	D	36	Los Angeles.....	2321 E. Rosecrans Blvd., Suite 3270 El Segundo 90245
Hерger, Wally	R	2	Butte, Colusa, Glenn, Shasta, Siskiyou, Sutter, Trinity, Yolo, Yuba.....	55 Independence Circle, #104 Chico 95973
Honda, Michael M.	D	15	Santa Clara.....	1999 S. Bascom Ave., Suite 815 Campbell 95008
Hunter, Duncan	R	52	San Diego.....	366 South Pierce St. El Cajon 92020
Issa, Darrell E.	R	49	Riverside, San Diego.....	1800 Thibodo Road, Suite 310 Vista 92083
Lantos, Tom	D	12	San Francisco, San Mateo.....	400 S. El Camino Real, #410 San Mateo 94402
Lee, Barbara	D	9	Alameda.....	1301 Clay St., #1000N Oakland 94612
Lewis, Jerry	R	41	Riverside, San Bernardino	1150 Brookside Ave., #J-5 Redlands 92373
Lofgren, Zoe	D	16	Santa Clara.....	635 N. First St., Suite B San Jose 95112

REPRESENTATIVES IN CONGRESS—Continued

Name	Party	District	Counties	Main District Office*
Matsui, Robert T.	D	5	Sacramento.....	501 I St., #12-600 Sacramento 95814
McKeon, Howard P. "Buck"	R	25	Inyo, Los Angeles, Mono, San Bernardino.....	23929 West Valencia Blvd., #410 Santa Clarita 91355
Millender-McDonald, Juanita	D	37	Los Angeles.....	970 W. 190th St., E. Tower, #900 Torrance 90502
Miller, Gary G.	R	42	Los Angeles, Orange, San Bernardino.....	22632 Golden Springs Dr., #350 Diamond Bar 91765
Miller, George.....	D	7	Contra Costa, Solano	1333 Willow Pass Road, #203 Concord 94520
Napolitano, Grace F.	D	38	Los Angeles.....	11627 E. Telegraph Road, #100 Santa Fe Springs 90670
Nunes, Devin	R	21	Fresno, Tulare	1133 N. Church St., Suite 208 Visalia 93291
Ose, Doug	R	3	Alpine, Amador, Calaveras, Sacramento, Solano.....	4400 Auburn Blvd., Suite 110 Sacramento 95841
Pelosi, Nancy	D	8	San Francisco	450 Golden Gate Ave., Burton Federal Building, San Francisco 94102
Pombo, Richard W.	R	11	Alameda, Contra Costa, San Joaquin, Santa Clara....	2495 W. March Lane, #104 Stockton 95207
Radanovich, George P.	R	19	Fresno, Madera, Mariposa, Stanislaus, Tuolumne	2350 W. Shaw, #137 Fresno 93711
Rohrabacher, Dana	R	46	Orange.....	101 Main St., #380 Huntington Beach 92648
Roybal-Allard, Lucille .	D	34	Los Angeles.....	255 E. Temple St., #1860 Los Angeles 90012
Royce, Edward R.	R	40	Orange.....	305 N. Harbor Blvd., #300 Fullerton 92832
Sanchez, Linda	D	39	Los Angeles.....	4007 Paramount Blvd., Suite 106 Lakewood 90723
Sanchez, Loretta	D	47	Los Angeles, Orange.....	12397 Lewis St., #101 Garden Grove 92840
Schiff, Adam B.	D	29	Los Angeles.....	35 S. Raymond Ave., #205 Pasadena 91105
Sherman, Brad	D	27	Los Angeles, Ventura	5000 Van Nuys Blvd., Suite 420 Sherman Oaks 91403
Solis, Hilda L.	D	32	Los Angeles.....	4401 Santa Anita Ave., #211 El Monte 91731
Stark, Fortney "Pete" ...	D	13	Alameda	39300 Civic Center Drive, #220 Fremont 94538
Tauscher, Ellen O.	D	10	Alameda, Contra Costa, Sacramento, Solano.....	1801 N. California Blvd., #103 Walnut Creek 94596
Thomas, William M.	R	22	Kern, Los Angeles, San Luis Obispo.....	4100 Truxtun Ave., #220 Bakersfield 93309
Thompson, Mike.....	D	1	Del Norte, Humboldt, Lake, Mendocino, Napa, Sonoma, Yolo	1040 Main St., #101 Napa 94559
Waters, Maxine	D	35	Los Angeles.....	10124 Broadway, #1 Los Angeles 90003
Watson, Diane.....	D	33	Los Angeles.....	4322 Wilshire Blvd., Suite 302 Los Angeles 90010
Waxman, Henry A.	D	30	Los Angeles.....	8436 W. 3rd St., #600 Los Angeles 90048
Woolsey, Lynn C.	D	6	Marin, Sonoma.....	1101 College Avenue, #200 Santa Rosa 95404

* 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
MEMBERS OF THE SENATE

Name	Occupation	Party	Dist.	Counties	District Address
Aanestad, Sam	Oral Surgeon	R	4	Butte, Colusa, Del Norte, Glenn, Nevada, Placer, Shasta, Siskiyou, Sutter, Tehama, Trinity, Yolo.....	411 Main Street, Chico 95926 Ph: (530) 895-6088
Ackerman, Dick	Attorney	R	33	Orange.....	17821 East 17th Street, Suite 180, Tustin 92780 Ph: (714) 573-1853
Alarcón, Richard.....	Full-time Legislator.....	D	20	Los Angeles.....	6150 Van Nuys Blvd., Suite 400, Van Nuys 94101 Ph: (818) 901-5588
Alpert, Dede	Full-time Legislator.....	D	39	San Diego.....	1557 Columbia St., San Diego 92101 Ph: (619) 645-3090
Ashburn, Roy	County Supervisor	R	18	Inyo, Kern, San Bernardino, Tulare	5001 California Ave., Suite 105 Bakersfield 93309 Ph: (661) 323-0443
Battin, Jim	Businessman	R	37	Riverside	13800 Heacock, Suite C112, Moreno Valley 92553 Ph: (760) 568-0408
Bowen, Debra	Public Law Attorney.....	D	28	Los Angeles.....	2512 Artesia Blvd., Suite 200, Redondo Beach 90278. Ph: (310) 318-6994
Brulte, James L.	Full-time Legislator.....	R	31	Riverside, San Bernardino....	10681 Foothill Blvd., Suite 325, Rancho Cucamonga 91730. Ph: (909) 466-9096
Burton, John L.	Attorney	D	3	Marin, San Francisco, Sonoma.....	455 Golden Gate Ave., #14800, San Francisco 94102. Ph: (415) 557-1300
Cedillo, Gilbert	Director, Community Organization....	D	22	Los Angeles.....	617 S. Olive St., Suite 710 Los Angeles 90014 Ph: (213) 612-9566
Chesbro, Wesley	Full-time Legislator.....	D	2	Humboldt, Lake, Mendocino, Napa, Solano, Sonoma ..	50 D Street, Suite 120A, Santa Rosa 95404 Ph: (707) 576-2771
Denham, Jeff.....	Agriculture Business	R	12	Madera, Merced, Monterey, San Benito, Stanislaus	1620 N. Carpenter Road, Suite A-4 Modesto 95351 Ph: (209) 557-6592
Ducheny, Denise Moreno.....	Attorney	D	40	Imperial, Riverside, San Diego.....	53390 Enterprise Way, Suite 14, Coachella 92236 Ph: (760) 398-6442
Dunn, Joe	Consumer Attorney.....	D	34	Orange.....	12397 Lewis Street, Suite 103, Garden Grove 92840 Ph: (714) 705-1580
Escutia, Martha	Attorney	D	30	Los Angeles.....	12440 E. Imperial Ave., Suite 125, Norwalk 90650 Ph: (562) 929-6060
Figuroa, Liz.....	Businesswoman.	D	10	Alameda, Santa Clara.....	43271 Mission Blvd., Fremont 94539 Ph: (510) 413-5960
Florez, Dean	Investment Banking.....	D	16	Fresno, Kern, Kings, Tulare	1800 30th Street, Suite 350, Bakersfield 93301 Ph: (661) 395-2620
Hollingsworth, Dennis.....	Farmer's Representative	R	36	Riverside, San Diego.....	1870 Cordell Court, Suite 107, El Cajon 92020 Ph: (619) 596-3136
Johnson, Ross	Full-time Legislator.....	R	35	Orange.....	18552 MacArthur Blvd., Suite 395, Irvine 92612 Ph: (949) 833-0180
Karnette, Betty	Businesswoman/ Teacher.....	D	27	Los Angeles.....	3711 Long Beach Blvd., Suite 801, Long Beach 90807. Ph: (562) 997-0794

MEMBERS OF THE SENATE—Continued

Name	Occupation	Party	Dist.	Counties	District Address
Knight, Wm. "Pete"	Full-time Legislator.....	R	17	Los Angeles, San Bernardino, Ventura	1008 W. Avenue M-14, Suite G, Palmdale 93551. Ph: (661) 274-0188; 25709 Rye Canyon Road, Suite 105, Santa Clarita 91355 Ph: (661) 294-8184; 14343 Civic Drive, P.O. Box 5001, Victorville 92392 Ph: (760) 843-8414
Kuehl, Sheila James	Full-time Legislator.....	D	23	Los Angeles, Ventura	10951 West Pico Blvd., #202, Los Angeles 90064 Ph: (310) 441-9084
Machado, Mike	Farmer/ Businessman...	D	5	Sacramento, San Joaquin, Solano, Yolo	1020 N Street, Suite 506, Sacramento 95814 Ph: (916) 323-4306
Margett, Bob	Businessman	R	29	Los Angeles, Orange, San Bernardino....	23355 E. Golden Springs, Diamond Bar 91765 Ph: (909) 860-6402
McClintock, Tom	Budget Reduction Analyst	R	19	Los Angeles, Santa Barbara, Ventura...	223 E. Thousand Oaks Blvd., Suite 326, Thousand Oaks 91360. Ph: (805) 494-8808
McPherson, Bruce ..	Businessman	R	15	Monterey, San Luis Obispo, Santa Clara, Santa Cruz	701 Ocean St., Room 318, Santa Cruz 95060. Ph: (831) 425-0401; 25 San Juan Grade Road, Suite 150, Salinas 93906 Ph: (831) 443-3402
Morrow, Bill	Attorney	R	38	Orange, San Diego..	27126A Paseo Espada, Suite 1621, San Juan Capistrano 92675
Murray, Kevin	Full-time Legislator.....	D	26	Los Angeles.....	600 Corporate Pt., Suite 1020, Culver City 90230 Ph: (310) 641-4391
Oller, Thomas "Rico"	Business Owner	R	1	Alpine, Amador, Calaveras, El Dorado, Lassen, Modoc, Mono, Nevada, Placer, Plumas, Sacramento, Sierra	4230 Douglas Blvd., Suite 300, Granite Bay 95746
Ortiz, Deborah V.	Full-time Legislator.....	D	6	Sacramento.....	1020 N St., Suite 576, Sacramento 95814 Ph: (916) 324-4937
Perata, Don	Teacher.....	D	9	Alameda, Contra Costa.....	1515 Clay St., Suite 2202 Oakland 94612. Ph: (510) 286-1333
Poochigian, Charles	Attorney	R	14	Fresno, Madera, Mariposa, San Joaquin, Stanislaus, Tuolumne	4974 E. Clinton Way, Suite 100, Fresno 93727 Ph: (559) 253-7122; 1308 W. Main St., Suite B, Ripon 95366
Romero, Gloria	Professor	D	24	Los Angeles.....	1000 San Gabriel Blvd., Suite 201, Rosemead 91770 Ph: (626) 312-2800
Scott, Jack	Legislator/ Professor.....	D	21	Los Angeles.....	215 N. Marengo Avenue, Suite 185, Pasadena 91101 Ph: (626) 683-0282
Sher, Byron	Law Professor ...	D	11	San Mateo, Santa Clara, Santa Cruz	100 Paseo de San Antonio, Suite 206, San Jose 95113 Ph: (408) 277-9460
Soto, Nell	Full-time Legislator.....	D	32	Los Angeles, San Bernardino ...	822 N. Euclid Avenue, Suite A, Ontario 91762 Ph: (909) 984-7741

MEMBERS OF THE SENATE – Continued

Name	Occupation	Party	Dist.	Counties	District Address
Speier, Jackie	Attorney/ Legislator.....	D	8	San Francisco, San Mateo	400 South El Camino Real, Suite 630, San Mateo 94402. Ph: (650) 340-8840; 455 Golden Gate Avenue, Room 14200, San Francisco 94102 Ph: (415) 557-7857
Torlackson, Tom	Educator	D	7	Contra Costa.....	2801 Concord Blvd., Concord 94519 Ph: (925) 602-6593; 420 W. 3rd Street, Antioch 94509 Ph:(925) 754-1461
Vasconcellos, John ..	Full-time Legislator.....	D	13	Santa Clara.....	100 Paseo de San Antonio, Suite 209, San Jose 95113 Ph: (408) 286-8318
Vincent, Edward	Legislator	D	25	Los Angeles.....	1 Manchester Boulevard, Suite 600, Inglewood 90301. Ph: (310) 412-0393

OFFICERS AND ATTACHÉS OF THE SENATE

Title	Name	Capitol Office
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.....	3044 State Capitol
Chief Assistant Secretary	John W. Rovane.....	3044 State Capitol
Minute Clerk	Walter J. Little.....	3044 State Capitol
History Clerk.....	David H. Kneale.....	3044 State Capitol
Assistant Secretary.....	Stephen W. 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
Aghazarian, Greg	Small Businessman.....	R	26	2130	San Joaquin, Stanislaus	4557 Quail Lakes, Suite C3, Stockton 95207
Bates, Patricia C.	Legislator	R	73	6031	Orange, San Diego ..	30012 Ivy Glenn Dr., #120, Laguna Nigel 92677
Benoit, John J.	Law Enforcement	R	64	4144	Riverside	1223 University Ave., Suite 230, Riverside 92507
Berg, Patty	Social Worker/ Legislator.....	D	1	2137	Del Norte, Humboldt, Lake, Mendocino, Sonoma, Trinity	235 Fourth Street, Suite C, Eureka 95501
Bermudez, Rudy	Law Enforcement	D	56	5135	Los Angeles, Orange	16600 Civic Center Drive, 2nd Floor, Bellflower 90706
Bogh, Russ	Businessman/ Legislator.....	R	65	3098	Riverside, San Bernardino.....	34932 Yucaipa Blvd., Yucaipa 93299
Calderon, Ronald S.	Legislator/ Real Estate.....	D	58	2179	Los Angeles.....	400 N. Montebello Blvd., Suite 100, Montebello 90640
Campbell, John ..	Business Owner/ CPA	R	70	6027	Orange.....	18952 MacArthur Blvd., Suite 220, Irvine 92612
Canciamilla, Joe .	Full-time Legislator.....	D	11	2141	Contra Costa.....	815 Estudillo St., Martinez 94553
Chan, Wilma	Legislator.....	D	16	3160	Alameda	1515 Clay Street, Suite 2204, Oakland 94612
Chavez, Edward ..	Full-time Legislator.....	D	57	5150	Los Angeles.....	13181 Crossroads Parkway North, Suite 160, City of Industry 91746
Chu, Judy	Full-time Legislator.....	D	49	2148	Los Angeles	1255 Corporate Center Drive, Suite PH-9, Monterey Park 91754
Cogdill, Dave	Small Business Owner.....	R	25	4117	Calaveras, Madera, Mariposa, Mono, Stanislaus, Tuolumne	1912 Standiford Avenue, Suite 4, Modesto 95350
Cohn, Rebecca	Management Consultant	D	24	3173	Santa Clara	901 Campisi Way, Suite 300, Campbell 95008
Corbett, Ellen M.	Full-time Legislator.....	D	18	4126	Alameda.....	317 Juana Ave., San Leandro 94577
Correa, Lou	Legislator	D	69	6025	Orange.....	2323 N. Broadway, Suite 225, Santa Ana 92706
Cox, Dave	Businessman/ Legislator.....	R	5	3104	Placer, Sacramento..	4811 Chippendale Drive, Suite 501, Sacramento 95841
Daucher, Lynn	Legislator	R	72	2158	Orange.....	210 W. Birch Street, Suite 202, Brea 92821
Diaz, Manny	Full-time Legislator.....	D	23	2136	Santa Clara.....	100 Paseo de San Antonio, Suite 319, San Jose 95113
Dutra, John	Businessman/ Legislator.....	D	20	3091	Alameda, Santa Clara	39510 Paseo Padre Parkway, Suite 280, Fremont 94538
Dutton, Robert D.	Real Estate Investment and Management.....	R	63	3149	Riverside, San Bernardino.....	8577 Haven Avenue, Suite 210, Rancho Cucamonga 91730
Dymally, Mervyn M.	University Professor.....	D	52	3132	Los Angeles.....	322 W. Compton Blvd., Suite 100, Compton 90220
Firebaugh, Marco A.	Legislator	D	50	319	Los Angeles.....	8724 Garfield Avenue, Suite 104, South Gate 90280
Frommer, Dario ..	Legislator	D	43	6005	Los Angeles.....	111 East Broadway, Suite 205, Glendale 91205

MEMBERS OF THE ASSEMBLY – Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Garcia, Bonnie	Businesswoman...	R	80	4102	Imperial, Riverside..	78-700 Avenida Lalo Guerrero, Suite B, Cathedral City 92234
Goldberg, Jackie .	Teacher/ Legislator.....	D	45	2003	Los Angeles.....	106 North Avenue 56, Los Angeles 90042
Hancock, Loni	Full-time Legislator.....	D	14	4139	Alameda, Contra Costa.....	712 El Cerrito Plaza, El Cerrito 94530
Harman, Tom	Attorney	R	67	5158	Orange.....	17011 Beach Blvd., Suite 570, Huntington Beach 92647
Haynes, Ray	Attorney	R	66	4158	Riverside, San Diego.....	27555 Ynez Road, Suite 205, Temecula 92591
Horton, Jerome ...	Accountant/ Business Tax Specialist	D	51	2163	Los Angeles.....	One Manchester Blvd., Suite 601, Inglewood 90301
Horton, Shirley....	Businesswoman...	R	78	5126	San Diego.....	7144 Broadway, Lemon Grove 91945
Houston, Guy S...	Mortgage Broker/ Real Estate.....	R	15	4208	Alameda, Contra Costa.....	734 Third Street, Brentwood 94513
Jackson, Hannah-Beth ...	Attorney/ Legislator.....	D	35	4140	Santa Barbara, Ventura	101 W. Anapamu St., Suite A, Santa Barbara 93101
Keene, Rick	Attorney	R	3	5160	Butte, Lassen, Nevada, Placer, Plumas, Sierra, Yuba	1550 Humboldt Road, Suite 4, Chico 95928
Kehoe, Christine	Legislator/ Speaker Pro Tempore.....	D	76	3152	San Diego.....	1010 University Ave., Suite C-207, San Diego 92103
Koretz, Paul	Legislator	D	42	2176	Los Angeles.....	8490 Sunset Blvd., Suite 542, West Hollywood 90069
La Malfa, Doug...	Farmer	R	2	4177	Butte, Colusa, Glenn, Modoc, Shasta, Siskiyou, Sutter, Tehama, Yolo	1527 Starr Drive, Suite U, Yuba City 95993
La Suer, Jay.....	Legislator	R	77	2016	San Diego.....	5360 Jackson Drive, Suite 120, La Mesa 91942
Laird, John	Full-time Legislator.....	D	27	2196	Monterey, Santa Clara, Santa Cruz.....	99 Pacific Street, Suite 555D, Monterey 93940
Leno, Mark.....	Business Owner ..	D	13	3146	San Francisco.....	455 Golden Gate Ave., Suite 14300, San Francisco 94102
Leslie, Tim	Legislator	R	4	4164	Alpine, El Dorado, Placer, Sacramento	3300 Douglas Blvd., Suite 430, Roseville 95661
Levine, Lloyd E...	Full-time Legislator.....	D	40	6011	Los Angeles.....	6150 Van Nuys Blvd., Suite 300, Van Nuys 91401
Lieber, Sally J.	Full-time Legislator.....	D	22	4162	Santa Clara.....	100 Paseo de San Antonio, Suite 300, San Jose 95113
Liu, Carol.....	Educator	D	44	4112	Los Angeles.....	215 N. Marengo, Suite 115, Pasadena 91101
Longville, John ...	Full-time Legislator.....	D	62	3123	San Bernardino.....	201 North E Street, Suite 205, San Bernardino 92401
Lowenthal, Alan	Legislator	D	54	4146	Los Angeles.....	115 Pine Ave., Suite 430, Long Beach 90802
Maddox, Ken	Peace Officer/ Legislator.....	R	68	4167	Orange.....	1503 S. Coast Drive, Suite 205, Costa Mesa 92626

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Maldonado, Abel	Legislator	R	33	4015	San Luis Obispo, Santa Barbara.....	1302 Marsh Street, San Luis Obispo 93401
Matthews, Barbara	Legislator	D	17	5135	Merced, San Joaquin, Stanislaus	31 East Channel Street, Suite 306, Stockton 95202
Maze, Bill.....	Building Contractor/ Farmer	R	34	2002	Inyo, Kern, San Bernardino, Tulare	5959 S. Mooney, Visalia 93277
McCarthy, Kevin	Small Business Owner.....	R	32	4116	Kern, San Bernardino.....	4900 California Avenue, Suite 140A, Bakersfield 93309
McLeod, Gloria Negrete	Legislator	D	61	5016	Los Angeles, San Bernardino.....	4959 Palo Verde Street, Suite 100B, Montclair 91763
Montanez, Cindy	Full-time Legislator.....	D	39	5144	Los Angeles.....	11541 Laurel Canyon Blvd., Suite C, Mission Hills 91345
Mountjoy, Dennis	Small Businessman.....	R	59	3141	Los Angeles, San Bernardino.....	135 W. Lemon Avenue, Suite A, Monrovia 91016
Mullin, Gene	Educator	D	19	2170	San Mateo	1528 S. El Camino Real, Suite 302, San Mateo 94402
Nakanishi, Alan...	Physician	R	10	5175	Amador, El Dorado, Sacramento, San Joaquin	218 W. Pine Street, Lodi 95240
Nakano, George ..	Legislator	D	53	3120	Los Angeles.....	1217 El Prado Avenue, Torrance 90501
Nation, Joe	Legislator	D	6	3013	Marin, Sonoma.....	3501 Civic Center Drive, Room 412, San Rafael 94903
Núñez, Fabian	Full-time Legislator.....	D	46	2117	Los Angeles.....	320 W. 4th Street, Room 1050, Los Angeles 90013
Oropeza, Jenny ...	Full-time Legislator.....	D	55	6026	Los Angeles.....	One Civic Plaza, Suite 460, Carson 90745
Pacheco, Robert ..	Attorney/ Businessman.....	R	60	5164	Los Angeles, Orange, San Bernardino.....	17800 Castleton St., Suite 125, City of Industry 91748
Parra, Nicole.....	Full-time Legislator.....	D	30	2160	Fresno, Kern, Kings, Tulare	601 24th Street, Suite A, Bakersfield 93301
Pavley, Fran	Teacher.....	D	41	3126	Los Angeles, Ventura	6355 Topanga Canyon Blvd., Suite 205, Woodland Hills 91367
Plescia, George A.	Full-time Legislator.....	R	75	4009	San Diego.....	9909 Mira Mesa Blvd., Suite 130, San Diego 92131
Reyes, Sarah	Legislator	D	31	5136	Fresno, Tulare	2550 Mariposa Mall, Suite 5031, Fresno 93721
Richman, Keith ...	Physician	R	38	5128	Los Angeles, Ventura	10727 White Oak Avenue, Suite 124, Granada Hills 91344
Ridley-Thomas, Mark	Civil Rights Advocate/ Educator	D	48	4005	Los Angeles.....	700 State Drive, Los Angeles 90037
Runner, Sharon ...	Businesswoman...	R	36	2174	Los Angeles, San Bernardino.....	747 W. Lancaster Blvd, Lancaster 93534
Salinas, Simón	Teacher/Professor	D	28	2175	Monterey, San Benito, Santa Clara, Santa Cruz .	365 Fourth Street, Hollister 95023
Samuelian, Steve N.	Full-time Legislator.....	R	29	4153	Fresno, Madera	83 E. Shaw Ave., Suite 202, Fresno 93710

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Simitian, Joe	Full-time Legislator.....	D	21	5119	San Mateo, Santa Clara	160 Town & Country Village, Palo Alto 94301
Spitzer, Todd	Attorney	R	71	2111	Orange, Riverside....	1940 N. Tustin St, Suite 102, Orange 92865
Steinberg, Darrell	Full-time Legislator.....	D	9	2114	Sacramento.....	915 L St., Suite 110, Sacramento 95814
Strickland, Tony ..	Full-time Legislator.....	R	37	4098	Los Angeles, Ventura	2659 Townsgate Rd., Suite 236, Westlake Village 91361
Vargas, Juan	Legislator/ Attorney.....	D	79	2013	San Diego.....	678 Third Avenue, Suite 105, Chula Vista 91910
Wesson, Herb	Speaker/ Legislator.....	D	47	219	Los Angeles.....	5100 W. Goldleaf Circle, Suite 230, Los Angeles 90056
Wiggins, Patricia	Legislator	D	7	4016	Napa, Solano, Sonoma.....	50 D Street, Suite 301, Santa Rosa 95404
Wolk, Lois	Teacher.....	D	8	6012	Solano, Yolo	555 Mason Street, Suite 275, Vacaville 95688
Wyland, Mark	Legislator	R	74	4130	San Diego.....	221 E. Main Street, Suite 205, Vista 92084
Yee, Leland Y.	Child Psychologist	D	12	2188	San Francisco, San Mateo	455 Golden Gate Ave., Suite 14600, San Francisco 94102

OFFICERS OF THE ASSEMBLY

Name	Title	Mailing Address
Wesson, Jr., Herb J.	Speaker.....	5100 W. Goldleaf Circle, Suite 230, Los Angeles 90056
Kehoe, Christine	Speaker pro Tempore	1010 University Avenue, Suite C.207, San Diego 92103
Firebaugh, Marco	Majority Floor Leader....	8724 Garfield Avenue, Suite 104, South Gate 90280
Cox, Dave	Minority Floor Leader....	4811 Chippendale Drive, Suite 501, Sacramento 95841
Wilson, E. Dotson	Chief Clerk.....	State Capitol, Room 3196, Sacramento 95814
Pane, Ronald	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. Carlos R. Moreno.....	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 R. Brown.....	Associate Justice
Frederick K. Ohlrich.....	Clerk/Administrator

COURTS OF APPEAL

FIRST APPELLATE DISTRICT

DIVISION ONE

Hon. James J. Marchiano.....	Presiding Justice
Hon. Douglas E. Swager.....	Associate Justice
Hon. William D. Stein.....	Associate Justice
Hon. Sandra L. Margulies.....	Associate Justice

DIVISION TWO

Hon. J. Anthony Kline.....	Presiding Justice
Hon. James R. Lambden.....	Associate Justice
Hon. Paul R. Haerle.....	Associate Justice
Hon. Ignazio J. Ruvoilo.....	Associate Justice

DIVISION THREE

Hon. William R. McGuiness.....	Admin. Presiding Justice
Hon. Joanne C. Parrilli.....	Associate Justice
Hon. Stuart R. Pollak.....	Associate Justice
Hon. Carol A. Corrigan.....	Associate Justice

DIVISION FOUR

Hon. Laurence D. Kay.....	Presiding Justice
Hon. Timothy A. Reardon.....	Associate Justice
Hon. Patricia K. Sepulveda.....	Associate Justice
Hon. Maria P. Rivera.....	Associate Justice

DIVISION FIVE

Hon. Barbara J.R. Jones.....	Presiding Justice
Hon. Lawrence T. Stevens.....	Associate Justice
Hon. Mark B. Simons.....	Associate Justice
Hon. Linda M. Gemello.....	Associate Justice
Diana Herbert.....	Clerk/Administrator

350 McAllister Street, San Francisco 94102

SECOND APPELLATE DISTRICT

DIVISION ONE

Hon. Vaino Spencer.....	Presiding Justice
Hon. Miriam Vogel.....	Associate Justice
Hon. Robert M. Mallano.....	Associate Justice
Hon. Reuben A. Ortega.....	Associate Justice

300 So. Spring St., North Tower, 2nd Floor, Los Angeles 90013

DIVISION TWO

Hon. Roger Boren.....	Presiding Justice
Hon. Michael G. Nott.....	Associate Justice
Hon. Judith M. Ashmann-Gerst.....	Associate Justice
Hon. Kathryn Doi Todd.....	Associate Justice

300 So. Spring St., North Tower, 2nd Floor, Los Angeles 90013

DIVISION THREE

Hon. Joan D. Klein..... Presiding Justice
 Hon. Richard D. Aldrich..... Associate Justice
 Hon. Patti S. Kitching..... Associate Justice
 Hon. H. Walter Croskey..... Associate Justice

300 So. Spring St., North Tower, 2nd Floor, Los Angeles 90013

DIVISION FOUR

Hon. Charles S. Vogel..... Presiding Justice
 Hon. Norman L. Epstein..... Associate Justice
 Hon. J. Gary Hastings..... Associate Justice
 Hon. Daniel A. Curry..... Associate Justice

300 So. Spring St., North Tower, 2nd Floor, Los Angeles 90013

DIVISION FIVE

Hon. Paul Turner..... Presiding Justice
 Hon. Orville A. Armstrong..... Associate Justice
 Hon. Margaret M. Grignon..... Associate Justice
 Hon. Richard M. Mosk..... Associate Justice

300 So. Spring St., North Tower, 2nd Floor, Los Angeles 90013

DIVISION SIX

Hon. Arthur Gilbert..... Presiding Justice
 Hon. Steven Z. Perren..... Associate Justice
 Hon. Kenneth R. Yegan..... Associate Justice
 Hon. Paul H. Coffee..... Associate Justice

200 East Santa Clara St., Ventura 93001

DIVISION SEVEN

Hon. Dennis M. Perluss..... Presiding Justice
 Hon. Earl Johnson, Jr..... Associate Justice
 Hon. Fred Woods..... Associate Justice
 Joseph Lane..... Clerk

300 So. Spring St., North Tower, 2nd Floor, Los Angeles 90013

DIVISION EIGHT

Hon. Candace D. Cooper..... Presiding Justice
 Hon. Paul Boland..... Associate Justice
 Hon. Laurence D. Rubin..... Associate Justice

300 So. Spring St., North Tower, 2nd Floor, Los Angeles 90013

THIRD APPELLATE DISTRICT

Hon. Arthur G. Scotland.....Admin. Presiding Justice
 Hon. Coleman A. Blease..... Associate Justice
 Hon. Consuelo M. Callahan..... Associate Justice
 Hon. Richard M. Sims III..... Associate Justice
 Hon. Rodney Davis..... Associate Justice
 Hon. George W. Nicholson..... Associate Justice
 Hon. Vance W. Raye..... Associate Justice
 Hon. Fred K. Morrison..... Associate Justice
 Hon. Daniel M. Kolkey..... Associate Justice
 Hon. Harry Hull..... Associate Justice
 Hon. Ronald B. Robie..... Associate Justice
 Deena Fawcett..... Clerk

914 Capitol Mall Court, Sacramento 95814

FOURTH APPELLATE DISTRICT

DIVISION ONE

Hon. Daniel J. Kremer	Admin. Presiding Justice
Hon. Judith L. Haller	Associate Justice
Hon. Judith McConnell	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
Hon. Cynthia G. Aaron	Associate Justice
Stephen M. Kelly	Administrative 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 D. Ward	Associate Justice
Hon. Jeffrey King	Associate Justice

3389 12th St., Riverside 92501

DIVISION THREE

Hon. David G. Sills	Presiding Justice
Hon. Richard D. Fybel	Associate Justice
Hon. Kathleen E. O'Leary	Associate Justice
Hon. Eileen C. Moore	Associate Justice
Hon. William F. Rylaarsdam	Associate Justice
Hon. William W. Bedsworth	Associate Justice
Hon. Richard M. Aronson	Associate Justice
Hon. Raymond J. Ikola	Associate Justice

925 No. Spurgeon St., Santa Ana 92701

FIFTH APPELLATE DISTRICT

Hon. James A. Ardaiz	Admin. Presiding Justice
Hon. Herbert Levy	Associate Justice
Hon. Dennis A. Cornell	Associate Justice
Hon. Nikolas J. Dibiaso	Associate Justice
Hon. Steven M. Vartabedian	Associate Justice
Hon. James F. Thaxter	Associate Justice
Hon. Thomas A. Harris	Associate Justice
Hon. Timothy S. Buckley	Associate Justice
Hon. Rebecca A. Wiseman	Associate Justice
Hon. Gene M. Gomes	Associate Justice
Eve Sproule	Clerk/Administrator

2525 Capitol Street, Fresno 93721

SIXTH APPELLATE DISTRICT

Hon. Conrad L. Rushing	Admin. 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/Administrator

333 West Santa Clara Street, Suite 1060, San Jose 95113

PUBLIC UTILITIES COMMISSION

Michael R. Peevey President
Loretta Lynch Commissioner
Carl Wood Commissioner
Susan Kennedy Commissioner
Geoffrey Brown Commissioner
Wesley M. Franklin Executive Director

WORKERS' COMPENSATION APPEALS BOARD

Merle C. Rabine Chairperson
Frank M. Brass Member
James C. Cuneo Member
William K. O'Brien Member
Janis Murray Member
Vacant Member

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26	—	1040	Committee on Budget and Fiscal Review	66	282	—	Bermudez (Coauthors: Assembly Members Haynes, Shirley Horton, Longville, and Yee)
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28	353	—	Montanez (Principal coauthor: Assembly Member Goldberg) (Coauthors: Assembly Members Chavez, Dutton, Frommer, Levine, Pavley, Reyes, and Runner) (Coauthor: Senator Kuehl)	68	605	—	Yee
29	383	—	Cohn	69	769	—	Maddox
30	1488	—	Bates (Coauthors: Assembly Members Cox, Daucher, Garcia, La Suer, Maldonado, Pacheco, and Strickland) (Coauthors: Senators Alpert and Oller)	70	1254	—	La Malfa
31	1639	—	Firebaugh	71	376	—	Chu
32	167	—	Harman	72	774	—	Wiggins
33	326	—	Dutton	73	1105	—	Jackson
34	341	—	Aghazarian	74	—	455	Torlakson
35	399	—	Wyland	75	—	496	Alpert
36	520	—	Salinas	76	—	745	Ashburn
37	964	—	Frommer	77	88	—	Corbett and Steinberg (Coauthors: Assembly Members Dutra, Hancock, Jackson, Laird, Lieber, Longville, and Vargas)
38	1055	—	Spitzer	78	138	—	Lowenthal
39	1172	—	Berg (Coauthor: Senator Aanestad)	79	266	—	Mullin
40	1575	—	Pavley	80	362	—	Garcia
				81	416	—	La Suer

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82	566	—	Yee	125	—	968	Bowen
83	617	—	Spitzer	126	—	1068	Committee on Local Government (Senators Torlakson (Chair), Ackerman, Hollingsworth, Machado, Margett, Perata, and Soto)
84	702	—	Jackson	127	365	—	Jerome Horton (Coauthors: Assembly Members Cox, Dutton, Koretz, and Maze) (Coauthor: Senator Bowen)
85	805	—	Diaz (Coauthors: Assembly Members Lieber, Longville, and Maze)	128	418	—	Pacheco
86	867	—	Nakano	129	427	—	Longville
87	1043	—	Liu	130	781	—	Lieber (Principal coauthor: Assembly Member Nakano) (Coauthors: Assembly Members Chan, Chavez, Chu, Cox, Diaz, Dymally, Hancock, Laird, Levine, Liu, Longville, Maze, Montanez, Nakanishi, Pavley, Reyes, and Yee) (Coauthors: Senators Kuehl and Romero)
88	1274	—	Chavez	131	1117	—	Matthews and Cogdill
89	1361	—	McCarthy	132	1173	—	Haynes
90	1772	—	Committee on Banking and Finance (Wiggins (Chair), Calderon, Chan, Chavez, Correa, Montanez, and Vargas)	133	1273	—	Nakanishi
91	96	—	Bermudez	134	—	399	Kuehl
92	142	—	Kehoe	135	—	637	Knight
93	223	—	Diaz	136	—	784	Karnette
94	348	—	Chu (Coauthor: Assembly Member Lowenthal) (Coauthor: Senator Alpert)	137	1773	—	Committee on Banking and Finance (Wiggins (Chair), Chan, Chavez, Correa, Montanez, and Vargas) (Coauthors: Assembly Members Bogh and Strickland)
95	374	—	Chan	138	187	—	Runner and Garcia
96	398	—	Mullin	139	373	—	Chu
97	475	—	Correa	140	429	—	Dymally
98	693	—	Corbett	141	467	—	Dutra (Assembly Members Chavez, Frommer, Goldberg, Jerome Horton, Koretz, Levine, Lowenthal, Maze, Pavley, Reyes, Vargas, Wiggins, and Yee) (Senators Ducheny, Florez, Kuehl, Romero, and Soto)
99	812	—	Yee	142	709	—	Correa
100	853	—	Corbett	143	836	—	La Suer
101	924	—	Maldonado	144	1048	—	Calderon
102	1106	—	Jerome Horton (Coauthor: Assembly Member Wesson)	145	1304	—	Committee on Agriculture (Matthews (Chair), Maldonado (Vice Chair), Berg, Cogdill, Maddox, Maze, Oropeza, Parra, Reyes, Salinas, Vargas, and Wiggins)
103	—	158	Alarcon (Coauthor: Assembly Member Koretz)	146	1399	—	Longville
104	359	—	Koretz (Coauthors: Assembly Members Chavez and Maddox)	147	1423	—	Dutra
105	464	—	Levine	148	1727	—	Committee on Insurance (Vargas (Chair), Calderon, Chavez, Correa, Diaz, Dutra, Jerome Horton, Koretz, Nakano, and Ridley-Thomas)
106	504	—	Yee (Coauthor: Assembly Member Nation)	149	—	79	Committee on Judiciary (Senators Escutia (Chair), Ackerman, Cedillo, Ducheny, Kuehl, Morrow, and Sher)
107	569	—	Cohn	150	—	139	Brulte and Scott
108	583	—	Leslie	151	—	237	Florez
109	647	—	Nunez (Coauthors: Assembly Members Levine and Lieber)	152	—	337	Romero (Coauthor: Assembly Member Vargas)
110	690	—	Pacheco	153	—	378	Morrow (Coauthors: Senators Aanestad and Bowen) (Coauthors: Assembly Members Bates, Daucher, Dutton, Haynes, Horton, La Suer, Maze, Nakanishi, Pacheco, Pavley, Runner, Spitzer, and Strickland)
111	706	—	Maldonado	154	—	660	Speier
112	798	—	Committee on Aging and Long-Term Care (Daucher (Chair), Berg (Vice Chair), Lieber, Lowenthal, and Nakanishi)				
113	965	—	Kehoe (Coauthors: Assembly Members Cox, Haynes, Shirley Horton, La Suer, Laird, Pavley, Plescia, and Wyland) (Coauthors: Senators Alpert, Ducheny, Hollingsworth, Kuehl, and Soto)				
114	1019	—	Nakanishi				
115	1083	—	Cogdill				
116	1092	—	Harman				
117	1168	—	Berg (Principal coauthor: Senator Chesbro) (Coauthors: Assembly Members Hancock, Koretz, Laird, and Wiggins)				
118	1538	—	Berg (Coauthors: Assembly Members Aghazarian, Correa, Maze, Vargas, and Yee)				
119	1677	—	Committee on Elections, Redistricting and Constitutional Amendments (Longville (Chair), Samuelian (Vice Chair), Jerome Horton, Levine, Nunez, and Strickland)				
120	—	10	Poochigian				
121	—	176	Johnson				
122	—	316	McPherson				
123	—	487	Torlakson				
124	—	873	McPherson				

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155	—	762	Brulte and Margett (Coauthors: Senators Battin, Bowen, Denham, and Johnson) (Coauthors: Assembly Members Benoit, Cox, Maldonado, Pacheco, and Runner)	182	1104	—	Laird
				183	1430	—	Shirley Horton
				184	1509	—	Benoit
				185	1743	—	Committee on Revenue and Taxation (Chavez (Chair), Laird, Leno, and Simitian)
156	—	812	Vincent (Coauthors: Assembly Members Calderon, Canciamilla, Chavez, Cohn, Frommer, Harman, Jerome Horton, Levine, Longville, Liu, Maddox, McCarthy, Negrete McLeod, Nunez, Oropeza, Reyes, Ridley-Thomas, Samuelian, Strickland, Wesson, Wiggins, and Yee)	186	1745	—	Committee on Transportation (Dutra (Chair), Berg, Chan, Chu, Kehoe, Liu, Longville, Nakano, Oropeza, Parra, and Salinas)
				187	1778	—	Committee on Higher Education (Liu (Chair), Nakanishi (Vice Chair), Berg, Dymally, Shirley Horton, Jackson, Lowenthal, Matthews, and Negrete McLeod)
157	1765	—	Oropeza	188	—	127	Chesbro (Coauthor: Senator Aanestad)
158	1758	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	189	—	180	Burton
				190	—	253	Cedillo
				191	—	270	Soto
				192	—	334	Romero (Coauthor: Senator Margett) (Coauthors: Assembly Members Chavez and Chu)
159	1759	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	193	—	353	Ducheny
				194	—	392	Committee on Local Government (Senators Torlakson (Chair), Ackerman, Hollingsworth, Machado, Margett, Perata, and Soto)
160	1761	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	195	—	401	Florez
				196	—	736	Speier
				197	—	787	Battin
				198	—	965	Aanestad (Coauthors: Assembly Members Cohn, Dutton, Mountjoy, and Parra)
161	1763	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	199	—	1063	Committee on Revenue and Taxation (Senators Cedillo (Chair), Alpert, Bowen, and Burton)
				200	9	—	Dymally (Coauthors: Assembly Members Chan, Goldberg, Koretz, Lieber, and Ridley-Thomas)
				201	60	—	Dymally
				202	117	—	Kehoe
				203	175	—	Cohn
				204	287	—	Firebaugh
				205	302	—	Chan (Coauthors: Assembly Members Koretz, Lieber, Longville, Montanez, Nation, Pavley, and Steinberg)
162	1766	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	206	314	—	Kehoe (Coauthors: Assembly Members Hancock and Plescia)
				207	330	—	Parra
				208	615	—	Bates
				209	632	—	Kehoe (Coauthor: Senator Ashburn)
				210	673	—	Jerome Horton (Principal coauthor: Senator Burton) (Coauthors: Assembly Members Cohn and Strickland) (Coauthor: Senator Hollingsworth)
163	169	—	Chavez	211	703	—	Dymally
164	196	—	Leno (Coauthors: Assembly Members Berg, Diaz, Goldberg, Hancock, Kehoe, Koretz, Laird, Levine, Lieber, Longville, Lowenthal, and Yee) (Coauthor: Senator Kuehl)	212	792	—	Yee
				213	908	—	Chan
165	268	—	Mullin	214	1132	—	Koretz
166	1600	—	Nakano	215	1156	—	Nunez
167	—	181	Machado	216	1230	—	Hancock (Coauthors: Assembly Members Chavez and Laird) (Coauthors: Senators Alarcon, Bowen, Kuehl, and Romero)
168	—	735	Ackerman	217	1252	—	Jackson
169	—	841	Perata	218	1296	—	Berg
170	132	—	Chavez	219	1472	—	Goldberg
171	144	—	Correa (Coauthors: Assembly Members Harman, Maddox, and Spitzer)				
172	334	—	Goldberg				
173	346	—	Longville				
174	388	—	Strickland				
175	461	—	Longville				
176	518	—	Salinas				
177	535	—	Calderon				
178	716	—	Chan				
179	887	—	Committee on Agriculture (Matthews (Chair), Maldonado (Vice Chair), Berg, Cogdill, Maddox, Maze, Oropeza, Parra, Reyes, Salinas, Vargas, and Wiggins)				
180	902	—	Diaz				
181	1070	—	Laird				

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220	1478	—	Frommer				Ortiz, and Romero (Coauthors: Assembly Members Chan, Cohn, Goldberg, Hancock, Kehoe, Koretz, Laird, Leno, Levine, Lieber, Lowenthal, Mullin, Pavley, and Simitian)
221	1556	—	Nakano				
222	1662	—	Plescia and Firebaugh				
223	1750	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	242	634	—	Steinberg and Simitian (Principal coauthor: Assembly Member Montanez) (Coauthors: Assembly Members Berg, Bermudez, Calderon, Chan, Chavez, Chu, Diaz, Koretz, Laird, Lieber, Lowenthal, Pavley, Reyes, and Yee) (Coauthors: Senators Bowen, Romero, and Speier)
224	1751	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	243	—	265	Kuehl (Principal coauthor: Senator Chesbro) (Coauthors: Senators McClintock and Romero) (Coauthors: Assembly Members Cohn, Jackson, Lieber, Longville, and Pavley)
225	1752	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	244	—	633	Ashburn
226	1753	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	245	1098	—	Garcia
227	1754	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	246	1455	—	Negrete McLeod (Coauthor: Assembly Member Correa)
228	1756	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	247	—	59	Escutia
229	1757	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	248	—	73	Alpert
230	1762	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	249	—	116	Dunn, Alpert, Figueroa, Romero, Scott, Soto, and Speier (Coauthors: Assembly Members Diaz, Harman, Lieber, and Lowenthal)
231	1768	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	250	—	175	Kuehl (Coauthors: Assembly Members Hancock, Koretz, Lieber, and Pavley) (Coauthor: Senator Soto)
232	—	95	Alpert	251	—	182	Scott
233	—	110	Margett	252	—	232	Karnette
234	—	252	Alpert	253	—	308	Figueroa
235	—	283	Sher	254	—	408	Torlakson (Coauthors: Senators Karnette and Speier) (Coauthor: Assembly Member Levine)
236	—	565	Florez	255	—	538	Torlakson
237	—	674	Aanestad	256	—	732	Soto (Coauthors: Assembly Members Benoit, Koretz, Levine, and Yee)
238	—	877	Hollingsworth, Battin, Denham, and Knight	257	—	818	Escutia
239	1284	—	Leslie	258	—	856	Committee on Governmental Organization (Senators Vincent (Chair), Cedillo, Chesbro, Dunn, Johnson, Karnette, Machado, Margett, Morrow, and Soto)
240	1747	—	Committee on Budget (Oropeza (Chair), Bermudez, Chan, Chu, Diaz, Dutra, Dymally, Goldberg, Hancock, Jackson, Liu, Montanez, Nakano, Pavley, Reyes, Simitian, and Wolk)	259	—	1022	Perata
241	—	1	Speier and Burton (Principal coauthors: Assembly Members Jackson and Dutra) (Coauthors: Senators Bowen, Cedillo, Chesbro, Escutia, Karnette, Kuehl,	260	—	1045	Committee on Budget and Fiscal Review
				261	55	—	Correa
				262	134	—	Cohn
				263	355	—	Pacheco
				264	360	—	Jerome Horton
				265	542	—	Dutra and Parra
				266	722	—	Matthews
				267	790	—	Frommer
				268	967	—	Chavez
				269	1102	—	Yee
				270	1505	—	Wiggins
				271	1606	—	Shirley Horton
				272	—	196	Kuehl
				273	—	220	Romero (Coauthor: Senator Soto) (Coauthors: Assembly Members Maze and Nakano)
				274	—	919	Ortiz
				275	—	940	Escutia

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276	109	—	Dymally (Coauthors: Assembly Members Bermudez, Hancock, Koretz, and Lieber)	309	777	—	Dutton (Coauthors: Assembly Members Bates, Benoit, Cox, Houston, Koretz, Maddox, Maze, Nakanishi, Pacheco, Runner, and Spitzer)
277	277	—	Dutra (Coauthors: Assembly Members Chan, Cohn, Frommer, Hancock, Koretz, Levine, Longville, Mullin, Samuelian, and Yee) (Coauthors: Senators Johnson, Perata, Scott, Soto, and Vasconcellos)	310	794	—	Frommer
278	322	—	Parra	311	1141	—	Diaz (Coauthors: Assembly Members Koretz and Lieber)
279	447	—	Vargas	312	1166	—	Berg (Coauthors: Assembly Members Daucher, Garcia, and Lieber)
280	918	—	Chan (Coauthors: Assembly Members Hancock and Koretz)	313	1207	—	Corbett (Principal coauthor: Senator Denham) (Coauthor: Assembly Member Maze)
281	976	—	Montanez	314	1211	—	Nakano
282	1080	—	Committee on Agriculture (Matthews (Chair), Maldonado (Vice Chair), Berg, Cogdill, Maddox, Maze, Oropeza, Parra, Reyes, Salinas, Vargas, and Wiggins)	315	1413	—	Wolk
283	1069	—	Committee on Agriculture (Matthews (Chair), Maldonado (Vice Chair), Berg, Cogdill, Maddox, Maze, Oropeza, Parra, Reyes, Salinas, Vargas, and Wiggins)	316	1744	—	Committee on Revenue and Taxation (Chavez (Chair), Laird, Leno, and Simitian)
284	1125	—	Houston (Coauthors: Assembly Members Corbett and Dutra) (Coauthor: Senator Perata)	317	—	43	Cedillo (Coauthors: Senators Denham, Ducheny, Kuehl, McPherson, Romero, Soto, Torlakson, and Vasconcellos) (Coauthors: Assembly Members Bermudez, Chan, Chavez, Diaz, Frommer, Hancock, Jerome Horton, Koretz, Laird, Maze, Montanez, Mullin, Nunez, Reyes, and Yee)
285	1212	—	Pavley	318	—	109	Torlakson
286	1247	—	Aghazarian	319	—	165	Machado
287	1294	—	Wiggins	320	—	212	Machado
288	1347	—	Maze	321	—	370	Soto
289	1386	—	Shirley Horton (Principal coauthor: Assembly Member Correa)	322	—	540	Soto
290	1407	—	Wolk	323	—	984	Scott
291	1420	—	Laird	324	—	1076	Committee on Health and Human Services (Senators Ortiz (Chair), Aanstad, Alarcon, Chesbro, Escutia, Figueroa, Florez, Kuehl, Romero, Vasconcellos, and Vincent)
292	1436	—	Runner	325	—	1079	Committee on Business and Professions (Senators Figueroa (Chair), Aanstad, Brulte, and Machado)
293	1641	—	Keene	326	—	60	Cedillo (Principal coauthor: Senator Murray) (Coauthors: Senators Alarcon, Ducheny, Escutia, Kuehl, Romero, Soto, and Vasconcellos) (Coauthors: Assembly Members Berg, Bermudez, Calderon, Chan, Chu, Diaz, Dutra, Firebaugh, Goldberg, Hancock, Kehoe, Koretz, Lieber, Longville, Montanez, Mullin, Nunez, Oropeza, Reyes, and Salinas)
294	—	62	Committee on Local Government (Senators Torlakson (Chair), Ackerman, Hollingsworth, Machado, Margett, Perata, and Soto)	327	98	—	Koretz
295	—	63	Committee on Local Government (Senators Torlakson (Chair), Ackerman, Hollingsworth, Machado, Margett, Perata, and Soto)	328	226	—	Vargas, Koretz, and Lieber
296	—	66	Committee on Local Government (Senators Torlakson (Chair), Ackerman, Hollingsworth, Machado, Margett, Perata, and Soto)	329	276	—	Koretz
297	—	221	Romero	330	309	—	Chu (Coauthors: Assembly Members Chan, Correa, Dymally, Goldberg, Hancock, Leno, Longville, Montanez, Vargas, and Yee) (Coauthors: Senators Escutia, Kuehl, and Romero)
298	—	255	Ducheny	331	458	—	Chu (Coauthors: Assembly Members Goldberg, Kehoe, Koretz, Laird, Lieber, Leno, Longville, Nunez, Ridley-Thomas, and Steinberg) (Coauthor: Senator Kuehl)
299	—	296	Chesbro (Principal coauthor: Assembly Member Wiggins)	332	945	—	Nunez (Coauthor: Senator Romero)
300	—	521	Bowen	333	1379	—	Calderon (Coauthor: Senator Bowen)
301	—	544	Chesbro and Ashburn (Principal coauthor: Assembly Member Parra)	334	1708	—	Committee on Judiciary (Corbett (Chair), Dutra, Hancock, Jackson, Laird,
302	—	781	Margett				
303	301	—	Reyes (Coauthors: Assembly Members Berg, Dutra, Frommer, Longville, and Mountjoy) (Coauthor: Senator Soto)				
304	378	—	Steinberg and Levine				
305	414	—	Nakano				
306	524	—	Haynes (Coauthors: Assembly Members Cogdill, Cox, Dutton, La Suer, Maze, Mountjoy, and Pacheco) (Coauthors: Senators Knight, Morrow, and Oller)				
307	540	—	Bogh				
308	738	—	Jackson				

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335	—	90	Longville, Montanez, Steinberg, and Vargas) Torlakson (Coauthors: Assembly Members Hancock and Lieber)	365	1710	—	Committee on Judiciary (Corbett (Chair), Harman (Vice Chair), Dutra, Hancock, Jackson, Laird, Longville, Montanez, Steinberg, and Vargas) (Coauthor: Assembly Member Parra)
336	—	129	Escutia	366	1724	—	Committee on Agriculture (Matthews (Chair), Maldonado (Vice Chair), Berg, Cogdill, Maze, Oropeza, Parra, Reyes, Salinas, and Vargas)
337	—	445	Kuehl	367	—	144	Escutia
338	—	515	Kuehl (Coauthor: Assembly Member Montanez)	368	—	145	Alpert (Coauthor: Assembly Member Cox)
339	—	728	Scott	369	—	276	Vasconcellos
340	—	967	Burton (Coauthors: Senators Brulte, Johnson, McPherson, Scott, and Vasconcellos) (Coauthors: Assembly Members Firebaugh, Strickland, and Wesson)	370	—	285	Speier
341	—	1002	Sher	371	—	625	Committee on Public Employment and Retirement (Senators Soto (Chair), Karnette, and Scott)
342	846	—	Vargas (Coauthor: Assembly Member Levine)	372	—	690	Ashburn
343	852	—	Lieber	373	—	739	Ducheny (Coauthor: Senator Chesbro)
344	310	—	Kehoe (Coauthor: Assembly Member Goldberg)	374	—	795	Karnette
345	547	—	Liu (Coauthor: Senator Knight)	375	104	—	Lowenthal
346	1250	—	Laird	376	137	—	Correa, Chavez, Dymally, and Lieber (Principal coauthor: Assembly Members Koretz and Maze) (Coauthors: Assembly Members Bermudez, Cohn, Daucher, Frommer, Harman, Laird, Leno, Longville, Maddox, Matthews, Montanez, Nation, Nunez, Parra, Pavley, Reyes, Spitzer, Strickland, Wiggins, and Wyland) (Coauthors: Senators Aanestad, Denham, Florez, Kuehl, Machado, McPherson, Ortiz, Scott, and Soto)
347	188	—	Maze (Coauthors: Assembly Members Benoit, Bogh, Cogdill, Cox, Daucher, Dutton, Harman, Haynes, La Malfa, Maddox, Pacheco, Plescia, and Runner) (Coauthor: Senator Oller)	377	172	—	Nakanishi
348	236	—	Bermudez (Coauthors: Assembly Members Aghazarian, Benoit, Berg, Cohn, Correa, Daucher, Diaz, Firebaugh, Haynes, Koretz, La Suer, Maze, Mountjoy, Mullin, Nunez, Pacheco, Parra, Reyes, Ridley-Thomas, Runner, Samuelian, Spitzer, Vargas, Wyland, and Yee)	378	179	—	Chan
349	315	—	Salinas	379	182	—	Harman
350	317	—	Salinas	380	255	—	Jerome Horton
351	332	—	Mullin	381	284	—	Chavez
352	444	—	Vargas	382	479	—	Maldonado
353	513	—	Matthews	383	528	—	Mullin (Coauthors: Assembly Members Berg, Goldberg, and Steinberg)
354	813	—	Salinas	384	534	—	Vargas (Principal coauthor: Assembly Member Correa) (Coauthors: Assembly Members Chavez, Corbett, Diaz, Dutra, Frommer, Hancock, Laird, Lieber, Maze, and Nunez) (Coauthor: Senator Soto)
355	936	—	Reyes (Coauthor: Assembly Member Koretz)	385	587	—	Ridley-Thomas (Coauthors: Assembly Members Dymally, Firebaugh, Leno, Levine, Mullin, Nunez, and Yee) (Coauthors: Senators Escutia and Soto)
356	941	—	Yee	386	648	—	Dymally (Coauthor: Senator Vincent)
357	1014	—	Canciamilla	387	739	—	Jackson
358	1124	—	Nunez (Coauthors: Assembly Members Berg, Bermudez, Calderon, Chan, Chavez, Chu, Cohn, Corbett, Diaz, Dutra, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Jackson, Kehoe, Koretz, Laird, Leno, Levine, Lieber, Longville, Lowenthal, Montanez, Mullin, Nakano, Negrete McLeod, Parra, Pavley, Ridley-Thomas, Salinas, Steinberg, Vargas, Wiggins, and Yee) (Coauthors: Senators Alarcon, Romero, and Soto)	388	767	—	Nakano (Coauthors: Assembly Members Bates, Cox, and Lieber) (Coauthor: Senator Dunn)
359	1180	—	Harman	389	878	—	Pavley (Coauthor: Assembly Member Berg) (Coauthor: Senator Chesbro)
360	1181	—	Ridley-Thomas	390	915	—	Dutra
361	1263	—	Benoit (Coauthors: Assembly Members Bates, Cogdill, Cox, Dutton, Haynes, Maze, Mullin, Nakanishi, Pacheco, Samuelian, and Strickland)	391	928	—	Pacheco
362	1348	—	Lowenthal	392	943	—	Chavez
363	1382	—	Correa	393	1086	—	Laird
364	1689	—	Levine	394	1095	—	Corbett
				395	1220	—	Berg (Principal coauthor: Assembly Member Cohn) (Coauthors: Senators Aanestad, Alarcon, Chesbro, Florez,

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
396	1241	—	Kuehl, Ortiz, Romero, Vasconcellos, and Vincent) Parra (Principal coauthor: Assembly Member Maze) (Coauthors: Assembly Members Calderon, Cogdill, McCarthy, and Samuelian) (Coauthors: Senators Ashburn, Florez, and Kuehl)	422	24	—	Vargas, and Yee) (Coauthors: Senators Burton, Cedillo, Romero, and Vasconcellos) Negrete McLeod (Coauthor: Senator Bowen)
397	1371	—	Yee	423	115	—	Jerome Horton and Ridley-Thomas (Coauthor: Assembly Member Cohn)
398	1402	—	Wolk	424	171	—	Cohn and Oropeza (Coauthors: Assembly Members Chan, Diaz, Dymally, Hancock, Koretz, Leno, Lieber, Matthews, Ridley-Thomas, and Vargas)
399	1409	—	Wolk	425	177	—	Oropeza (Coauthors: Assembly Members Levine, Longville, and Nunez)
400	1537	—	Wyland	426	186	—	Correa
401	1544	—	Simitian	427	213	—	Leslie (Coauthor: Senator Bowen)
402	1570	—	Committee on Business and Professions (Correa (Chair), Koretz, Nation, Vargas, Wyland, and Yee)	428	243	—	Vargas
403	1683	—	Pavley (Coauthors: Assembly Members Calderon, Chavez, Frommer, Koretz, Levine, Mullin, Plescia, and Simitian) (Coauthors: Senators Kuehl and Soto)	429	294	—	Daucher
404	1774	—	Committee on Banking and Finance (Wiggins (Chair), Calderon, Chan, Chavez, Correa, Montanez, and Vargas)	430	305	—	Mullin
405	—	112	Speier, Figueroa, Machado, Romero, Scott, Soto, and Torlakson (Coauthors: Assembly Members Cohn, Frommer, Hancock, Kehoe, Koretz, Lieber, Lowenthal, Montanez, Mullin, Runner, and Yee)	431	352	—	Goldberg
406	—	151	Burton (Coauthors: Senators Aanestad, Kuehl, and Torlakson) (Coauthors: Assembly Members Berg, Canciamilla, Cohn, Dymally, Hancock, Jerome Horton, Koretz, Leno, Lieber, Longville, and Lowenthal)	432	377	—	Chan
407	—	189	Escutia (Coauthors: Senators Kuehl, Romero, Soto, and Vasconcellos) (Coauthors: Assembly Members Chan, Dymally, Hancock, Longville, Lowenthal, and Pavley)	433	385	—	Nakano
408	—	200	Murray	434	728	—	Leno
409	—	211	Dunn	435	768	—	Leno
410	—	247	Murray	436	786	—	Daucher and Simitian
411	—	376	Chesbro	437	938	—	Yee
412	—	448	Poochigian	438	948	—	Nunez (Coauthor: Senator Alarcon)
413	—	464	Murray	439	984	—	Vargas
414	—	642	Hollingsworth	440	1005	—	Dutra
415	—	677	Ortiz	441	1036	—	Mullin (Coauthor: Assembly Member Parra)
416	—	712	Alpert	442	1049	—	Calderon and Wyland
417	—	798	Cedillo	443	1201	—	Berg (Coauthor: Assembly Member Nakanishi)
418	—	801	Vasconcellos	444	1349	—	Canciamilla
419	—	1081	Committee on Health and Human Services (Senators Ortiz (Chair), Alarcon, Battin, Chesbro, Escutia, Figueroa, Florez, Kuehl, Romero, Vasconcellos, and Vincent) (Coauthor: Senator Aanestad)	445	1355	—	Wiggins
420	16	—	Jackson (Coauthor: Assembly Member Simitian)	446	1389	—	Ridley-Thomas (Coauthors: Assembly Members Bermudez and Longville)
421	205	—	Goldberg, Kehoe, Koretz, Laird, and Leno (Principal coauthor: Assembly Member Wesson) (Principal coauthor: Senator Kuehl) (Coauthors: Assembly Members Berg, Bermudez, Chan, Chu, Diaz, Dymally, Firebaugh, Frommer, Hancock, Levine, Lieber, Longville, Lowenthal, Montanez, Nation, Nunez, Oropeza, Pavley, Simitian, Steinberg,	447	1536	—	Goldberg
				448	1598	—	Corbett
				449	1712	—	Committee on Judiciary (Corbett (Chair), Dutra, Hancock, Jackson, Laird, Longville, Montanez, Steinberg, and Vargas)
				450	1716	—	Committee on Human Services (Wolk (Chair), Dutra, Lieber, and Mullin)
				451	1718	—	Committee on Transportation (Dutra (Chair), Chan, Chu, Liu, Longville, Nakano, Oropeza, Parra, Pavley, Salinas, and Simitian)
				452	1735	—	Committee on Utilities and Commerce (Reyes (Chair), Calderon, Campbell, Canciamilla, Diaz, Jerome Horton, La Malfa, Levine, Maddox, Nunez, Richman, and Ridley-Thomas)
				453	1738	—	Committee on Health (Frommer (Chair), Pacheco (Vice Chair), Bates, Chan, Chu, Cohn, Goldberg, Koretz, Nakanishi, Nakano, Negrete McLeod, Nunez, Ridley-Thomas, Wolk, and Yee)
				454	1045	—	Leslie
				455	1742	—	Committee on Revenue and Taxation (Chavez (Chair), Laird, Leno, and Simitian)
				456	1775	—	Committee on Banking and Finance (Wiggins (Chair), Calderon, Chan, Chavez, Correa, Montanez, and Vargas)

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
457	1783	—	Committee on Higher Education (Liu (Chair), Nakanishi (Vice Chair), Berg, Bogh, Dymally, Shirley Horton, Jackson, Lowenthal, Matthews, Negrete McLeod, and Strickland)	490	319	—	Frommer and Jerome Horton (Coauthor: Assembly Member Parra)
				491	433	—	Nation
				492	847	—	Pavley (Principal coauthors: Assembly Members Kehoe and Laird)
458	—	65	Torlakson, Escutia, and Ortiz (Principal coauthors: Assembly Members Jackson and Leno)	493	866	—	Pavley
				494	906	—	Nakano, Laird, and Simitian
				495	1290	—	Jackson
459	—	78	Torlakson and Ortiz (Principal coauthors: Assembly Members Frommer, Jackson, and Leno) (Coauthor: Senator Karnette)	496	1555	—	Nakano
				497	—	68	Alpert (Coauthor: Senator Ducheny) (Coauthor: Assembly Member Kehoe)
460	—	92	Speier, Denham, Ducheny, McPherson, and Soto (Coauthors: Assembly Members Canciamilla, Cohn, Dutra, Jerome Horton, Lieber, Maldonado, Mullin, Nunez, Plescia, Wolk, and Yee)	498	—	226	Cedillo
				499	—	238	Perata
				500	—	489	Scott (Principal coauthor: Assembly Member Koretz) (Coauthors: Senators Kuehl, Perata, and Romero) (Coauthors: Assembly Members Chan, Levine, Longville, and Lowenthal)
461	—	187	Karnette	501	—	639	Torlakson
462	—	271	Soto	502	—	824	Scott (Coauthors: Assembly Members Koretz and Longville)
463	—	452	Poochigian	503	13	—	Harman (Coauthor: Assembly Member Jackson)
464	—	617	Speier	504	1731	—	Committee on Housing and Community Development (Lowenthal (Chair), Cogdill, Dutra, Kehoe, Mullin, Runner, Salinas, and Steinberg)
465	—	624	Committee on Public Employment and Retirement (Senators Soto (Chair), Karnette, and Scott)	505	—	27	Figueroa (Coauthors: Senators Alpert, Romero, and Soto) (Coauthors: Assembly Members Calderon, Correa, Hancock, Lieber, Longville, Lowenthal, Montanez, Pavley, Vargas, and Wiggins)
466	—	748	McPherson and Denham (Principal coauthor: Assembly Member Plescia)	506	—	322	Ortiz
467	—	752	Alpert	507	—	771	Ortiz
468	—	851	Committee on Public Safety (Senators McPherson (Chair), Burton, Margett, Romero, Sher, and Vasconcellos)	508	361	—	Kehoe
469	—	947	Ducheny	509	560	—	Goldberg (Coauthor: Assembly Member Montanez)
470	—	970	Ortiz	510	801	—	Diaz (Principal coauthors: Assembly Members Firebaugh and Maldonado) (Coauthors: Assembly Members Koretz, Leiber, and Yee)
471	—	1062	Committee on Revenue and Taxation (Senators Cedillo (Chair), Alpert, Bowen, and Burton)	511	1022	—	Oropeza (Coauthor: Senator Murray)
472	170	—	Reyes	512	1097	—	Cogdill (Coauthor: Senator Poochigian)
473	1031	—	Correa	513	1210	—	Nakano
474	1034	—	Mullin	514	1354	—	Berg (Coauthor: Senator Chesbro)
475	1302	—	Simitian (Principal coauthor: Senator Sher)	515	1458	—	Reyes (Coauthors: Assembly Members Calderon, Cohn, Frommer, Jerome Horton, Nunez, Ridley-Thomas, and Strickland) (Coauthors: Senators Cedillo and Murray)
476	—	288	Sher (Coauthor: Senator Alarcon) (Coauthors: Assembly Members Diaz, Firebaugh, Frommer, Laird, Nation, Nunez, and Pavley)	516	1469	—	Negrete McLeod
477	—	523	Escutia	517	1476	—	Chavez
478	—	607	Aanestad	518	1479	—	Chu
479	—	700	Florez and Sher	519	1584	—	Committee on Public Employees, Retirement and Social Security (Negrete McLeod (Chair), Levine (Vice Chair), Chan, Correa, Kehoe, and Laird)
480	—	704	Florez (Coauthors: Assembly Members Jerome Horton, La Malfa, Levine, Reyes, Richman, and Wolk)	520	1585	—	Committee on Public Employees, Retirement and Social Security (Negrete McLeod (Chair), Levine (Vice Chair), Chan, Correa, Kehoe, Laird, and Nakanishi)
481	—	705	Florez	521	1625	—	Benoit
482	—	708	Florez	522	1634	—	Keene
483	—	709	Florez	523	1668	—	Salinas
484	—	777	Escutia				
485	—	907	Burton				
486	—	1065	Committee on Revenue and Taxation (Senators Cedillo (Chair), Alpert, Bowen, and Burton)				
487	—	186	Murray (Principal coauthor: Assembly Member Correa) (Coauthors: Assembly Members Bermudez, Maldonado, and Simitian)				
488	121	—	Simitian, Nakano, and Laird				
489	260	—	Jackson (Coauthors: Assembly Members Koretz, Lowenthal, Montanez, Mullin, Nakano, Nation, Pavley, and Vargas)				

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
524	1697	—	Pavley (Coauthors: Assembly Members Hancock, Koretz, Laird, Leno, Steinberg, and Vargas) (Coauthor: Senator Soto)	542	1059	—	Lieber (Coauthors: Assembly Members Koretz and Levine) (Coauthor: Senator Romero)
525	1717	—	Committee on Transportation (Dutra (Chair), Chan, Chu, Liu, Longville, Nakano, Oropeza, Parra, Pavley, Salinas, and Simitian)	543	1131	—	Jackson
526	—	20	Sher and Romero (Principal coauthor: Senator Kuehl) (Principal coauthor: Assembly Member Jackson) (Coauthor: Senator Figueroa) (Coauthors: Assembly Members Berg, Chu, Koretz, Laird, Leno, Levine, Lieber, Montanez, Pavley, and Wolk)	544	—	292	Speier (Coauthor: Senator Kuehl) (Coauthors: Assembly Members Hancock, Koretz, and Mullin)
527	—	36	Chesbro (Principal coauthor: Assembly Member Nunez) (Coauthors: Senators Ducheny, Kuehl, Ortiz, and Vasconcellos) (Coauthors: Assembly Members Berg, Chavez, Cohn, Diaz, Goldberg, Hancock, Koretz, and Yee)	545	—	413	Speier (Coauthors: Senators Alpert and Kuehl) (Coauthors: Assembly Members Koretz and Lieber)
528	—	99	Burton	546	—	618	Scott
529	—	140	Denham and Knight (Principal coauthor: Assembly Member Nation)	547	—	620	Scott (Coauthors: Senators Bowen, Ortiz, and Romero) (Coauthors: Assembly Members Benoit, Calderon, Chavez, Frommer, Koretz, Laird, Lieber, Lowenthal, Maddox, Mounjtjoy, Nakano, and Vargas)
530	—	610	Escutia (Principal coauthor: Senator Karnette) (Coauthors: Senators Ducheny, Kuehl, Romero, and Soto) (Coauthors: Assembly Members Chavez, Reyes, and Yee)	548	106	—	Corbett and Dutton (Principal coauthor: Assembly Member Calderon) (Principal coauthor: Senator Battin) (Coauthors: Assembly Members Bates, Chavez, Cogdill, Garcia, Harman, Koretz, Levine, Lieber, Liu, Longville, Lowenthal, Maze, Nation, Plescia, Runner, Salinas, Spitzer, Wolk, Wyland, and Yee) (Coauthors: Senators Bowen, Kuehl, and Vasconcellos)
531	—	720	Bowen (Coauthor: Senator Alarcon)	549	123	—	Cohn and Chavez
532	763	—	Liu	550	195	—	Chan (Coauthors: Assembly Members Chavez, Diaz, Lowenthal, Pavley, and Yee)
533	—	602	Figueroa (Coauthors: Senators Kuehl and Romero) (Coauthors: Assembly Members Chan, Corbett, Jackson, Koretz, Levine, Montanez, Pavley, Reyes, Vargas, and Wiggins)	551	197	—	Strickland
534	—	684	Alpert (Coauthors: Assembly Members Pavley, Vargas, and Wiggins)	552	300	—	Committee on Education (Goldberg (Chair), Plescia (Vice Chair), Cohn, Garcia, Hancock, Liu, Mullin, Pavley, Reyes, and Wyland)
535	506	—	Maze (Coauthors: Assembly Members Cox, Dutton, Garcia, Haynes, La Suer, Pacheco, Plescia, and Runner) (Coauthors: Senators Johnson and Soto)	553	304	—	Mullin (Principal coauthor: Senator Torlakson)
536	608	—	Daucher (Coauthor: Assembly Member Spitzer)	554	313	—	Dutra
537	898	—	Chu (Coauthors: Assembly Members Bates, Berg, Chan, Cohn, Corbett, Daucher, Diaz, Frommer, Goldberg, Hancock, Shirley Horton, Houston, Jackson, Kehoe, Lieber, Liu, Longville, Matthews, Maze, Montanez, Nation, Oropeza, Pavley Runner, Wiggins, and Wolk) (Coauthors: Senators Alpert, Bowen, Escutia, Figueroa, Karnette, Kuehl, Romero, and Speier)	555	327	—	Runner
538	—	356	Alpert (Coauthor: Senator Hollingsworth) (Coauthor: Assembly Member Vargas)	556	401	—	Jerome Horton
539	—	361	Figueroa (Coauthors: Senators Aanestad and Vincent) (Coauthors: Assembly Members Correa, Nation, and Runner)	557	512	—	Bates (Coauthors: Assembly Members Maze and Pacheco) (Coauthor: Senator Denham)
540	—	879	Margett, Battin, Denham, Hollingsworth, Knight, Morrow, and Oller (Coauthors: Assembly Members Garcia, Shirley Horton, La Suer, and Plescia)	558	579	—	Chu
541	1044	—	Negrete McLeod	559	626	—	Liu
				560	676	—	Nakanishi
				561	682	—	Corbett
				562	715	—	Chan (Coauthors: Assembly Members Hancock and Levine)
				563	827	—	Committee on Business and Professions (Correa (Chair), Bermudez, Koretz, Nation, Vargas, and Yee)
				564	839	—	Salinas
				565	909	—	Reyes
				566	954	—	Goldberg
				567	956	—	Nation
				568	962	—	La Suer
				569	986	—	Jerome Horton
				570	1008	—	Dutton
				571	1191	—	Wiggins
				572	1244	—	Chu and Dutra
				573	1266	—	Committee on Budget
				574	1309	—	Goldberg
				575	1370	—	Yee

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
576	1384	—	Maddox				Daucher, Frommer, Goldberg, Shirley Horton, Kehoe, Matthews, Parra, Pavley, and Wolk)
577	1449	—	Firebaugh				
578	1475	—	Steinberg				
579	1496	—	Montanez	611	—	277	Ducheny (Principal coauthors: Senators Kuehl and Machado) (Principal coauthor: Assembly Member Kehoe) (Coauthors: Senators Alpert, Battin, and Escutia) (Coauthors: Assembly Members Benoit, Berg, Canciamilla, Corbett, Garcia, Shirley Horton, Lowenthal, Pavley, Plescia, Spitzer, Vargas, and Wolk)
580	1512	—	Cohn				
581	1576	—	Liu				
582	1627	—	Frommer (Coauthor: Assembly Member Matthews)				
583	1628	—	Frommer				
584	1649	—	Simitian				
585	1705	—	Committee on Judiciary (Corbett (Chair), Dutra, Hancock, Jackson, Laird, Longville, Montanez, Steinberg, and Vargas)	612	—	317	Kuehl (Principal coauthors: Senators Ducheny and Machado) (Principal coauthor: Assembly Member Kehoe) (Coauthors: Senators Alpert, Battin, and Escutia) (Coauthors: Assembly Members Berg, Canciamilla, Corbett, Garcia, Shirley Horton, Lowenthal, Pavley, Plescia, Spitzer, Vargas, Wolk, and Wyland)
586	1777	—	Committee on Business and Professions (Correa (Chair), Corbett, Koretz, Leno, Nation, Vargas, and Yee)				
587	—	15	Alpert (Principal coauthor: Senator Florez)				
588	—	88	Chesbro				
589	—	146	Escutia				
590	—	244	Speier				
591	1286	—	Frommer (Coauthors: Assembly Members Pavley and Wiggins)	613	—	654	Machado (Principal coauthors: Senators Alpert, Battin, Ducheny, Escutia, and Kuehl) (Principal coauthor: Assembly Member Kehoe) (Coauthors: Assembly Members Berg, Canciamilla, Corbett, Garcia, Shirley Horton, Lowenthal, Pavley, Plescia, Spitzer, Vargas, Wolk, and Wyland)
592	—	256	Escutia				
593	—	305	Ducheny (Principal coauthors: Assembly Members Correa and Matthews) (Coauthors: Senators Ashburn and Hollingsworth) (Coauthors: Assembly Members Aghazarian and Parra)	614	—	1004	Soto and Romero (Coauthor: Senator Machado) (Coauthors: Assembly Members Calderon and Firebaugh)
594	—	315	Committee on Transportation (Senators Murray (Chair), Figueroa, Florez, Karnette, Perata, Scott, Soto, and Torlakson)	615	375	—	Bermudez (Coauthor: Assembly Member Wiggins) (Coauthor: Senator Ortiz)
595	—	359	Figueroa (Principal coauthor: Assembly Member Matthews)	616	977	—	Diaz
596	—	377	Chesbro (Coauthor: Assembly Member Cohn)	617	—	439	Committee on Public Employment and Retirement (Soto (Chair), Karnette, and Scott) (Principal coauthor: Assembly Member Negrete McLeod)
597	—	760	Scott and Alpert	618	49	—	Simitian
598	—	802	Torlakson (Coauthors: Assembly Members Dutra and Houston)	619	158	—	Runner
599	—	821	Alarcon	620	233	—	Cogdill (Coauthors: Assembly Members Benoit, Chavez, Cohn, Cox, Diaz, Dutton, Maddox, Matthews, Maze, McCarthy, Plescia, and Wyland) (Coauthors: Senators Battin, Denham, Margett, Morrow, Oller, and Soto)
600	—	826	Ashburn	621	568	—	Goldberg
601	—	857	Speier	622	616	—	Vargas
602	—	937	Ducheny (Coauthors: Senators Bowen, Cedillo, Kuehl, and Soto) (Coauthors: Assembly Members Bates, Chan, Diaz, Goldberg, Hancock, Koretz, Laird, Maze, Nunez, and Salinas)	623	669	—	Cohn
603	—	1016	Bowen	624	991	—	Negrete McLeod
604	—	1059	Committee on Revenue and Taxation (Senators Cedillo (Chair), Alpert, Bowen, and Burton)	625	1301	—	Simitian (Coauthor: Assembly Member Spitzer)
605	—	1060	Committee on Revenue and Taxation (Senators Cedillo (Chair), Alpert, Bowen, and Burton)	626	1303	—	Simitian (Coauthor: Assembly Member Bogh)
606	—	1064	Burton	627	1532	—	Nakano (Principal coauthor: Assembly Member Ridley-Thomas) (Principal coauthor: Senator Vasconcellos)
607	—	1077	Committee on Business and Professions (Senators Figueroa (Chair), Aanestad, Brulte, and Machado)	628	1551	—	Kehoe (Coauthors: Assembly Members Shirley Horton, Plescia, Wyland, and Vargas) (Coauthors: Senators Alpert, Ducheny, and Scott)
608	826	—	Jackson (Coauthors: Assembly Members Laird and Lieber)	629	—	294	Soto
609	1541	—	Montanez (Coauthor: Assembly Member Firebaugh)	630	—	478	Dunn
610	1770	—	Committee on Water, Parks and Wildlife (Canciamilla (Chair), Berg, Corbett,	631	—	911	Alpert
				632	—	1008	Machado

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633	—	1061	Committee on Revenue and Taxation (Senators Cedillo (Chair), Alpert, Bowen, and Burton)	661	1214	—	Firebaugh (Coauthor: Assembly Member Levine)
634	1313	—	Parra (Principal coauthor: Assembly Member Spitzer) (Coauthors: Assembly Members Bogh, Diaz, Garcia, Shirley Horton, La Suer, Strickland, and Vargas) (Coauthors: Senators Alpert, Battin, Hollingsworth, Machado, Margett, and McPherson)	662	1277	—	Cohn
635	227	—	Vargas (Coauthor: Assembly Member Nunez) (Coauthors: Senators Alarcon and Burton)	663	1330	—	Simitian
636	1099	—	Negrete McLeod (Coauthor: Assembly Member Koretz)	664	1360	—	Steinberg
637	1262	—	Matthews	665	1548	—	Pavley (Coauthor: Senator Torlakson)
638	1557	—	Vargas	666	—	183	Sher
639	—	228	Alarcon (Coauthor: Senator Burton)	667	—	210	Burton
640	—	358	Figueroa (Coauthors: Senators Aanstad and Vincent) (Coauthors: Assembly Members Correa, Nation, and Runner)	668	—	352	Escutia
641	—	1007	Speier and Margett	669	—	507	Escutia
642	—	1025	Escutia	670	—	1032	Murray (Coauthors: Assembly Members Goldberg, Koretz, and Leno)
643	561	—	Lieber and Chu	671	76	—	Corbett (Principal coauthors: Assembly Members Jackson, Koretz, and Steinberg) (Principal coauthor: Senator Kuehl) (Coauthors: Assembly Members Cohn, Hancock, Laird, Levine, Lieber, and Yee) (Coauthor: Senator Romero)
644	663	—	Lieber	672	1528	—	Cohn, Frommer, and Pacheco (Principal coauthor: Senator Alpert)
645	844	—	Nation	673	—	2	Burton and Speier (Principal coauthor: Assembly Member Frommer) (Coauthor: Assembly Member Cohn)
646	845	—	Vargas (Coauthor: Senator Bowen)	674	—	156	Burton
647	996	—	Wiggins (Coauthors: Assembly Members Diaz, Chan, Chavez, Koretz, Lieber, and Richman)	675	66	—	Leslie (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Cogdill, Cox, Dutton, Garcia, Harman, Houston, Lieber, Longville, Maddox, Maze, Nakanishi, Pacheco, and Spitzer) (Coauthor: Senator Denham)
648	1400	—	Wolk (Coauthor: Assembly Member Nunez) (Coauthor: Senator Romero)	676	390	—	Montanez
649	1675	—	Longville	677	413	—	Goldberg (Principal coauthor: Senator Cedillo)
650	—	71	Kuehl (Coauthors: Senators Alpert, Chesbro, Machado, Romero, Soto, Speier, Torlakson, and Vasconcellos) (Coauthors: Assembly Members Berg, Bermudez, Chan, Chu, Cohn, Diaz, Firebaugh, Goldberg, Hancock, Jackson, Kehoe, Koretz, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Mullin, Nation, Negrete McLeod, Pavley, Steinberg, Vargas, Wiggins, Wolk, and Yee)	678	453	—	Yee
651	—	490	Alpert (Coauthor: Senator Bowen) (Coauthor: Assembly Member Cohn)	679	455	—	Chu (Coauthors: Assembly Members Koretz, Levine, Lieber, and Longville)
652	—	545	Speier (Coauthor: Assembly Member Cohn)	680	514	—	Kehoe
653	591	—	Strickland	681	635	—	Wiggins
654	1601	—	Frommer (Principal coauthors: Senators Burton and Cedillo)	682	820	—	Nakanishi (Coauthors: Assembly Members Cogdill, Garcia, Leslie, and McCarthy) (Coauthors: Senators Denham and Poochigian)
655	—	103	Alpert	683	897	—	Jackson
656	—	614	Cedillo and Burton (Principal coauthor: Assembly Member Frommer)	684	942	—	Leno and Firebaugh (Coauthors: Senators McPherson, Scott, and Vasconcellos)
657	—	640	Burton	685	1085	—	Committee on Agriculture (Matthews (Chair), Maldonado (Vice Chair), Berg, Cogdill, Maddox, Maze, Oropeza, Parra, Reyes, Salinas, Vargas, and Wiggins)
658	299	—	Lowenthal and Koretz	686	1090	—	Longville
659	747	—	Matthews and La Malfa (Principal coauthor: Assembly Member Nakanishi) (Principal coauthor: Senator Figueroa)	687	1130	—	Diaz
660	833	—	Steinberg, Jackson, Oropeza, and Wesson (Coauthors: Assembly Members Chu, Cohn, Diaz, Goldberg, Levine, Negrete McLeod, and Pavley) (Coauthor: Senator Karnette)	688	1216	—	Vargas
				689	1218	—	Dutra
				690	1248	—	Aghazarian
				691	1326	—	Simitian (Coauthor: Assembly Member Mullin) (Coauthor: Senator Sher)
				692	1340	—	Kehoe
				693	1405	—	Wolk and Harman (Coauthor: Senator McPherson) (Coauthor: Assembly Member Laird)
				694	1492	—	Laird (Coauthors: Assembly Members Berg, Hancock, Jackson, Koretz, Lowenthal, and Wolk)
				695	1545	—	Simitian
				696	1640	—	Laird

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697	1741	—	Committee on Revenue and Taxation (Chavez (Chair), Laird, Leno, and Simitian)	732	—	93	Alpert
698	1771	—	Committee on Water, Parks and Wildlife (Canciamilla (Chair), Berg, Corbett, Frommer, Goldberg, Kehoe, Lowenthal, Matthews, Parra, Pavley, and Wolk)	733	—	168	Committee on Energy, Utilities and Communications (Senators Bowen (Chair), Battin, Dunn, Morrow, and Sher)
699	—	41	Bowen	734	—	297	Chesbro
700	—	3	Burton (Principal coauthor: Senator Vasconcellos) (Coauthors: Senators Perata, Romero, Scott, and Sher) (Coauthors: Assembly Members Hancock, Leno, Nation, and Steinberg)	735	—	412	Sher
701	—	155	Scott	736	—	418	Sher
702	—	157	Bowen (Coauthor: Senator Alpert)	737	—	552	Burton
703	—	248	Murray (Coauthor: Senator Florez) (Coauthors: Assembly Members Firebaugh and Plescia)	738	—	656	Sher (Coauthors: Assembly Members Chan and Lieber)
704	—	295	Vasconcellos (Principal coauthor: Assembly Member Leslie) (Coauthors: Assembly Members Berg, Goldberg, Koretz, and Leno)	739	—	666	Bowen (Coauthor: Senator Kuehl) (Coauthors: Assembly Members Jerome Horton, Nakano, Pavley, and Wesson)
705	—	416	Alpert	740	—	833	Machado
706	—	443	Figueroa	741	—	1049	Committee on Budget and Fiscal Review
707	—	476	Florez	742	—	1074	Committee on Environmental Quality (Senators Sher (Chair), Chesbro, Denham, Figueroa, Kuehl, McPherson, and Romero)
708	—	549	Vasconcellos (Principal coauthor: Senator Romero)	743	231	—	Steinberg and Lieber (Coauthors: Assembly Members Chan, Chu, Dutra, Hancock, Koretz, Laird, Longville, Simitian, Wolk, and Yee) (Coauthors: Senators Kuehl, Ortiz, Romero, and Vasconcellos)
709	—	566	Scott	744	529	—	Mullin
710	—	570	Chesbro	745	766	—	Longville
711	—	578	Alarcon (Principal coauthor: Assembly Member Hancock)	746	879	—	Koretz (Coauthor: Assembly Member Goldberg)
712	—	808	Karnette (Principal Coauthor: Senator Perata) (Principal Coauthor: Assembly Member Lowenthal)	747	999	—	Jerome Horton (Principal coauthor: Assembly Member Montanez)
713	—	853	Escutia (Coauthor: Senator Perata)	748	1196	—	Montanez (Coauthors: Assembly Members Koretz and Lieber)
714	—	915	Perata, Burton, and Torlakson (Coauthors: Assembly Members Chan, Hancock, Leno, Mullin, Nation, Wiggins, and Yee)	749	1676	—	Dutra
715	—	916	Perata (Principal coauthor: Senator Torlakson) (Coauthor: Senator Burton) (Coauthors: Assembly Members Chan, Hancock, Leno, Mullin, and Wiggins)	750	—	130	Chesbro
716	—	460	Alpert	751	—	436	Soto
717	—	973	Machado (Coauthors: Assembly Members Aghazarian, Matthews, and Nakanishi)	752	17	—	Kehoe (Coauthors: Assembly Members Chan, Chu, Diaz, Firebaugh, Goldberg, Hancock, Koretz, Laird, Leno, Levine, Lieber, Longville, Montanez, Nation, Oropeza, Steinberg, Vargas, Wiggins, and Yee) (Coauthors: Senators Burton, Kuehl, and Vasconcellos)
718	—	1009	Alpert (Principal coauthor: Assembly Member Leno)	753	28	—	Jackson and Pavley (Principal coauthors: Senators Burton and Sher)
719	—	1055	Committee on Budget and Fiscal Review	754	161	—	Steinberg
720	184	—	Lowenthal (Coauthors: Assembly Members Corbett, Goldberg, and Pavley) (Coauthors: Senators Alpert, Cedillo, Karnette, Kuehl, Romero, and Speier)	755	163	—	Nation (Principal coauthor: Assembly Member Wolk) (Coauthors: Senators Chesbro and Machado)
721	189	—	Cogdill	756	278	—	Bermudez
722	248	—	Nunez	757	296	—	Oropeza
723	256	—	Kehoe and Vargas (Principal coauthor: Senator Alpert)	758	396	—	Harman (Coauthors: Senators Hollingsworth and Morrow)
724	523	—	Calderon	759	544	—	Montanez
725	762	—	Nunez	760	668	—	Cox
726	776	—	Matthews	761	859	—	Nakano and Wesson
727	935	—	Diaz	762	903	—	Steinberg
728	953	—	Houston	763	944	—	Steinberg
729	1238	—	Firebaugh (Coauthor: Senator Chesbro)	764	1082	—	Laird
730	—	56	Hollingsworth	765	1101	—	Steinberg (Principal coauthor: Assembly Member Pavley) (Coauthors: Assembly Members Diaz, Koretz, Lowenthal, and Strickland) (Coauthors: Senators Ducheny and Romero)
731	—	67	Bowen	766	1217	—	Leno

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767	1287	—	Lieber	807	—	1080	Committee on Business and Professions (Senators Figueroa (Chair), Aanestad, Brulte, Cedillo, Machado, Murray, and Vincent)
768	1343	—	Spitzer	808	190	—	Levine
769	1350	—	Simitian	809	—	613	Perata
770	1368	—	Kehoe (Coauthors: Assembly Members Bates, Shirley Horton, Plescia, Vargas, and Wyland) (Coauthors: Senators Alpert, Battin, Hollingsworth, McPherson, Morrow, and Poochigian)	810	1679	—	Committee on Elections, Redistricting and Constitutional Amendments (Longville (Chair), Jerome Horton, Levine, and Nunez)
771	1398	—	Vargas	811	—	1024	Committee on Elections and Reapportionment (Senators Perata (Chair), Escutia, and Murray)
772	1410	—	Wolk	812	—	591	Scott
773	1485	—	Firebaugh (Principal coauthors: Assembly Members Goldberg and Yee)	813	408	—	Steinberg (Coauthor: Senator Kuehl)
774	1525	—	Longville and Steinberg	814	—	306	Ducheny
775	1553	—	Wesson and Bermudez	815	—	54	Dunn
776	1594	—	Committee on Veterans Affairs (Parra (Chair), Cohn, Kehoe, Matthews, Mullin, Nakano, Salinas, and Wiggins) (Coauthors: Assembly Members Cogdill, Dutra, Lowenthal, Mountjoy, Mullin, Runner, and Steinberg)	816	47	—	Simitian
777	1669	—	Chu	817	54	—	Oropeza
778	1678	—	Negrete McLeod	818	245	—	Cohn
779	—	33	Figueroa (Principal coauthors: Assembly Members Campbell and Correa)	819	593	—	Ridley-Thomas
780	—	85	Torlakson	820	855	—	Firebaugh and Levine
781	—	114	Torlakson (Coauthors: Assembly Members Corbett, Goldberg, Leno, and Steinberg)	821	998	—	Lowenthal and Koretz
782	—	257	Alpert	822	1208	—	Cogdill (Coauthors: Assembly Members Benoit, Houston, Maze, and Nakanishi) (Coauthors: Senators Denham and Flores)
783	—	259	Romero (Coauthors: Assembly Members Bates, Chavez, Diaz, Dutton, Koretz, Levine, Longville, Lowenthal, Maze, Montanez, Pavley, Strickland, and Yee)	823	1497	—	Montanez (Coauthors: Assembly Members Diaz, Levine, and Nunez)
784	—	302	Kuehl	824	1521	—	Parra and Pacheco
785	—	314	Murray	825	1688	—	Goldberg (Coauthors: Assembly Members Koretz and Montanez)
786	—	338	Scott	826	—	5	Karnette (Coauthors: Senators Romero and Sher)
787	—	345	Kuehl (Coauthors: Assembly Members Lieber and Pavley)	827	—	504	Kuehl
788	—	362	Figueroa (Coauthors: Senator Vincent) (Coauthors: Assembly Members Correa and Nation)	828	—	719	Kuehl
789	—	364	Figueroa (Principal coauthor: Senator Karnette)	829	68	—	Simitian
790	—	411	Ducheny	830	85	—	Wiggins
791	—	551	Speier (Coauthor: Assembly Member Lieber)	831	149	—	Cohn
792	—	599	Perata	832	185	—	Jerome Horton
793	—	619	Ducheny (Principal coauthor: Assembly Member Dutra) (Coauthor: Assembly Member Diaz)	833	199	—	Oropeza (Principal coauthors: Senators Alarcon, Murray, Romero, and Torlakson)
794	—	649	Kuehl (Coauthors: Assembly Members Jackson and Koretz)	834	324	—	Diaz
795	—	680	McPherson	835	552	—	Chavez (Principal coauthor: Assembly Member Calderon)
796	—	692	Kuehl	836	577	—	Jerome Horton
797	—	727	Kuehl	837	677	—	Firebaugh
798	—	763	Brulte	838	719	—	Negrete McLeod
799	—	814	Vincent	839	807	—	Leno
800	—	842	Karnette	840	933	—	Reyes (Principal coauthor: Assembly Member Correa) (Coauthors: Assembly Members Bogh, Cox, Diaz, Garcia, Koretz, Longville, Pavley, and Samuelian) (Coauthor: Senator Soto)
801	—	923	Sher	841	978	—	Negrete McLeod (Coauthors: Senators Alarcon and Kuehl)
802	—	930	Ducheny (Coauthor: Assembly Member Jerome Horton)	842	1028	—	Bermudez (Coauthors: Assembly Members Hancock, Koretz, and Levine)
803	—	964	Burton (Coauthor: Assembly Member Pavley)	843	1038	—	Negrete McLeod
804	—	966	Alarcon	844	1061	—	Firebaugh
805	—	993	Poochigian	845	1064	—	Laird
806	—	1058	Torlakson	846	1144	—	Pavley
				847	1151	—	Dymally
				848	1321	—	Oropeza
				849	1418	—	Laird

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
850	1428	—	Levine				(Coauthors: Senators Alarcon, Ducheny, Dunn, Machado, Perata, Romero, and Soto) (Coauthors: Assembly Members Aghazarian, Bermudez, Chu, Corbett, Diaz, Hancock, Koretz, Leno, Lieber, Liu, Longville, Maddox, Maldonado, Montanez, Negrete McLeod, Plescia, Samuelian, Spitzer, Strickland, and Wolk)
851	1506	—	Negrete McLeod				
852	1587	—	Committee on Public Employees, Retirement and Social Security (Negrete McLeod (Chair), Levine (Vice Chair), Chan, Correa, Kehoe, and Laird)				
853	—	162	Alarcon				
854	—	216	Sher				
855	—	268	Soto				
856	—	269	Soto (Coauthor: Assembly Member Bermudez)	878	—	577	Kuehl (Coauthor: Senator Chesbro) (Coauthor: Assembly Member Lieber)
857	—	611	Ducheny	879	—	875	Escutia
858	—	621	Battin and Burton (Principal coauthor: Assembly Member Jerome Horton) (Coauthors: Senators Ducheny and Hollingsworth) (Coauthors: Assembly Members Cohn, Benoit, Bogh, Dymally, Chavez, Frommer, Garcia, Longville, McCarthy, Plescia, and Reyes)	880	290	—	Firebaugh (Principal coauthors: Assembly Members Diaz, Kehoe, and Negrete McLeod) (Coauthor: Senator Alarcon)
859	—	627	Committee on Public Employment and Retirement (Senators Soto (Chair), Karnette, and Scott)	881	424	—	Richman
860	—	644	Burton (Principal coauthor: Assembly Member Negrete McLeod)	882	654	—	Goldberg
861	369	—	Bermudez	883	862	—	Firebaugh
862	490	—	Steinberg (Coauthors: Assembly Members Calderon, Cohn, Diaz, Frommer, Jackson, Koretz, Laird, Lieber, Maldonado, Maze, Mullin, Negrete McLeod, and Vargas) (Coauthors: Senators Alpert, Bowen, Kuehl, Perata, Romero, Scott, Soto, and Vasconcellos)	884	1719	—	Committee on Labor and Employment (Koretz (Chair), Mullin (Vice Chair), Chu, Hancock, Laird, and Negrete McLeod)
863	650	—	Plescia (Coauthor: Assembly Member Wyland)	885	—	969	Bowen (Principal coauthor: Assembly Member Corbett)
864	841	—	Vargas	886	—	1075	Committee on Health and Human Services (Senators Ortiz (Chair), Alarcon, Chesbro, Escutia, Figueroa, Florez, Kuehl, Romero, Vasconcellos, and Vincent) (Principal coauthor: Assembly Member Nation)
865	1017	—	Goldberg	887	202	—	Corbett
866	1524	—	Richman (Coauthor: Assembly Member Cohn)	888	394	—	Montanez
867	1666	—	Cogdill (Coauthors: Assembly Members Chavez and Jerome Horton)	889	14	—	Jerome Horton
868	1680	—	Strickland	890	71	—	Jerome Horton
869	1700	—	Laird and Wiggins	891	264	—	Mullin (Coauthor: Senator Speier)
870	—	75	Burton	892	1137	—	Reyes
871	—	245	Sher (Principal coauthor: Assembly Member Berg)	893	1337	—	Daucher
872	—	262	Kuehl (Principal coauthor: Assembly Member Dutra) (Coauthor: Assembly Member Montanez)	894	1685	—	Leno (Coauthors: Assembly Members Hancock, Jackson, and Koretz)
873	—	331	Romero	895	—	24	Figueroa
874	—	363	Figueroa (Coauthors: Senators Aanestad and Vincent) (Coauthors: Assembly Members Correa, Nation, and Runner)	896	—	81	Alpert
875	—	420	Vasconcellos (Principal coauthor: Assembly Member Leno) (Coauthors: Assembly Members Goldberg, Hancock, and Koretz)	897	—	274	Soto
876	—	434	Escutia (Coauthor: Senator Burton) (Coauthor: Assembly Member Steinberg)	898	—	469	Scott
877	—	440	Burton and Assembly Member Wesson (Principal coauthors: Assembly Members Cohn and Wiggins)	899	—	686	Ortiz
				900	—	810	Burton (Principal coauthor: Assembly Member Nation)
				901	679	—	Chavez
				902	620	—	Leno
				903	—	582	Speier
				904	1631	—	Salinas (Coauthor: Senator McPherson)
				905	—	868	Dunn
				906	—	796	Dunn
				907	—	25	Bowen (Coauthors: Senators Aanestad, Alpert, Chesbro, Soto, and Torlakson) (Coauthors: Assembly Members Bogh, Correa, Hancock, Koretz, Leslie, Montanez, Pavley, and Vargas)
				908	—	179	Alarcon
				909	—	892	Murray (Coauthors: Senators Kuehl, Romero, Soto, and Vincent) (Coauthors: Assembly Members Diaz, Koretz, Lieber, Longville, Nunez, and Yee)

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1	SCR 2	Burton			
2	ACR 12	Jerome Horton, Dymally, Longville, Ridley-Thomas, and Wesson (Principal coauthors: Senators Murray and Vincent) (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Jackson, Keene, Kehoe, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Lowenthal, Maldonado, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wiggins, Wolk, Wyland, and Yee) (Coauthor: Senator Torlakson)	5	ACR 14	Nakano, Shirley Horton, and Nakanishi (Principal coauthors: Assembly Members Chan, Chu, Dymally, Liu, and Yee) (Principal coauthor: Senator Machado) (Coauthors: Assembly Members Aghazarian, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chavez, Cogdill, Cohn, Corbett, Correa, Daucher, Diaz, Dutra, Dutton, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nation, Negrete McLeod, Nunez, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, and Wyland)
3	SCR 9	Knight, Ashburn, and Morrow (Coauthors: Assembly Members Harman, Plescia, Aghazarian, Bates, Benoit, Berg, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Cox, Daucher, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Haynes, Jerome Horton, Houston, Jackson, Keene, La Malfa, Laird, Leno, Leslie, Levine, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Mounjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Pacheco, Parra, Pavley, Reyes, Richman, Runner, Salinas, Samuelian, Simitian, Steinberg, Strickland, Vargas, Wolk, and Yee)	6	ACR 18	Leno and Levine (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Cox, Daucher, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Jackson, La Malfa, Laird, Leslie, Lieber, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, Mounjoy, Mullin, Nakano, Nation, Negrete McLeod, Nunez, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wolk, and Yee)
4	ACR 13	Jackson (Coauthors: Assembly Members Oropeza, Steinberg, Wesson, Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Kehoe, Koretz, La Malfa, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado,	7	ACR 23	Jerome Horton, Dymally, Longville, and Wesson (Coauthors: Assembly Members Ridley-Thomas, Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Corbett, Correa, Cox, Daucher, Dutra, Dutton, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Liu, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nakano, Nation,

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		Negrete McLeod, Nunez, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wiggins, Wolk, Wyland, and Yee) (Coauthors: Senators Murray and Vincent)			Keene, Kehoe, La Suer, Laird, Leno, Leslie, Levine, Lieber, Longville, Lowenthal, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
8	ACR 25	Nation (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Houston, Jackson, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, Mountjoy, Mullin, Nakanishi, Nakano, Negrete McLeod, Nunez, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wiggins, Wolk, and Yee) (Coauthors: Senators Aanestad, Ackerman, Alarcon, Alpert, Ashburn, Battin, Bowen, Brulte, Burton, Cedillo, Chesbro, Denham, Ducheny, Dunn, Escutia, Figueroa, Florez, Hollingsworth, Karnette, Knight, Kuehl, Machado, Margett, McClintock, McPherson, Morrow, Murray, Oller, Ortiz, Perata, Poochigian, Romero, Sher, Soto, Speier, Torlakson, Vasconcellos, and Vincent)	12	ACR 57	Corbett and Mullin (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Correa, Cox, Daucher, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Longville, Lowenthal, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
9	ACR 15	Frommer	13	ACR 32	Richman
10	ACR 24	Mountjoy (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Houston, Jackson, Keene, Kehoe, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wolk, Wyland, and Yee)	14	ACR 48	Runner, Bates, and Liu (Coauthors: Assembly Members Aghazarian, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Longville, Lowenthal, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
11	ACR 56	Nakano (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson,	15	ACR 52	Maddox
			16	SCR 15	Ortiz
			17	ACR 64	Jackson (Coauthors: Assembly Members Bates, Chan, Chu, Cohn, Corbett, Daucher, Goldberg, Kehoe, Lieber, Liu, Negrete McLeod, Oropeza, Parra, Reyes, Ridley-Thomas, Runner, Wesson, Wiggins, Wolk, Aghazarian, Benoit, Berg, Bermudez, Calderon, Campbell, Canciamilla, Chavez, Cogdill, Correa, Cox, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton,

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		Houston, Keene, Koretz, La Malfa, La Suer, Laird, Leno, Levine, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nakano, Nation, Nunez, Pacheco, Pavley, Plescia, Richman, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wyland, and Yee) (Coauthors: Senators Alpert, Bowen, Ducheny, Escutia, Figueroa, Kuehl, Ortiz, Soto, and Speier)			Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Pacheco, Pavley, Plescia, Richman, Ridley-Thomas, Runner, Samuelian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, and Yee)
18	SJR 1	Poochigian (Principal coauthors: Senators Scott and Speier) (Principal coauthors: Assembly Members Aghazarian, Frommer, Liu, Samuelian, and Simitian) (Coauthors: Senators Aanestad, Ackerman, Alarcon, Alpert, Ashburn, Battin, Bowen, Brulte, Burton, Cedillo, Chesbro, Denham, Ducheny, Dunn, Escutia, Figueroa, Florez, Hollingsworth, Johnson, Karnette, Knight, Kuehl, Machado, Margett, McClintock, McPherson, Morrow, Murray, Oller, Ortiz, Perata, Romero, Sher, Soto, Torlakson, Vasconcellos, and Vincent) (Coauthors: Assembly Members Bates, Benoit, Bermudez, Chavez, Cogdill, Cox, Daucher, Dutton, Garcia, Haynes, Koretz, Laird, La Malfa, Leslie, Levine, Longville, Maddox, Maze, McCarthy, Mountjoy, Nunez, Pacheco, Plescia, Spitzer, Strickland, Vargas, Wyland, Yee, Berg, Bogh, Campbell, Canciamilla, Chu, Cohn, Corbett, Diaz, Dutra, Dymally, Firebaugh, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, La Suer, Leno, Lieber, Lowenthal, Maldonado, Matthews, Montanez, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Parra, Pavley, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Steinberg, Wesson, Wiggins, and Wolk)	20	AJR 5	Parra (Principal coauthor: Assembly Member Dutton) (Principal coauthor: Senator Machado) (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Longville, Lowenthal, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Pavley, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
19	SJR 13	Florez, Alpert, Burton, and Figueroa (Coauthors: Senators Aanestad, Ackerman, Alarcon, Ashburn, Battin, Bowen, Brulte, Cedillo, Chesbro, Denham, Ducheny, Dunn, Escutia, Hollingsworth, Johnson, Karnette, Knight, Kuehl, Machado, Margett, McClintock, McPherson, Morrow, Murray, Oller, Ortiz, Perata, Poochigian, Romero, Scott, Sher, Soto, Speier, Torlakson, Vasconcellos, and Vincent) (Coauthors: Assembly Members Bermudez, Chavez, Correa, Diaz, Dutton, Firebaugh, Parra, Reyes, Salinas, Aghazarian, Bates, Benoit, Berg, Bogh, Campbell, Chu, Cogdill, Cohn, Corbett, Cox, Dutra, Dymally, Frommer, Garcia, Goldberg, Hancock,	21	SCR 8	Battin
			22	SCR 13	Figueroa, Alpert, Bowen, Ducheny, Escutia, Karnette, Kuehl, Ortiz, Romero, Soto, and Speier (Coauthors: Assembly Members Berg, Chan, Chu, Cohn, Corbett, Garcia, Goldberg, Shirley Horton, Jackson, Kehoe, Liu, Oropeza, Pavley, Reyes, Wiggins, Wolk, Aghazarian, Bates, Benoit, Bermudez, Calderon, Campbell, Canciamilla, Chavez, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Hancock, Harman, Jerome Horton, Koretz, La Suer, Laird, Leno, Levine, Lieber, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Pacheco, Parra, Plescia, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wyland, and Yee)
			23	ACR 41	Firebaugh (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Cox,

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24	ACR 49	Runner	27	ACR 33	Nation
25	ACR 77	Simitian (Principal coauthor: Senator Torlakson) (Coauthors: Assembly Members Aghazarian, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chavez, Chu, Cogdill, Cohn, Corbett, Cox, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Keene, Kehoe, Koretz, La Malfa, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Moutjjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)	28	ACR 43	Montanez and Wolk (Coauthors: Assembly Members Bates, Bermudez, Campbell, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Harman, Jackson, Kehoe, Levine, Lieber, Longville, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Ridley-Thomas, Simitian, and Wiggins) (Coauthors: Senators Alpert, Bowen, Escutia, Figueroa, Kuehl, Romero, Soto, and Speier)
		Koretz and Cohn (Coauthors: Assembly Members Bates, Canciamilla, Chan, Chavez, Chu, Cox, Firebaugh, Laird, Moutjjoy, Negrete McLeod, Pacheco, Pavley, Steinberg, Vargas, Aghazarian, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Cogdill, Corbett, Correa, Daucher, Diaz, Dutra, Dutton, Dymally, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, La Suer, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Moutjjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Strickland, Wesson, Wiggins, Wolk, Wyland, and Yee) (Coauthors: Senators Aaenestad, Alpert, Ashburn, Battin, Bowen, Brulte, Burton, Cedillo, Chesbro, Denham, Ducheny, Dunn, Escutia, Figueroa, Florez, Hollingsworth, Johnson, Karnette, Knight, Kuehl, Machado, Margett, McClintock, McPherson,	29	ACR 47	Campbell (Coauthor: Senator Johnson)
26	ACR 1	Koretz and Cohn (Coauthors: Assembly Members Bates, Canciamilla, Chan, Chavez, Chu, Cox, Firebaugh, Laird, Moutjjoy, Negrete McLeod, Pacheco, Pavley, Steinberg, Vargas, Aghazarian, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Cogdill, Corbett, Correa, Daucher, Diaz, Dutra, Dutton, Dymally, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, La Suer, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nakano, Nation, Nunez, Oropeza, Parra, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Strickland, Wesson, Wiggins, Wolk, Wyland, and Yee) (Coauthors: Senators Aaenestad, Alarcon, Alpert, Ashburn, Battin, Bowen, Brulte, Burton, Cedillo, Chesbro, Denham, Ducheny, Dunn, Escutia, Figueroa, Florez, Hollingsworth, Johnson, Karnette, Knight, Kuehl, Machado, Margett, McClintock, McPherson,	30	ACR 60	Bates (Coauthors: Assembly Members Benoit, Cogdill, Correa, Cox, Daucher, Dutton, Haynes, La Suer, Moutjjoy, Pacheco, Strickland, Wyland, Aghazarian, Berg, Bogh, Campbell, Canciamilla, Chavez, Chu, Cohn, Corbett, Diaz, Dutra, Dymally, Frommer, Garcia, Harman, Jerome Horton, Shirley Horton, Houston, Keene, Kehoe, La Malfa, Laird, Leslie, Lieber, Liu, Longville, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Oropeza, Pavley, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Spitzer, Steinberg, Vargas, Wesson, Wiggins, Wolk, and Yee) (Coauthors: Senators Aaenestad, Alpert, Denham, Margett, and McPherson)
		Ashburn, Battin, Bowen, Brulte, Burton, Cedillo, Chesbro, Denham, Ducheny, Dunn, Escutia, Figueroa, Florez, Hollingsworth, Johnson, Karnette, Knight, Kuehl, Machado, Margett, McClintock, McPherson,	31	ACR 91	Corbett (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Moutjjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland and Yee)
			32	ACR 63	Firebaugh (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Canciamilla, Chan, Chu, Cogdill, Cox, Daucher, Dutra, Dymally, Garcia, Goldberg, Shirley Horton, Jackson, Kehoe, La

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33	ACR 65	Firebaugh (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Liu, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wolk, Wyland, and Yee)	38	ACR 78	Richman
		Correa (Coauthors: Assembly Members Bates, Campbell, Chu, Daucher, Harman, La Malfa, Laird, Leno, Maddox, Maldonado, Matthews, Montanez, Pacheco, Parra, Reyes, Spitzer, and Yee)	39	ACR 82	Lieber and Oropeza (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Koretz, La Suer, Laird, Leno, Leslie, Levine, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland and Yee)
34	ACR 22	Garcia			Hancock
35	ACR 26	Chan (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Kehoe, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland and Yee)	40	ACR 88	Johnson, Alpert, Ashburn, Bowen, Battin, Cedillo, Chesbro, Ducheny, Florez, Knight, Kuehl, Margett, McPherson, Morrow, Romero, Sher, and Soto (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
36	ACR 62	Chan (Coauthors: Assembly Members Benoit, Chavez, Maze, Pavley, Aghazarian, Bates, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, La Suer, Laird, Leno, Leslie, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland and Yee)	41	SCR 25	Chesbro (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Kehoe, La Suer, Laird, Leno, Leslie, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
37	ACR 70	Chan (Coauthors: Assembly Members Benoit, Chavez, Maze, Pavley, Aghazarian, Bates, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, La Suer, Laird, Leno, Leslie, Lieber, Liu, Longville, Lowenthal,	42	SCR 26	Chesbro (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg,

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43	ACR 3	Cohn			
44	ACR 28	Garcia (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)	48	ACR 100	Lowenthal (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Maldonado, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
45	ACR 83	Frommer (Coauthors: Assembly Members Nation, Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Jackson, Keene, Koretz, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland and Yee)	49	SCR 18	Torlaksen (Principal coauthor: Assembly Member Jackson) (Coauthors: Senators Ackerman, Alarcon, Alpert, Ashburn, Escutia, Karnette, Ortiz, Romero, and Speier) (Coauthors: Assembly Members Frommer, Leno, Montanez, and Mullin)
46	ACR 93	Berg (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Bermudez, Bogh, Calderon, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maldonado,	50	ACR 51	Koretz
			51	ACR 79	Lieber (Coauthors: Assembly Members Berg, Canciamilla, Chan, Chu, Cohn, Corbett, Dymally, Goldberg, Jackson, Kehoe, Laird, Leno, Lowenthal, Matthews, Negrete McLeod, Oropeza, Pavley, Ridley-Thomas, Wolk, and Yee) (Coauthors: Senators Alpert, Ducheny, Kuehl, Ortiz, and Romero)
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53	SCR 22	Florez (Coauthor: Assembly Member Chan)			Simitian, Spitzer, Steinberg, Strickland, Vargas, Wiggins, and Wolk
54	SCR 29	Battin (Coauthor: Assembly Member Garcia)	58	ACR 98	Shirley Horton (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Harman, Jerome Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
55	ACR 27	La Suer (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)	59	ACR 99	Liu (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
56	ACR 76	Frommer (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)	60	ACR 101	Chu, Liu, Nakano, Chan, Shirley Horton, Nakanishi, and Yee (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chavez, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, and Wyland)
57	ACR 90	Chan, Chu, and Yee (Principal coauthors: Assembly Members Liu and Nakano) (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Calderon, Canciamilla, Chavez, Cogdill, Cohn, Corbett, Correa, Cox, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Salinas, Samuelian,			

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61	AJR 30	Liu, Chan, Chu, Nakano, and Yee (Principal coauthor: Senator Vasconcellos) (Coauthors: Assembly Members Berg, Bermudez, Canciamilla, Chavez, Cohn, Corbett, Correa, Diaz, Dutra, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Jerome Horton, Jackson, Kehoe, Koretz, Laird, Leno, Levine, Lieber, Longville, Lowenthal, Matthews, Montanez, Mullin, Nation, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Reyes, Ridley-Thomas, Salinas, Simitian, Steinberg, Vargas, Wolk, Aghazarian, Bates, Benoit, Calderon, Cogdill, Cox, Daucher, Dutton, Harman, Shirley Horton, Houston, La Malfa, Maddox, Maldonado, Maze, McCarthy, Nakanishi, Pacheco, Richman, Runner, Samuelian, Spitzer, Strickland, Wesson, and Wiggins) (Coauthors: Senators Alpert and Bowen)			Malfa, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
62	ACR 16	Nation	71	AJR 6	Diaz and Liu (Principal coauthors: Assembly Members Chan, Chu, Nakano, and Yee) (Coauthors: Assembly Members Frommer, Hancock, Lieber, Maddox, Nunez, Ridley-Thomas, Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chavez, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Dutra, Dutton, Dymally, Firebaugh, Garcia, Goldberg, Harman, Jerome Horton, Shirley Horton, Jackson, Keene, Kehoe, Koretz, Laird, Leno, Leslie, Levine, Longville, Lowenthal, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Negrete McLeod, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, and Wyland) (Coauthors: Senators Bowen, Ducheny, Escutia, Romero, and Scott)
63	AJR 2	Jackson and Chan (Principal coauthor: Senator Karnette) (Coauthors: Assembly Members Berg, Bermudez, Calderon, Canciamilla, Chavez, Chu, Cohn, Corbett, Diaz, Dutra, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Kehoe, Koretz, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Matthews, Montanez, Mullin, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Reyes, Richman, Ridley-Thomas, Salinas, Simitian, Steinberg, Vargas, Wesson, Wiggins, Wolk, Yee, Correa, and Daucher) (Coauthors: Senators Bowen, Figueroa, Kuehl, Machado, Sher, and Torlakson)	72	AJR 12	Chan (Coauthors: Assembly Members Chavez, Hancock, Koretz, and Laird) (Coauthors: Senators Kuehl, Scott, and Soto)
64	AJR 13	Leno	73	AJR 31	Aghazarian and Steinberg (Coauthors: Assembly Members Cogdill, Matthews, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Chan, Chavez, Chu, Cohn, Corbett, Correa, Cox, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee) (Coauthors: Senators Denham and Poochigian)
65	AJR 29	Pavley and Richman (Coauthors: Assembly Members Mullin, Salinas, and Simitian)	74	SCR 28	Battin (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Jackson, Keene, La
66	SCR 14	McPherson (Coauthors: Senators Denham, Machado, and Margett) (Coauthors: Assembly Members Benoit, Shirley Horton, Levine, Maldonado, and Maze)			
67	SCR 27	Speier, Alpert, Ducheny, Johnson, Kuehl, Ortiz, Soto, and Torlakson (Coauthors: Assembly Members Chavez, Levine, Lieber, and Mullin)			
68	SJR 11	Alpert			
69	ACR 34	Matthews			
70	ACR 75	Chan (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Jackson, Keene, La			

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75	SJR 8	Battin (Coauthor: Assembly Member Garcia)	81	ACR 19	Aghazarian (Principal coauthor: Senator Denham) (Coauthors: Assembly Members Bates, Benoit, Bermudez, Campbell, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Harman, Jerome Horton, Shirley Horton, Houston, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nakano, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wolk, Wyland and Yee) (Coauthor: Senator Poohigian)
76	ACR 2	Mountjoy (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Bogh, Campbell, Canciamilla, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Dutra, Dutton, Firebaugh, Frommer, Garcia, Goldberg, Harman, Haynes, Shirley Horton, Houston, Keene, Koretz, La Suer, Leno, Leslie, Levine, Liu, Maddox, Maldonado, Matthews, Maze, McCarthy, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, and Wyland) (Coauthors: Senators Ackerman and Margett)	82	ACR 30	Samuelian
77	ACR 53	Lowenthal, Dymally, Chan, Diaz, Dutra, Frommer, Hancock, Leno, Nunez, Pavley, Ridley-Thomas, Salinas, Steinberg, Wiggins, and Yee (Coauthors: Assembly Members Cogdill, Kehoe, Koretz, Levine, Lieber, Montanez, Mountjoy, and Mullin) (Coauthors: Senators Alpert, Bowen, Ducheny, Kuehl, Machado, Romero, Scott, Speier, and Vasconcellos)	83	ACR 35	Samuelian (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Harman, Haynes, Jerome Horton, Shirley Horton, Keene, Koretz, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland and Yee)
78	ACR 95	Dymally	84	ACR 38	Houston (Principal coauthor: Senator Torlakson) (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Harman, Jerome Horton, Shirley Horton, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Liu, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer,
79	AJR 10	Garcia (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Campbell, Canciamilla, Chan, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Harman, Haynes, Shirley Horton, Jackson, Keene, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer,			

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85	ACR 54	Strickland			Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Malfa, La Suer, Leno, Leslie, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Negrete McLeod, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee) (Coauthors: Senators Bowen, Soto, and Speier)
86	ACR 73	La Suer (Principal coauthor: Senator Hollingsworth)	98	SCR 3	Florez
87	SCR 10	Battin	99	AJR 21	Longville (Coauthors: Assembly Members Bermudez, Calderon, Canciamilla, Chan, Chavez, Chu, Cohn, Corbett, Diaz, Dutra, Dymally, Frommer, Goldberg, Hancock, Jackson, Kehoe, Koretz, Laird, Leno, Levine, Lieber, Lowenthal, Matthews, Montanez, Mullin, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
88	SCR 37	Vincent (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Lieber, Liu, Longville, Lowenthal, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)			
89	ACR 17	Cogdill (Coauthor: Senator Poochigian)			
90	ACR 29	Benoit (Coauthors: Assembly Members Bogh, Garcia, Aghazarian, Bates, Berg, Bermudez, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Harman, Jerome Horton, Shirley Horton, Keene, Koretz, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negret McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)	100	ACR 92	Cohn
91	ACR 110	Maddox	101	AJR 28	Reyes (Coauthor: Assembly Member Cohn)
92	SCR 4	Morrow	102	SCR 31	Speier (Coauthors: Senators Bowen, Denham, Ducheny, Kuehl, Machado, McPherson, Morrow, Romero, and Scott) (Coauthors: Assembly Members Bates, Benoit, Canciamilla, Chavez, Cox, Dutra, Frommer, Laird, Levine, Pavley, and Runner)
93	ACR 31	Montanez and Wesson (Coauthors: Assembly Members Cohn, Nunez, and Yee) (Coauthor: Senator Kuehl)	103	SJR 7	Karnette
94	ACR 39	Chan (Coauthor: Senator Torlakson)	104	ACR 40	Dymally
95	AJR 9	Firebaugh (Coauthors: Assembly Members Berg, Lowenthal, and Negrete McLeod)	105	ACR 10	Dymally
96	SJR 10	Soto (Principal coauthors: Assembly Members Cohn and Pacheco)	106	SCR 17	Poochigian
97	ACR 74	Steinberg (Principal coauthor: Assembly Member Cohn) (Coauthors: Assembly Members Benoit, Cox, Laird, Levine, McCarthy, Nakano, Nunez, Aghazarian, Bates, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Corbett, Correa,	107	ACR 122	Dutton (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Diaz, Dutra, Dymally, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado,

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108	ACR 58	Nakano (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Harman, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Negrete McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)	116	AJR 32	Pacheco
			117	SCR 12	Alarcon
			118	ACR 89	Goldberg (Coauthors: Assembly Members Bermudez, Chu, Diaz, Dutra, Firebaugh, Hancock, Kehoe, Koretz, Laird, Leno, Lieber, Longville, Lowenthal, Montanez, Nation, Pavley, Ridley-Thomas, Vargas, and Wiggins (Coauthor: Senator Kuehl)
109	ACR 85	Kehoe, Goldberg, Laird, and Leno (Principal coauthor: Senator Kuehl) (Coauthors: Assembly Members Chan, Chu, Diaz, Hancock, Koretz, Montanez, Ridley-Thomas, Steinberg, Wiggins, Berg, Chavez, Cohn, Corbett, Dutra, Dymally, Firebaugh, Frommer, Shirley Horton, Jackson, Levine, Lieber, Liu, Longville, Lowenthal, Mullin, Nation, Nunez, Oropeza, Pavley, Salinas, Simitian, Vargas, Wesson, Wolk, and Yee) (Coauthors: Senators Alpert, Burton, and Escutia)	119	AJR 35	Leno
			120	ACR 6	Cohn
			121	ACR 11	Cohn
			122	ACR 107	Firebaugh
			123	ACR 120	Montanez, Bates, Benoit, Diaz, Mullin, and Pavley (Coauthors: Senators Bowen and Romero)
			124	SCR 5	Scott
			125	SCR 20	Burton, Alarcon, Chesbro, Dunn, Escutia, Figueroa, Florez, Karmette, Kuehl, Ortiz, Romero, Scott, and Torlakson (Coauthors: Assembly Members Berg, Canciamilla, Chavez, Chu, Corbett, Dymally, Firebaugh, Goldberg, Hancock, Jerome Horton, Koretz, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Montanez, Mullin, Nunez, Pavley, Reyes, Salinas, Steinberg, Vargas, Wesson, Wiggins, and Yee)
110	AJR 34	Koretz and Chu (Coauthors: Assembly Members Bermudez, Calderon, Diaz, Dymally, Goldberg, Jackson, Kehoe, Laird, Leno, Levine, Longville, Maddox, Montanez, Ridley-Thomas, Spitzer, Berg, Chan, Chavez, Cohn, Corbett, Correa, Dutra, Frommer, Hancock, Jerome Horton, Shirley Horton, Lieber, Liu, Lowenthal, Matthews, Mullin, Nakano, Nation, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Reyes, Richman, Salinas, Simitian, Steinberg, Vargas, Wesson, Wiggins, Wolk, and Yee)	126	SCR 36	Knight (Principal coauthor: Senator Ashburn) (Principal coauthor: Assembly Member Runner)
			127	SCR 24	Morrow
			128	SCR 41	McPherson
			129	SCR 43	Machado (Principal coauthor: Assembly Member Matthews)
			130	SCR 47	Alpert, Kuehl, Ortiz, and Scott
111	SCR 11	Soto (Coauthors: Assembly Members Kehoe, Laird, Levine, and Negrete McLeod)	131	SCR 46	Battin (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton,
112	SCR 38	Ashburn			
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114	SJR 5	Sher and Burton (Coauthor: Senator Kuehl)			

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		Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Negrete, McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Wesson, Wiggins, Wolk, Wyland, and Yee)			Montanez, Mullin, Nation, Negrete, McLeod, Nunez, Oropeza, Parra, Reyes, Ridley-Thomas, Salinas, Simitian, Steinberg, Vargas, Wesson, Wiggins, Wolk, and Yee) (Coauthor: Senator Kuehl)
132	SCR 7	Battin (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Bermudez, Bogh, Calderon, Campbell, Canciamilla, Chavez, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Garcia, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Keene, Kehoe, Koretz, La Suer, Levine, Liu, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Mountjoy, Mullin, Nakanishi, Nakano, Negrete, McLeod, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Runner, Salinas, Samuelian, Spitzer, Strickland, Vargas, Wesson, Wolk, Wyland, and Yee)	139	ACR 69	Nakanishi and Diaz (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Bogh, Calderon, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Dutra, Dutton, Dymally, Firebaugh, Frommer, Garcia, Harman, Jerome Horton, Shirley Horton, Jackson, Keene, Kehoe, La Suer, Laird, Leno, Levine, Lieber, Liu, Lowenthal, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakano, Nation, Negrete, McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
133	SCR 40	Chesbro (Principal coauthor: Senator Alpert) (Coauthors: Senators Kuehl and Soto) (Coauthors: Assembly Members Benoit, Berg, Daucher, Diaz, Hancock, Levine, Mullin, and Pavley)	140	ACR 106	Chan (Coauthor: Senator Vasconcellos)
134	SCR 48	Hollingsworth (Principal coauthor: Assembly Members La Suer and Lieber) (Coauthors: Senators Alpert, Bowen, Ducheny, and Margett) (Coauthors: Assembly Members Bates, Benoit, Cogdill, Daucher, Garcia, Haynes, Levine, Montanez, Mountjoy, Pacheco, Pavley, Simitian, and Yee)	141	ACR 112	Bogh (Coauthors: Assembly Members Aghazarian, Bates, Benoit, Berg, Bermudez, Calderon, Campbell, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Dutton, Dymally, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Jackson, Keene, Kehoe, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Longville, Lowenthal, Maddox, Maldonado, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nakano, Nation, Negrete, McLeod, Nunez, Oropeza, Pacheco, Parra, Pavley, Plescia, Reyes, Richman, Ridley-Thomas, Runner, Salinas, Samuelian, Simitian, Spitzer, Steinberg, Strickland, Vargas, Wesson, Wiggins, Wolk, Wyland, and Yee)
135	SCR 49	Burton	142	ACR 114	Leslie
136	SJR 3	Alarcon and Romero (Coauthors: Senators Kuehl, Ortiz, Soto, Vasconcellos, and Vincent) (Coauthors: Assembly Members Cohn, Diaz, Dymally, Kehoe, Koretz, Lieber, Longville, Montanez, Mullin, Wolk, and Yee)	143	ACR 117	Pacheco
137	SJR 6	Soto (Principal coauthor: Senator Torlakson) (Coauthors: Senators Bowen, Ducheny, Karnette, Kuehl, Machado, Morrow, and Romero) (Coauthors: Assembly Members Chavez, Diaz, Dutton, Frommer, Koretz, Laird, Leno, Lieber, Montanez, and Pavley)	144	ACR 124	Firebaugh
138	ACR 66	Pavley (Coauthors: Assembly Members Berg, Bermudez, Calderon, Chavez, Chu, Cohn, Corbett, Cox, Dutra, Firebaugh, Frommer, Goldberg, Hancock, Jackson, Kehoe, Koretz, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Matthews, Maze,	145	ACR 125	Nation and Garcia
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			149	ACR 132	Correa, Bates, Bermudez, Bogh, Calderon, Chavez, Cohn, Dutra, Frommer, Harman, Koretz, Maddox, Maldonado, Matthews, Maze, Montanez, Nakano, Oropeza, Parra, Runner, Spitzer, and Vargas (Coauthors: Senators Ackerman, Karnette, Machado, Perata, Scott, and Soto)
			150	ACR 134	Cogdill (Coauthor: Senator Poochigian)
			151	ACR 136	Berg
			152	ACR 137	Liu (Coauthor: Senator Scott)

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			156	AJR 40	Plescia and Vargas (Coauthor: Assembly Member La Suer)
			157	AJR 46	Shirley Horton and Kehoe (Principal coauthors: Senators Oller and Torlakson)
			158	AJR 48	Liu, Jackson, Berg, Chu, Cohn, Corbett, Goldberg, Hancock, Kehoe, Lieber, Oropeza, Pavley, Ridley-Thomas, and Wiggins (Coauthors: Senators Ducheny, Figueroa, Karnette, Kuehl, Ortiz, Romero, Soto, and Speier)
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1	1	—	Jackson, Wesson, and Pavley (Coauthors: Assembly Members Berg, Chan, Chu, Cohn, Corbett, Diaz, Dymally, Firebaugh, Frommer, Goldberg, Hancock, Kehoe, Koretz, Laird, Leno, Levine, Lieber, Liu, Longville, Lowenthal, Matthews, Montanez, Mullin, Nakano, Nation, Negrete, McLeod, Nunez, Oropeza, Salinas, Simitian, Steinberg, Vargas, Wiggins, Wolk, and Yee)				

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1	—	1	Oller (Principal Coauthor: Senator Cedillo) (Principal Coauthor: Assembly Member Benoit)				

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1	ACA 5	Oropeza, Wesson, Steinberg, and Nunez (Coauthors: Assembly Members Correa, Longville, Matthews, Negrete McLeod, and Parra) (Coauthors: Senators Bowen, Ducheny, Escutia, Karnette, Machado, Ortiz, Scott, and Torlakson)			

STATUTES OF CALIFORNIA

2003–04

REGULAR SESSION

2003 CHAPTERS

CHAPTER 1

An act relating to the West Fresno Elementary School District, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 6, 2003. Filed with
Secretary of State March 6, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that the West Fresno Elementary School District has been in chaos for more than a decade as illustrated, in part, by the following occurrences:

(a) According to the County Office Fiscal Crisis and Management Assistance Team, the school district closed its 2001–02 school year with a negative fund balance of at least one million fifty-eight thousand dollars (\$1,058,000) and has an expected general fund shortfall through June 30, 2003, of at least two million three hundred thousand dollars (\$2,300,000).

(b) The school district was unable to account for six million three hundred thousand dollars (\$6,300,000) in technology improvement funds.

(c) The school district faces numerous personnel related and other lawsuits.

(d) The school district used the Revolving Cash Fund without records of deposits or withdrawals.

(e) The school district abused charter school funds when no charter schoolsites or pupils existed.

(f) The school district allowed individuals not employed by the school district to receive fully paid health benefits.

(g) The school district withheld payments to vendors, causing the provider of milk for pupil meals to refuse to deliver milk due to nonpayment.

(h) The school district employed five separate superintendents and four business managers in a period of 18 months during 2001 and 2002, including a superintendent who pleaded guilty to grand theft in connection with false travel claims and was accused during his tenure of double billing expenses to the school district and a school administrators' organization and was fired.

(i) The school district used school district credit cards for illegal purposes and, after the county office of education canceled those credit cards, the school district obtained a new set of credit cards and continued using them for personal cash withdrawals, personal and family travel, gifts, and other personal uses.

(j) The school district was unable to meet its October 2002 payroll, resulting in the school district closing for three days in November of 2002.

(k) On November 4, 2002, James L. Quaschnick, a Fresno County Superior Court Judge, found that the governing board of the West Fresno Elementary School District refused to acknowledge the reality that the school district had been headed for insolvency for some time, mostly due to the governing board's mismanagement, and found the governing board, including current governing board president Mel Sanders, guilty of contempt of court for failure to obey numerous court orders, and fined each member of the governing board five hundred dollars (\$500) a day until they complied with the court orders.

SEC. 2. The Legislature finds and declares that because of the fiscal emergency in which the West Fresno Elementary School District finds itself and in order to ensure the district's return to fiscal solvency, it is necessary that the Superintendent of Public Instruction immediately assume all the rights, duties, and powers of the governing board of the West Fresno Elementary School District. The Superintendent of Public Instruction, in consultation with the Fresno County Superintendent of Schools, shall appoint an administrator to act on behalf of the Superintendent of Public Instruction in exercising the authority described in this act. The state-appointed administrator may, on a short-term basis, employ at district expense any staff necessary to assist the administrator, including, but not limited to, a certified public accountant. The state-appointed administrator shall serve under the direction and supervision of the Superintendent of Public Instruction until terminated by the Superintendent of Public Instruction in consultation with the Fresno County Superintendent of Schools. The administrator shall have expertise in management and finance and shall do all of the following:

(a) Implement substantial changes in the fiscal policies and practices of the West Fresno Elementary School District, including, if necessary, the filing of a petition under Chapter 9 of the federal Bankruptcy Act for the adjustment of indebtedness of the district.

(b) Revise the educational program of the West Fresno Elementary School District to reflect realistic income projections, in response to the dramatic effect of the changes in fiscal policies and practices upon educational program quality and the potential for the success of all pupils.

(c) Encourage all members of the school community to accept a fair share of the burden of the fiscal recovery of the West Fresno Elementary School District.

(d) Consult, for the purposes described in this act, with the governing board of the West Fresno Elementary School District, the exclusive

representatives of the employees of the district, parents, and the community.

(e) Consult with and seek recommendations from the Superintendent of Public Instruction and the County Office Fiscal Crisis and Management Assistance Team authorized pursuant to subdivision (a) of Section 42127.8 of the Education Code for the purposes described in this act.

SEC. 3. (a) (1) To facilitate the appointment of the administrator and the employment of any necessary staff, for the purposes of this section, the Superintendent of Public Instruction and county superintendent are exempt from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of the Public Contract Code.

(2) The salary and benefits of the state-appointed administrator shall be established by the Superintendent of Public Instruction and paid by the school district.

(3) During the time of appointment, the state-appointed administrator, if otherwise an employee of the state or of the county superintendent, shall be deemed an employee of the school district, but shall remain in the same retirement system under the same plan as if the state-appointed administrator had remained with the office of the county superintendent or any state office currently held by the state-appointed administrator. Upon the expiration or termination of the appointment, the state-appointed administrator shall have the right to return to his or her former position, or to a position at substantially the same level as that position, if that former position was with the state or the office of the county superintendent. The time served in the appointment shall be counted for all purposes as if the employee had served that time in his or her former position with the state or with the office of the county superintendent.

(b) For the period of time during which the Superintendent of Public Instruction exercises the authority described in Section 2 of this act, the governing board of the West Fresno Elementary School District has no rights, duties, or powers and is not entitled to any stipend, benefits, or other compensation.

(c) Notwithstanding any other provision of law, the state-appointed administrator may, after according the employee reasonable notice and opportunity for a hearing, terminate the employment of any district superintendent of schools, or deputy, associate, or assistant superintendent of schools, or other person employed in an equivalent capacity, whose duties include overseeing, managing, or otherwise directing the fiscal and budgetary operations of the West Fresno Elementary School District, and who is employed by the West Fresno

Elementary School District under a contract of employment renewed after the effective date of this act if the employee fails to document, to the satisfaction of the state-appointed administrator, that before the effective date of this act he or she either advised the governing board of the district, or his or her superior, that actions contemplated or taken by the governing board could result in the fiscal insolvency of the district, or took other appropriate action to avert that fiscal insolvency.

(d) With the approval of the Superintendent of Public Instruction, the state-appointed administrator may enter into agreements on behalf of the school district and, subject to any contractual obligation of the school district, change any existing school district rules, regulations, policies, or practices as necessary for the effective implementation of the improvement plans specified in Section 5 of this act.

(e) The authority of the Superintendent of Public Instruction and the state-appointed administrator under this act shall continue until all of the following conditions occur:

(1) Two complete fiscal years have elapsed following the appointment of the administrator or, at any time after one complete fiscal year has elapsed following that appointment, if the state-appointed administrator determines, and so notifies the Superintendent of Public Instruction, that future compliance by the West Fresno Elementary School District with the improvement plans is probable.

(2) The County Office Fiscal Crisis and Management Assistance Team (FCMAT) completes the assessment and improvement plans specified in Section 5 of this act.

(3) FCMAT, after consultation with the state-appointed administrator, determines that for at least the immediately previous six months the school district made substantial and sustained progress in implementation of the plans in the major functional area.

(4) The state-appointed administrator certifies that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the recovery and improvement plans.

(5) The district completes all reports required by the Superintendent of Public Instruction and the state-appointed administrator.

(6) The Superintendent of Public Instruction concurs with the assessment of the state-appointed administrator and FCMAT that future compliance by the West Fresno Elementary School District with the improvement plans described in Section 5 and the multiyear financial recovery plan described in paragraph (2) of subdivision (a) of Section 41327 of the Education Code is probable.

(f) If all of the conditions specified in subdivision (e) occur, the governing board of the West Fresno Elementary School District shall regain all of its rights, duties, and powers.

(g) Notwithstanding subdivision (f), if the West Fresno Elementary School District violates any provision of the recovery plans, after the governing board of the school district regains all of its rights, powers, and duties pursuant to subdivision (f), the Superintendent of Public Instruction, in consultation with the Fresno County Superintendent of Schools, may reassume, in accordance with this section, all of the rights, duties, and powers of the governing board of the school district. The Superintendent of Public Instruction shall subsequently return to the governing board of the school district all of its rights, duties, and powers reassumed under this subdivision if he or she determines that the conditions of subdivision (e) are satisfied.

SEC. 4. The state-appointed administrator shall consider, on a monthly basis, or more frequently if so desired by the administrator, information from one or more of the following groups:

- (a) The governing board of the school district.
- (b) Any advisory council of the school district.
- (c) Any parent-teacher organization of the school district.
- (d) Representatives from the community in which the school district is located.
- (e) The County Office Fiscal Crisis and Management Assistance Team.

SEC. 5. (a) The County Office Fiscal Crisis and Management Assistance Team (FCMAT) shall conduct comprehensive assessments and shall complete, by July 1, 2003, the following improvement plans for the West Fresno Elementary School District:

(1) An instructional improvement plan that includes special education and programs for English language learners and is consistent with the financial improvement plan required by paragraph (2). The plan shall specify pupil outcomes that reflect significant improvement in pupil achievement, particularly in the areas of reading, writing, and mathematics. Among the areas addressed by the plan shall be the alignment between the written, taught, and tested curriculum consistent with the state adopted instructional standards, and the use of assessment data to make appropriate pupil placements and allocate district resources. Included in the plan shall be a clear link between professional development for all instructional staff and pupil achievement objectives, including the need for ongoing analysis and use of assessment results to tailor instruction to meet the needs of all pupils.

(2) A financial improvement plan that is consistent with the instructional improvement plan required by paragraph (1) and that includes the current and future projected solvency and fiscal integrity of the school district. The financial improvement plan shall also include, but not be limited to, specific strategies to fund the full implementation

of the improvement plans specified in this section and to improve the following:

- (A) Management information systems.
 - (B) Accounting and internal control procedures.
 - (C) Attendance accounting procedures.
- (3) A facilities improvement plan that is consistent with the financial improvement plan required by paragraph (2), and that includes, but is not limited to, specific strategies for improving the following:
- (A) Protection and safety for pupils, employees, and district property.
 - (B) Ongoing maintenance of district property.
 - (C) Management control and procedures for managing all construction and modernization projects.
- (4) A personnel management improvement plan that is consistent with the financial improvement plan required by paragraph (2), and that includes, but is not limited to, specific strategies for improving the following:
- (A) The recruitment, retention, screening, assessment, and hiring procedures for all district staff.
 - (B) The training of members of the governing board of the school district in the subjects about which members of the governing board shall have knowledge in order to discharge their duties as board members effectively.
 - (C) The assessment of the administrative practices of the school district and staff development to ensure that staff have the knowledge and skills required to manage effectively the educational programs, finances, safety, and facilities maintenance of the school district.
 - (D) The calculation and maintenance of appropriate and efficient full-time equivalent staffing ratios for all school district staff.
 - (E) The governance structure of the school district in relation to board policy development, operational effectiveness, and responsiveness to the community.
 - (F) In addition, the personnel management improvement plan shall provide data and analysis on the number of district certificated personnel who are serving on credential waivers or emergency permits. The district shall develop plans for providing monitoring and support for personnel in their daily instructional duties and in completing subject matter and professional preparation requirements through a traditional, university-based program, alternative certification program, or training to pass the CBEST exam.
- (5) A community relations improvement plan that is consistent with the financial improvement plan required by paragraph (2), and that includes, but is not limited to, specific strategies for improving the communication among the governing board, personnel of the school district, pupils, and parents.

(b) Based upon its progress reports, FCMAT shall recommend to the Superintendent of Public Instruction those designated functional areas of school district operation that it determines are appropriate for the governing board of the school district to assume.

(c) Commencing in December 2003, and each six months thereafter until June 2004, FCMAT shall file a written status report with the appropriate fiscal and policy committees of the Legislature, including any special committees created for the purpose of reviewing the reports, and with the Members of the Legislature who represent the West Fresno Elementary School District, any advisory council of the school district, the Superintendent of Public Instruction, the Director of Finance, and the Secretary for Education. The reports shall include the progress that the West Fresno Elementary School District is making in meeting the recommendations of the improvement plans developed pursuant to this section.

SEC. 6. (a) The West Fresno Elementary School District shall bear 100 percent of all costs associated with implementing this act, except for the activities of the County Office Fiscal Crisis and Management Team specified in Section 5 of this act.

(b) The state-appointed administrator shall be deemed an employee of the West Fresno Elementary School District for all purposes of errors and omissions liability insurance policies.

SEC. 7. (a) The sum of two million dollars (\$2,000,000) is hereby appropriated from the General Fund to the Superintendent of Public Instruction for apportionment to the West Fresno Elementary School District for the purpose of an emergency loan. In order to qualify for the loan, the district shall comply with Article 2 (commencing with Section 41320) and Article 2.5 (commencing with Section 41325) of Chapter 3 of Part 24 of the Education Code to the extent those provisions are consistent with the conditions stipulated in this act. The state-appointed administrator is not required to prepare or obtain the management review and recovery plan required pursuant to paragraph (1) of subdivision (a) of Section 41327 of the Education Code. The improvement plans completed pursuant to Section 5 are to replace that management review and recovery plan.

(b) Funds may be disbursed from the proceeds of the loan only if the state-appointed administrator and the County Office Fiscal Crisis and Management Assistance Team jointly determine that the disbursement is necessary.

(c) Based on the needs of the district to meet its obligations, the Superintendent of Public Instruction may direct the Controller to disburse, on a monthly basis, specific amounts of the emergency loan before the approval of all of the conditions established by this act.

(d) For the fiscal year in which the apportionments are disbursed and each fiscal year thereafter, the Controller, or his or her designee, shall cause an audit to be conducted of the books and accounts of the district, instead of the audit required by Section 41020 of the Education Code. At the discretion of the Controller, the audit may be conducted by the Controller, his or her designee, or an auditor selected by the county superintendent and approved by the Controller. The costs of these audits shall be borne by the district. These audits are required until the Superintendent of Public Instruction, in consultation with the County Office of Education, determines that the district is financially solvent, but may not cease being required earlier than one year following the implementation of the plan nor later than the time the apportionment, including interest, is repaid. In addition, the Controller shall conduct quality control reviews pursuant to subdivision (c) of Section 14504.2 of the Education Code.

SEC. 8. (a) Notwithstanding subparagraph (A) of paragraph (2) of subdivision (a) of Section 41327 of the Education Code, the West Fresno Elementary School District shall repay the debt incurred pursuant to Section 7 of this act as a straight line loan amortized over a 10-year term. This amount shall be repaid by the school district, plus interest calculated at a rate equal to the rate earned by the Pooled Money Investment Account on the date this act becomes effective, for a period not to exceed 10 years.

(b) If payment is not made within 60 days after the scheduled date, the Controller shall pay the defaulted loan payment of principal and interest by withholding that amount from the next available payment that would otherwise be made to the county treasurer on behalf of the district pursuant to Section 14041 of the Education Code. However, subject to the approval of the Department of Finance, the amount withheld may be in monthly amounts as determined by an agreement between the West Fresno Elementary School District and the Controller during the period beginning with the next available apportionment through the month preceding the next scheduled payment.

(c) The Director of Finance may amend the payment schedule set forth in subdivision (a) if the director concludes that the amendment is warranted and is in the best interests of both the state and the West Fresno Elementary School District education program. Upon that determination, the director shall notify the Joint Legislative Budget Committee that the payment scheduled will be changed on the date that is 90 days from the date of notification if the Legislature is in session. If the 90-day period ends during a recess of the Legislature or while the Legislature is not in session, the 90-day period shall be extended until the Legislature reconvenes. Amendments to the payment schedule shall defer the unpaid portion of a repayment of the earliest fiscal year in

which no other repayment is scheduled. Interest shall accrue on the unpaid portion of a repayment from the scheduled due date until the time the payment is actually made. The interest charge shall be the rate equal to the daily investment rate of the Pooled Money Investment Account on the date the pay schedule is changed.

(d) The school district may repay its loan obligation without incurring any prepayment penalties.

SEC. 9. (a) The Fresno County Superintendent of Schools maintains the responsibility to superintend school districts under its jurisdiction. This act does not remove any statutory or regulatory rights, duties, or obligations from the county superintendent of instruction.

(b) Commencing three months after this act is enacted, the Fresno County Superintendent of Schools shall submit quarterly reports to the Superintendent of Public Instruction, the appropriate subcommittees of the Senate and Assembly, the chairpersons and vice chairpersons of the appropriate policy and fiscal committees of the Senate and Assembly, the Department of Finance, and the Office of the Secretary for Education. The reports shall document the fiscal and administrative status of the West Fresno Elementary School District, particularly in regard to the implementation of fiscal and management recovery plans pursuant to this act. Each report shall also include a determination of whether or not the revenue streams of the West Fresno Elementary School District appear to be consistent with its expenditure plan, according to the most recent data available at the time of the report. These reports shall cease being required six months after all rights, duties, and powers are returned to the school district pursuant to subdivision (e) of Section 3 of this act.

SEC. 10. The Department of Finance is authorized to redirect funds appropriated in Item 6110-107-0001 of Section 2.00 of the Budget Act of 2002 for the purposes of funding activities of the County Office Fiscal Crisis and Management Assistance Team specified in Section 5 of this act.

SEC. 11. (a) Any allegation of fraud or criminal misuse of district funds on the part of a current or former employee of the West Fresno Elementary School District shall be thoroughly investigated by the appropriate law enforcement agency.

(b) Notwithstanding the repayment schedules provided pursuant to Section 41327 of the Education Code, any district funds, property, or other assets recovered pursuant to subdivision (a) of this section shall be immediately directed toward repayment of the loan made pursuant to subdivision (a) of Section 7 of this act.

SEC. 12. The Legislature finds and declares that due to the unique circumstances regarding the West Fresno Elementary School District, a

general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 13. 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 are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.

SEC. 14. 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 address the fiscal emergency in which the West Fresno Elementary School District finds itself and to ensure that it meets its cash obligations for this fiscal year, it is necessary that this act take effect immediately.

CHAPTER 2

An act to amend Section 803 of the Penal Code, relating to criminal procedure, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 3, 2003. Filed with
Secretary of State April 3, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 803 of the Penal Code is amended to read:

803. (a) Except as provided in this section, a limitation of time prescribed in this chapter is not tolled or extended for any reason.

(b) No time during which prosecution of the same person for the same conduct is pending in a court of this state is a part of a limitation of time prescribed in this chapter.

(c) A limitation of time prescribed in this chapter does not commence to run until the discovery of an offense described in this subdivision. This subdivision applies to an offense punishable by imprisonment in the state prison, a material element of which is fraud or breach of a fiduciary obligation, the commission of the crimes of theft or embezzlement upon an elder or dependent adult, or the basis of which is misconduct in office by a public officer, employee, or appointee, including, but not limited to, the following offenses:

(1) Grand theft of any type, forgery, falsification of public records, or acceptance of a bribe by a public official or a public employee.

(2) A violation of Section 72, 118, 118a, 132, or 134.

(3) A violation of Section 25540, of any type, or Section 25541 of the Corporations Code.

(4) A violation of Section 1090 or 27443 of the Government Code.

(5) Felony welfare fraud or Medi-Cal fraud in violation of Section 11483 or 14107 of the Welfare and Institutions Code.

(6) Felony insurance fraud in violation of Section 548 or 550 of this code or former Section 1871.1, or Section 1871.4, of the Insurance Code.

(7) A violation of Section 580, 581, 582, 583, or 584 of the Business and Professions Code.

(8) A violation of Section 22430 of the Business and Professions Code.

(9) A violation of Section 10690 of the Health and Safety Code.

(10) A violation of Section 529a.

(11) A violation of subdivision (d) or (e) of Section 368.

(d) If the defendant is out of the state when or after the offense is committed, the prosecution may be commenced as provided in Section 804 within the limitations of time prescribed by this chapter, and no time up to a maximum of three years during which the defendant is not within the state shall be a part of those limitations.

(e) A limitation of time prescribed in this chapter does not commence to run until the offense has been discovered, or could have reasonably been discovered, with regard to offenses under Division 7 (commencing with Section 13000) of the Water Code, under Chapter 6.5 (commencing with Section 25100) of, Chapter 6.7 (commencing with Section 25280) of, or Chapter 6.8 (commencing with Section 25300) of, Division 20 of, or Part 4 (commencing with Section 41500) of Division 26 of, the Health and Safety Code, or under Section 386, or offenses under Chapter 5 (commencing with Section 2000) of Division 2 of, Chapter 9 (commencing with Section 4000) of Division 2 of, Chapter 10 (commencing with Section 7301) of Division 3 of, or Chapter 19.5 (commencing with Section 22440) of Division 8 of, the Business and Professions Code.

(f) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date of a report to a responsible adult or agency by a child under 18 years of age that the child is a victim of a crime described in Section 261, 286, 288, 288a, 288.5, 289, or 289.5.

(2) For purposes of this subdivision, a “responsible adult” or “agency” means a person or agency required to report pursuant to Section 11166. This subdivision applies only if both of the following occur:

(A) The limitation period specified in Section 800 or 801 has expired.

(B) The defendant has committed at least one violation of Section 261, 286, 288, 288a, 288.5, 289, or 289.5 against the same victim within the limitation period specified for that crime in either Section 800 or 801.

(3) (A) This subdivision applies to a cause of action arising before, on, or after January 1, 1990, the effective date of this subdivision, and it shall revive any cause of action barred by Section 800 or 801 if any of the following occurred or occurs:

(i) The complaint or indictment was filed on or before January 1, 1997, and it was filed within the time period specified in this subdivision.

(ii) The complaint or indictment is or was filed subsequent to January 1, 1997, and it is or was filed within the time period specified within this subdivision.

(iii) The victim made the report required by this subdivision to a responsible adult or agency after January 1, 1990, and a complaint or indictment was not filed within the time period specified in this subdivision, but a complaint or indictment is filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(iv) The victim made the report required by this subdivision to a responsible adult or agency after January 1, 1990, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, but a new complaint or indictment is or was filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(B) (i) If the victim made the report required by this subdivision to a responsible adult or agency after January 1, 1990, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, a new complaint or indictment may be filed notwithstanding any other provision of law, including, but not limited to, subdivision (c) of Section 871.5 and subdivision (b) of Section 1238.

(ii) An order dismissing an action filed under this subdivision, which is entered or becomes effective at any time prior to 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this section

is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first, shall not be considered an order terminating an action within the meaning of Section 1387.

(iii) Any ruling regarding the retroactivity of this subdivision or its constitutionality made in the course of the previous proceeding, including any review proceeding, shall not be binding upon refiling.

(g) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date of a report to a California law enforcement agency by a person of any age alleging that he or she, while under the age of 18 years, was the victim of a crime described in Section 261, 286, 288, 288a, 288.5, 289, or 289.5.

(2) This subdivision applies only if both of the following occur:

(A) The limitation period specified in Section 800 or 801 has expired.

(B) The crime involved substantial sexual conduct, as described in subdivision (b) of Section 1203.066, excluding masturbation that is not mutual, and there is independent evidence that clearly and convincingly corroborates the victim's allegation. No evidence may be used to corroborate the victim's allegation that otherwise would be inadmissible during trial. Independent evidence does not include the opinions of mental health professionals.

(3) (A) This subdivision applies to a cause of action arising before, on, or after January 1, 1994, the effective date of this subdivision, and it shall revive any cause of action barred by Section 800 or 801 if any of the following occurred or occurs:

(i) The complaint or indictment was filed on or before January 1, 1997, and it was filed within the time period specified in this subdivision.

(ii) The complaint or indictment is or was filed subsequent to January 1, 1997, and it is or was filed within the time period specified within this subdivision.

(iii) The victim made the report required by this subdivision to a law enforcement agency after January 1, 1994, and a complaint or indictment was not filed within the time period specified in this subdivision, but a complaint or indictment is filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this subdivision is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(iv) The victim made the report required by this subdivision to a law enforcement agency after January 1, 1994, and a complaint or indictment

was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, but a new complaint or indictment is filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this subdivision is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(B) (i) If the victim made the report required by this subdivision to a law enforcement agency after January 1, 1994, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, a new complaint or indictment may be filed notwithstanding any other provision of law, including, but not limited to, subdivision (c) of Section 871.5 and subdivision (b) of Section 1238.

(ii) An order dismissing an action filed under this subdivision, which is entered or becomes effective at any time prior to 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first, shall not be considered an order terminating an action within the meaning of Section 1387.

(iii) Any ruling regarding the retroactivity of this subdivision or its constitutionality made in the course of the previous proceeding, by any trial court or any intermediate appellate court, shall not be binding upon refileing.

(h) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date of a report to a California law enforcement agency by a person under 21 years of age, alleging that he or she, while under 18 years of age, was the victim of a crime described in Section 261, 286, 288, 288a, 288.5, 289, or 289.5.

(2) This subdivision applies only if both of the following occur:

(A) The limitation period specified in Section 800 or 801 has expired.

(B) The crime involved substantial sexual conduct, as described in subdivision (b) of Section 1203.066, excluding masturbation that is not mutual, and there is independent evidence that corroborates the victim's allegation. No evidence may be used to corroborate the victim's allegation that otherwise would be inadmissible during trial. Independent evidence does not include the opinions of mental health professionals.

(3) This subdivision applies to a cause of action arising before, on, or after January 1, 2002, the effective date of this subdivision, and it shall revive any cause of action barred by Section 800 or 801 if the complaint or indictment was filed within the time period specified by this subdivision.

(i) (1) Notwithstanding the limitation of time described in Section 800, the limitations period for commencing prosecution for a felony offense described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290, where the limitations period set forth in Section 800 has not expired as of January 1, 2001, or the offense is committed on or after January 1, 2001, shall be 10 years from the commission of the offense, or one year from the date on which the identity of the suspect is conclusively established by DNA testing, whichever is later, provided, however, that the one-year period from the establishment of the identity of the suspect shall only apply when either of the following conditions is met:

(A) For an offense committed prior to January 1, 2001, biological evidence collected in connection with the offense is analyzed for DNA type no later than January 1, 2004.

(B) For an offense committed on or after January 1, 2001, biological evidence collected in connection with the offense is analyzed for DNA type no later than two years from the date of the offense.

(2) In the event the conditions set forth in subparagraph (A) or (B) of paragraph (1) are not met, the limitations period for commencing prosecution for a felony offense described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290, where the limitations period set forth in Section 800 has not expired as of January 1, 2001, or the offense is committed on or after January 1, 2001, shall be 10 years from the commission of the offense.

(3) For purposes of this section, "DNA" means deoxyribonucleic acid.

(j) For any crime, the proof of which depends substantially upon evidence that was seized under a warrant, but which is unavailable to the prosecuting authority under the procedures described in *People v. Superior Court (Laff)* (2001) 25 Cal.4th 703, *People v. Superior Court (Bauman & Rose)* (1995) 37 Cal.App.4th 1757, or subdivision (c) of Section 1524, relating to claims of evidentiary privilege or attorney work product, the limitation of time prescribed in this chapter shall be tolled from the time of the seizure until final disclosure of the evidence to the prosecuting authority. Nothing in this section otherwise affects the definition or applicability of any evidentiary privilege or attorney work product.

(k) (1) In a criminal investigation involving child sexual abuse as described in subdivision (g) or (h), when the limitations period set forth

therein has not expired, that period shall be tolled from the time a party initiates litigation challenging a grand jury subpoena until the end of that litigation, including any associated writ or appellate proceeding, or until the final disclosure of evidence to the investigating or prosecuting agency, if that disclosure is ordered pursuant to the subpoena after the litigation.

(2) Nothing in this subdivision affects the definition or applicability of any evidentiary privilege.

(3) This subdivision shall not apply where a court finds that the grand jury subpoena was issued or caused to be issued in bad faith.

(l) As used in subdivisions (f), (g), and (h), Section 289.5 refers to the statute enacted by Chapter 293 of the Statutes of 1991 relating to penetration by an unknown object.

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 prolonged litigation of procedural matters and dilatory tactics during investigation do not interfere with the prosecution of child abuse and neglect cases, it is necessary that this bill take effect immediately.

CHAPTER 3

An act to repeal Sections 5 and 8 of Chapter 1154 of the Statutes of 2002, relating to mining, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 7, 2003. Filed with
Secretary of State April 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 5 of Chapter 1154 of the Statutes of 2002 is repealed.

SEC. 2. Section 8 of Chapter 1154 of the Statutes of 2002 is repealed.

SEC. 3. Chapter 1154 of the Statutes of 2002 is operative upon the effective date of this 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:

To prevent the imminent destruction of important Native American sacred sites threatened by proposed strip mining and to ensure these mining activities are adequately mitigated through implementation of new state reclamation requirements at the earliest opportunity, it is necessary that this act take effect immediately.

CHAPTER 4

An act to amend Sections 731, 779, 780, 1000.7, 1009, 1176, 1177, 1178, 1179, 1703, 1712, 1714, 1716, 1717, 1718, 1719, 1720, 1721, 1722, 1723, 1725, 1726, 1732.8, 1737, 1737.1, 1752.82, 1754, 1757, 1760, 1765, 1766, 1766.1, 1767.1, 1767.3, 1767.4, 1767.5, 1768.10, 1772, 1778, 1780, 1781, 1800, 1802, and 1830 of, to add Sections 1731.8 and 1800.5 to, and to repeal Sections 1724 and 1727 of, the Welfare and Institutions Code, relating to juvenile offenders, making an appropriation therefor, to take effect immediately, as an appropriation for the usual and current expenses of the state.

[Approved by Governor April 7, 2003. Filed with
Secretary of State April 8, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 731 of the Welfare and Institutions Code is amended to read:

731. (a) If a minor is adjudged a ward of the court on the ground that he or she is a person described by Section 602, the court may order any of the types of treatment referred to in Sections 727 and 730 and, in addition, may order the ward to make restitution, to pay a fine up to the amount of two hundred fifty dollars (\$250) for deposit in the county treasury if the court finds that the minor has the financial ability to pay the fine, or to participate in uncompensated work programs or the court may commit the ward to a sheltered-care facility or may order that the ward and his or her family or guardian participate in a program of professional counseling as arranged and directed by the probation officer as a condition of continued custody of that minor or may commit the minor to the Department of the Youth Authority.

(b) A minor committed to the Department of the Youth Authority may not be held in physical confinement for a period of time in excess of the maximum period of imprisonment which could be imposed upon an adult convicted of the offense or offenses which brought or continued the minor under the jurisdiction of the juvenile court. A minor committed to the Department of the Youth Authority also may not be held in

physical confinement for a period of time in excess of the maximum term of physical confinement set by the court based upon the facts and circumstances of the matter or matters which brought or continued the minor under the jurisdiction of the juvenile court, which may not exceed the maximum period of adult confinement as determined pursuant to this section. This section does not limit the power of the Youth Authority Board to retain the minor on parole status for the period permitted by Section 1769.

SEC. 2. Section 779 of the Welfare and Institutions Code is amended to read:

779. The court committing a ward to the Youth Authority may thereafter change, modify, or set aside the order of commitment. Ten days' notice of the hearing of the application therefor shall be served by United States mail upon the Director of the Youth Authority. In changing, modifying, or setting aside the order of commitment, the court shall give due consideration to the effect thereof upon the discipline and parole system of the Youth Authority or of the correctional school in which the ward may have been placed by the Youth Authority. Except as in this section provided, nothing in this chapter shall be deemed to interfere with the system of parole and discharge now or hereafter established by law, or by rule of the Youth Authority, for the parole and discharge of wards of the juvenile court committed to the Youth Authority, or with the management of any school, institution, or facility under the jurisdiction of the Youth Authority. Except as provided in this section, this chapter does not interfere with the system of transfer between institutions and facilities under the jurisdiction of the Youth Authority. This section does not limit the authority of the court to change, modify, or set aside an order of commitment after a noticed hearing and upon a showing of good cause that the Youth Authority is unable to, or failing to, provide treatment consistent with Section 734.

However, before any inmate of a correctional school may be transferred to a state hospital, he or she shall first be returned to a court of competent jurisdiction and, after hearing, may be committed to a state hospital for the insane in accordance with law.

SEC. 3. Section 780 of the Welfare and Institutions Code is amended to read:

780. If any person who has been committed to the Youth Authority appears to be an improper person to be received by or retained in any institution or facility under the jurisdiction of the Department of the Youth Authority or to be so incorrigible or so incapable of reformation under the discipline of any institution or facility under the jurisdiction of the department as to render his or her retention detrimental to the interests of the department, the department may order the return of that person to the committing court. However, the return of any person to the

committing court does not relieve the department of any of its duties or responsibilities under the original commitment, and that commitment continues in full force and effect until it is vacated, modified, or set aside by order of the court.

If any person is returned to the committing court, his or her transportation shall be made, and the compensation therefor paid, as provided for the order of commitment.

SEC. 4. Section 1000.7 of the Welfare and Institutions Code is amended to read:

1000.7. As used in this chapter, "Youth Authority" "authority" and "the authority" mean and refer to the Department of the Youth Authority and "board" means and refers to the Youth Authority Board.

SEC. 5. Section 1009 of the Welfare and Institutions Code is amended to read:

1009. The Department of the Youth Authority may order the return of nonresident persons committed to the department or confined in institutions or facilities subject to the jurisdiction of the department to the states in which they have legal residence. Whenever any public officer, other than an officer or employee of the department, receives from any private source any moneys to defray the cost of that transportation, he or she shall immediately transmit the moneys to the department. All moneys, together with any moneys received directly by the department from private sources for transportation of nonresidents, shall be deposited by the department in the State Treasury, in augmentation of the current appropriation for the support of the department.

SEC. 6. Section 1176 of the Welfare and Institutions Code is amended to read:

1176. When, in the opinion of the Youth Authority Board, any person committed to or confined in any such school deserves parole according to regulations established for the purpose, and it will be to his or her advantage to be paroled, the board may grant parole under conditions it deems best. A reputable home or place of employment shall be provided for each person so paroled.

SEC. 7. Section 1177 of the Welfare and Institutions Code is amended to read:

1177. When any person so paroled has proved his or her ability for honorable self-support, the Youth Authority Board shall give him or her honorable discharge. Any person on parole who violates the conditions of his or her parole may be returned to the Youth Authority.

SEC. 8. Section 1178 of the Welfare and Institutions Code is amended to read:

1178. The Youth Authority Board may grant honorable discharge to any person committed to or confined in any such school. The reason for that discharge shall be entered in the records.

SEC. 9. Section 1179 of the Welfare and Institutions Code is amended to read:

1179. (a) All persons honorably discharged from control of the Youth Authority Board shall thereafter be released from all penalties or disabilities resulting from the offenses for which they were committed, including, but not limited to, any disqualification for any employment or occupational license, or both, created by any other provision of law. However, that a person shall not be eligible for appointment as a peace officer employed by any public agency if his or her appointment would otherwise be prohibited by Section 1029 of the Government Code.

(b) Notwithstanding the provisions of subdivision (a), that person may be appointed and employed as a peace officer by the Department of the Youth Authority if (1) at least five years have passed since his or her honorable discharge, and the person has had no misdemeanor or felony convictions except for traffic misdemeanors since he or she was honorably discharged by the board, or (2) the person was employed as a peace officer by the department on or before January 1, 1983. No person who is under the jurisdiction of the department shall be admitted to an examination for a peace officer position with the department unless and until the person has been honorably discharged from the jurisdiction of the department by the Youth Authority Board.

(c) Upon the final discharge or dismissal of any such person, the Department of the Youth Authority shall immediately certify the discharge or dismissal in writing, and shall transmit the certificate to the court by which the person was committed. The court shall thereupon dismiss the accusation and the action pending against that person.

SEC. 10. Section 1703 of the Welfare and Institutions Code is amended to read:

1703. As used in this chapter

(a) "Public offenses" means public offenses as that term is defined in the Penal Code;

(b) "Court" includes any official authorized to impose sentence for a public offense;

(c) "Youth Authority", "Authority", "authority" or "department" means the Department of the Youth Authority;

(d) "Board" or "board" means the Youth Authority Board.

(e) The masculine pronoun includes the feminine.

SEC. 11. Section 1712 of the Welfare and Institutions Code is amended to read:

1712. (a) All powers, duties, and functions pertaining to the care and treatment of wards provided by any provision of law and not

specifically and expressly assigned to the Youth Authority Board shall be exercised and performed by the director. The director shall be the appointing authority for all civil service positions of employment in the department. The director may delegate the powers and duties vested in him or her by law, in accordance with Section 7.

(b) The director is authorized to make and enforce all rules appropriate to the proper accomplishment of the functions of the Department of the Youth Authority. The rules shall be promulgated and filed pursuant to Chapter 4.5 (commencing with Section 11371) of Part 1 of Division 3 of Title 2 of the Government Code, and shall, to the extent practical, be stated in language that is easily understood by the general public.

(c) The Department of the Youth Authority shall maintain, publish, and make available to the general public, a compendium of rules and regulations promulgated by the department pursuant to this section.

(d) The following exceptions to the procedures specified in this section shall apply to the Department of the Youth Authority:

(1) The department may specify an effective date that is any time more than 30 days after the rule or regulation is filed with the Secretary of State; provided that no less than 20 days prior to that effective date, copies of the rule or regulation shall be posted in conspicuous places throughout each institution and shall be mailed to all persons or organizations who request them.

(2) The department may rely upon a summary of the information compiled by a hearing officer; provided that the summary and the testimony taken regarding the proposed action shall be retained as part of the public record for at least one year after the adoption, amendment, or repeal.

SEC. 12. Section 1714 of the Welfare and Institutions Code is amended to read:

1714. The Director of the Youth Authority may transfer persons confined in one institution or facility of the Department of the Youth Authority to another.

SEC. 13. Section 1716 of the Welfare and Institutions Code is amended to read:

1716. (a) There is in the Department of the Youth Authority a Youth Authority Board, which shall be composed of six members, one of whom shall be the Director of the Youth Authority who shall serve as the ex officio nonvoting chair of the board. Other than the chair, who is subject to appointment pursuant to Section 1711, the members shall be appointed by the Governor, with the advice and consent of the Senate, for a term of four years, and shall devote their entire time to its work.

(b) The individuals who were members of the Youthful Offender Parole Board immediately prior to the effective date of this section shall

continue in their respective terms of office as members of the Youth Authority Board as provided in this section. The positions held by one of the members whose term ends on March 15, 2007, and by one of the members whose term ends on March 15, 2006, shall be eliminated on the effective date of this section, reducing the composition of the board to five members, not including the position held by the Director of the Youth Authority. All other members shall continue to serve out their respective terms. Their successors shall hold office for terms of four years. The members shall be eligible for reappointment and shall hold office until the appointment and qualification of their successors, with the term of each new appointee to commence on the expiration date of the term of his or her predecessor.

(c) All appointments to a vacancy occurring by reason of any cause other than the expiration of a term shall be for the unexpired term.

(d) If the Senate, in lieu of failing to confirm, finds that it cannot consider all or any of the appointments to the Youth Authority Board adequately because the amount of legislative business and the probable duration of the session does not permit, it may adopt a single house resolution by a majority vote of all members elected to the Senate to that effect and requesting the resubmission of the unconfirmed appointment or appointments at a succeeding session of the Legislature, whether regular or extraordinary, convening on or after a date fixed in the resolution. This resolution shall be filed immediately after its adoption in the office of the Secretary of State and the appointee or appointees affected shall serve subject to later confirmation or rejection by the Senate.

SEC. 14. Section 1717 of the Welfare and Institutions Code is amended to read:

1717. (a) Persons appointed to the Youth Authority Board shall have a broad background in and ability for appraisal of youthful law offenders and delinquents, the circumstances of delinquency for which those persons are committed, and the evaluation of the individual's progress toward reformation. Insofar as practicable, members shall be selected who have a varied and sympathetic interest in youth correction work including persons widely experienced in the fields of corrections, sociology, law, law enforcement, mental health, and education.

(b) The selection of persons and their appointment by the Governor and confirmation by the Senate shall reflect as nearly as possible a cross section of the racial, sexual, economic, and geographic features of the state.

(c) The Director of the Youth Authority shall serve as the ex officio nonvoting chair of the board. The chair shall be the administrative head of the board and shall exercise all duties and functions necessary to ensure that the responsibilities of the board are successfully discharged.

(d) Within 60 days of appointment and annually thereafter, persons appointed to the Youth Authority Board shall undergo a minimum of 40 hours of training in the following areas: treatment and training programs provided to wards at Youth Authority institutions, including, but not limited to, educational, vocational, mental health, medical, substance abuse, psychotherapeutic counseling, and sex offender treatment programs; a review of current national research on effective interventions with juvenile offenders and how they compare to department program and treatment services; parole services; board member duties and responsibilities; and a review of factors influencing ward lengths of stay and ward recidivism rates and their relationship to one another.

SEC. 15. Section 1718 of the Welfare and Institutions Code is amended to read:

1718. (a) The members of the board shall receive an annual salary as provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code and their actual necessary traveling expenses to the same extent as is provided for other state offices.

(b) The Governor may remove any member of the board for misconduct, incompetency or neglect of duty after a full hearing by the Board of Corrections.

SEC. 16. Section 1719 of the Welfare and Institutions Code is amended to read:

1719. (a) The following powers and duties shall be exercised and performed by the Youth Authority Board as such, or may be delegated to a panel, member, or case hearing representative as provided in Section 1721: discharges of commitment, orders to parole and conditions thereof, revocation or suspension of parole, and disciplinary appeals.

(b) Any ward may appeal an adjustment to his or her parole consideration date to a panel comprised of at least two board members.

(c) The following powers and duties shall be exercised and performed by the Department of the Youth Authority: return of persons to the court of commitment for redispotion by the court, determination of offense category, setting of parole consideration dates, conducting annual reviews, treatment program orders, institution placements, furlough placements, return of nonresident persons to the jurisdiction of the state of legal residence, disciplinary decisionmaking, and referrals pursuant to Section 1800.

(d) The Department of the Youth Authority shall promulgate policies and regulations implementing a departmentwide system of graduated sanctions for addressing ward disciplinary matters. The disciplinary decisionmaking system shall be employed as the disciplinary system in department institutions, and shall provide a framework for handling

disciplinary matters in a manner that is consistent, timely, proportionate, and ensures the due process rights of wards. The department shall develop and implement a system of graduated sanctions which distinguishes between minor, intermediate, and serious misconduct. The department may extend a ward's parole consideration date, subject to appeal pursuant to subdivision (b), from one to not more than 12 months, inclusive, for a sustained serious misconduct violation if all other sanctioning options have been considered and determined to be unsuitable in light of the ward's previous case history and the circumstances of the misconduct. In any case in which a parole consideration date has been extended, the disposition report shall clearly state the reasons for the extension. The length of any parole consideration date extension shall be based on the seriousness of the misconduct, the ward's prior disciplinary history, the ward's progress toward treatment objectives, the ward's earned program credits, and any extenuating or mitigating circumstances. The department shall promulgate regulations to implement a table of sanctions to be used in determining parole consideration date extensions. The department also may promulgate regulations to establish a process for granting wards who have successfully responded to disciplinary sanctions a reduction of up to 50 percent of any time acquired for disciplinary matters.

SEC. 17. Section 1720 of the Welfare and Institutions Code is amended to read:

1720. (a) The case of each ward shall be reviewed by the Department of the Youth Authority within 45 days of arrival at the department, and at other times as is necessary to meet the powers or duties of the board.

(b) The department shall periodically review the case of each ward for the purpose of determining whether existing orders and dispositions in individual cases should be modified or continued in force. These reviews shall be made as frequently as the department considers desirable and shall be made with respect to each ward at intervals not exceeding one year.

(c) The ward shall be entitled to notice if his or her annual review is delayed beyond one year after the previous annual review hearing. The ward shall be informed of the reason for the delay and of the date the review hearing is to be held.

(d) Failure of the department to review the case of a ward within 15 months of a previous review shall not of itself entitle the ward to discharge from the control of the Youth Authority but shall entitle him or her to petition the superior court of the county from which he or she was committed for an order of discharge, and the court shall discharge him or her unless the court is satisfied as to the need for further control.

(e) Reviews conducted by the department pursuant to this section shall be written and shall include, but not be limited to, the following: verification of the treatment or program goals and orders for the ward to ensure the ward is receiving treatment and programming that is narrowly tailored to address the correctional treatment needs of the ward and is being provided in a timely manner that is designed to meet the parole consideration date set for the ward; an assessment of the ward's adjustment and responsiveness to treatment, programming, and custody; a review of the ward's disciplinary history and response to disciplinary sanctions; an updated individualized treatment plan for the ward that makes adjustments based on the review required by this subdivision; an estimated timeframe for the ward's commencement and completion of the treatment programs or services; and a review of any additional information relevant to the ward's progress.

(f) The department shall provide copies of the reviews prepared pursuant to this section to the court and the probation department of the committing county.

SEC. 18. Section 1721 of the Welfare and Institutions Code is amended to read:

1721. (a) The Youth Authority Board shall adopt policies governing the performance of its functions by the full board, or, pursuant to delegation, by panels, or referees. Whenever the board performs its functions meeting en banc in either public or executive sessions to decide matters of policy, four members shall be present and no action shall be valid unless it is concurred in by a majority vote of those present.

(b) Case hearing representatives from the Department of the Youth Authority may be employed to participate with the board in the hearing of cases and authority may be delegated to those persons as provided in this section.

(c) The board may delegate its authority to hear, consider, and act upon cases to members or case hearing representatives, sitting either on a panel or as a referee. A panel may consist of two or more members, a member and a case hearing representative, or two case hearing representatives. Two members of a panel shall constitute a quorum, and no action of the panel shall be valid unless concurred in by a majority vote of those present.

(d) When delegating its authority, the board may condition finality of the decision of the panel or referee to whom authority is delegated on concurrence of a member or members of the board. In determining whether, in any case, it shall delegate its authority and the extent of such delegation, the board shall take into account the degree of complexity of the issues presented by the case.

(e) The board shall adopt rules under which a person under the jurisdiction of the Youth Authority or other persons, as specified in those

rules, may appeal any decision of a case hearing representative. Any decision resulting in the extension of a parole consideration date shall entitle a ward to appeal the decision to a panel of at least two board members. The board shall consider and act upon the appeal in accordance with those rules.

SEC. 19. Section 1722 of the Welfare and Institutions Code is amended to read:

1722. (a) Any rules and regulations, including any resolutions and policy statements, promulgated by the Youth Authority Board, shall be promulgated and filed pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and shall, to the extent practical, be stated in language that is easily understood by the general public.

(b) The board shall maintain, publish, and make available to the general public, a compendium of its rules and regulations, including any resolutions and policy statements, promulgated pursuant to this section.

(c) The following exception to the procedures specified in this section shall apply to the board: The chairperson may specify an effective date that is any time more than 30 days after the rule or regulation is filed with the Secretary of State; provided that no less than 20 days prior to that effective date, copies of the rule or regulation shall be posted in conspicuous places throughout each institution and shall be mailed to all persons or organizations who request them.

SEC. 20. Section 1723 of the Welfare and Institutions Code is amended to read:

1723. (a) Except as provided in Section 1721, every order granting and revoking parole and issuing final discharges to any person under the jurisdiction of the Youth Authority shall be made by the Youth Authority Board or its designee, as authorized by this article.

(b) All other powers conferred to the Youth Authority Board may be exercised through subordinates or delegated to the Department of the Youth Authority under rules established by the board. Any person subjected to an order of those subordinates or of the department pursuant to that delegation may petition the board for review. The board may review those orders under appropriate rules and regulations.

(c) All board designees shall be subject to the training required pursuant to subdivision (d) of Section 1717.

SEC. 21. Section 1724 of the Welfare and Institutions Code is repealed.

SEC. 22. Section 1725 of the Welfare and Institutions Code is amended to read:

1725. The Youth Authority Board shall succeed to and shall exercise and perform all powers and duties granted to, exercised by, and imposed

upon the Youthful Offender Parole Board, as authorized by this article. The Youthful Offender Parole Board is abolished.

SEC. 23. Section 1726 of the Welfare and Institutions Code is amended to read:

1726. (a) Employees of the Department of the Youth Authority who are needed to support the functions of the Youth Authority Board shall be selected and appointed pursuant to the State Civil Service Act.

(b) All officers and employees of the Youthful Offender Parole Board who on January 1, 2004, are serving in the state civil service, other than as temporary employees, as part of the direct staff of the Youthful Offender Parole Board shall be transferred to the Department of the Youth Authority and subject to retention pursuant to Section 19050.9 of the Government Code.

SEC. 24. Section 1727 of the Welfare and Institutions Code is repealed.

SEC. 25. Section 1731.8 is added to the Welfare and Institutions Code, to read:

1731.8. Notwithstanding any other provision of law, within 60 days of the commitment of a ward to the Department of the Youth Authority, the department shall set an initial parole consideration date for the ward and shall notify the probation department and the committing juvenile court of that date. The department shall use the category offense guidelines contained in Sections 4951 to 4957, inclusive, of, and the deviation guidelines contained in subdivision (i) of Section 4945 of, Title 15 of the California Code of Regulations, that were in effect on January 1, 2003, in setting an initial parole consideration date.

SEC. 26. Section 1732.8 of the Welfare and Institutions Code is amended to read:

1732.8. (a) Notwithstanding any other law and subject to the provisions of this section, the Director of the Youth Authority may transfer to and cause to be confined within the custody of the Director of Corrections any person 18 years of age or older who is subject to the custody, control, and discipline of the Department of the Youth Authority and who is scheduled to be returned, or has been returned, to the Department of the Youth Authority from the Department of Corrections after serving a sentence imposed pursuant to Section 1170 of the Penal Code for a felony that was committed while he or she was in the custody of the Department of the Youth Authority.

(b) No person shall be transferred pursuant to this section until and unless the person voluntarily, intelligently, and knowingly executes a written consent to the transfer, which shall be irrevocable.

(c) Prior to being returned to the Youth Authority, a person in the custody of the Department of Corrections who is scheduled to be returned to the Department of the Youth Authority shall meet personally

with a Youth Authority parole agent or other appropriate Department of the Youth Authority staff member. The parole agent or staff member shall explain, using language clearly understandable to the person, all of the following matters:

(1) What will be expected from the person when he or she returns to a Youth Authority institution in terms of cooperative daily living conduct and participation in applicable counseling, academic, vocational, work experience, or specialized programming.

(2) The conditions of parole applicable to the person, and how those conditions will be monitored and enforced while the person is in the custody of the Youth Authority.

(3) The person's right under this section to voluntarily and irrevocably consent to continue to be housed in an institution under the jurisdiction of the Department of Corrections instead of being returned to the Youth Authority.

(d) A person who has been returned to the Youth Authority after serving a sentence described in subdivision (a) may be transferred to the custody of the Department of Corrections if the person consents to the transfer after having been provided with the explanations described in subdivision (c).

(e) If a Youth Authority person consents to being housed in an institution under the jurisdiction of the Department of Corrections pursuant to this section, he or she shall be subject to the general rules and regulations of the Department of Corrections. The Youth Authority Board shall continue to determine the person's eligibility for parole at the same intervals, in the same manner, and under the same standards and criteria that would be applicable if the person were confined in the Department of the Youth Authority. However, the board shall not order or recommend any treatment, education, or other programming that is unavailable in the institution where the person is housed, and shall not deny parole to a person housed in the institution based solely on the person's failure to participate in programs unavailable to the person.

(f) Any person housed in an institution under the jurisdiction of the Department of Corrections pursuant to this section who has not attained a high school diploma or its equivalent shall participate in educational or vocational programs, to the extent the appropriate programs are available.

(g) Upon notification by the Director of Corrections that the person should be no longer be housed in an institution under its jurisdiction, the Department of the Youth Authority shall immediately send for, take, and receive the person back into an institution under its jurisdiction.

SEC. 27. Section 1737 of the Welfare and Institutions Code is amended to read:

1737. When a person has been committed to the custody of the authority, if it is deemed warranted by a diagnostic study and recommendation approved by the director, the judge who ordered the commitment or, if the judge is not available, the presiding judge of the court, within 120 days of the date of commitment on his or her own motion, or the court, at any time thereafter upon recommendation of the director, may recall the commitment previously ordered and resentence the person as if he or she had not previously been sentenced. The time served while in custody of the authority shall be credited toward the term of any person resentenced pursuant to this section.

As used in this section, "time served while in custody of the authority" means the period of time during which the person was physically confined in a state institution by order of the Department of the Youth Authority or the Youth Authority Board.

SEC. 28. Section 1737.1 of the Welfare and Institutions Code is amended to read:

1737.1. Whenever any person who has been convicted of a public offense in adult court and committed to and accepted by the Department of the Youth Authority appears to be an improper person to be retained by the department, or to be so incorrigible or so incapable of reformation under the discipline of the department as to render his or her detention detrimental to the interests of the department and the other persons committed thereto, the department may order the return of that person to the committing court. The court may then commit the person to a state prison or sentence him or her to a county jail as provided by law for punishment of the offense of which he or she was convicted. The maximum term of imprisonment for a person committed to a state prison under this section shall be a period equal to the maximum term prescribed by law for the offense of which he or she was convicted less the period during which he or she was under the control of the department. This section shall not apply to commitments from juvenile court.

As used in this section "period during which he or she was under the control of the department" means the period of time during which he or she was physically confined in a state institution by order of the department or the Youth Authority Board.

SEC. 29. Section 1752.82 of the Welfare and Institutions Code is amended to read:

1752.82. (a) Whenever an adult or minor is committed to or housed in a Youth Authority facility and he or she owes restitution to a victim or a restitution fine imposed pursuant to Section 13967, as operative on or before September 28, 1994, of the Government Code, or Section 1202.4 of the Penal Code, or Section 1203.04, as operative on or before August 2, 1994, of the Penal Code, or pursuant to Section 729.6, as

operative on or before August 2, 1995, Section 730.6 or 731.1, as operative on or before August 2, 1995, the director may deduct a reasonable amount not to exceed 50 percent from the wages of that adult or minor and the amount so deducted, exclusive of the costs of administering this section, which shall be retained by the director, shall be transferred to the California Victim Compensation and Government Claims Board for deposit in the Restitution Fund in the State Treasury in the case of a restitution fine, or, in the case of a restitution order, and upon the request of the victim, shall be paid directly to the victim. Any amount so deducted shall be credited against the amount owing on the fine or to the victim. The committing court shall be provided a record of any payments.

(b) A victim who has requested that restitution payments be paid directly to him or her pursuant to subdivision (a) shall provide a current address to the Youth Authority to enable the Youth Authority to send restitution payments collected on the victim's behalf to the victim.

(c) In the case of a restitution order, whenever the victim has died, cannot be located, or has not requested the restitution payment, the director may deduct a reasonable amount not to exceed 50 percent of the wages of that adult or minor and the amount so deducted, exclusive of the costs of administering this section, which shall be retained by the director, shall be transferred to the California Victim Compensation and Government Claims Board, pursuant to subdivision (d), after one year has elapsed from the time the ward is discharged by the Youth Authority Board. Any amount so deducted shall be credited against the amount owing to the victim. The funds so transferred shall be deposited in the Restitution Fund.

(d) If the Youth Authority has collected restitution payments on behalf of a victim, the victim shall request those payments no later than one year after the ward has been discharged by the Youth Authority Board. Any victim who fails to request those payments within that time period shall have relinquished all rights to the payments, unless he or she can show reasonable cause for failure to request those payments within that time period.

(e) The director shall transfer to the California Victim Compensation and Government Claims Board all restitution payments collected prior to the effective date of this section on behalf of victims who have died, cannot be located, or have not requested restitution payments. The California Victim Compensation and Government Claims Board shall deposit these amounts in the Restitution Fund.

(f) For purposes of this section, "victim" includes a victim's immediate surviving family member, on whose behalf restitution has been ordered.

SEC. 30. Section 1754 of the Welfare and Institutions Code is amended to read:

1754. Nothing in this chapter shall be taken to give the Youth Authority Board or the director control over existing facilities, institutions or agencies; or to require them to serve the board or the director inconsistently with their functions, or with the authority of their officers, or with the laws and regulations governing their activities; or to give the board or the director power to make use of any private institution or agency without its consent; or to pay a private institution or agency for services which a public institution or agency is willing and able to perform.

SEC. 31. Section 1757 of the Welfare and Institutions Code is amended to read:

1757. The director may inspect all public institutions and agencies whose facilities he or she is authorized to utilize and all private institutions and agencies whose facilities he or she is using. Every institution or agency, whether public or private, is required to afford the director reasonable opportunity to examine or consult with persons committed to the Youth Authority who are for the time being in the custody of the institution or agency.

SEC. 32. Section 1760 of the Welfare and Institutions Code is amended to read:

1760. The director is hereby authorized when necessary and when funds are available for these purposes to establish and operate any of the following:

(a) Places for the detention, prior to examination and study, of all persons committed to the Youth Authority.

(b) Places for examination and study of persons committed to the Youth Authority.

(c) Places of confinement, educational institutions, hospitals and other correctional or segregative facilities, institutions and agencies, for the proper execution of the duties of the Youth Authority.

(d) Agencies and facilities for the supervision, training, and control of persons who have not been placed in confinement or who have been released from confinement by the Youth Authority Board upon conditions, and for aiding those persons to find employment and assistance.

(e) Agencies and facilities designed to aid persons who have been discharged by the Youth Authority Board in finding employment and in leading a law-abiding existence.

SEC. 33. Section 1765 of the Welfare and Institutions Code is amended to read:

1765. (a) Except as otherwise provided in this chapter, the Department of the Youth Authority and the Youth Authority Board shall

keep under continued study a person in their control and shall retain him or her, subject to the limitations of this chapter, under supervision and control so long as in their judgment that control is necessary for the protection of the public.

(b) The board shall discharge that person as soon as in its opinion there is reasonable probability that he or she can be given full liberty without danger to the public.

SEC. 34. Section 1766 of the Welfare and Institutions Code is amended to read:

1766. (a) When a person has been committed to the Department of the Youth Authority, the Youth Authority Board may, according to standardized review and appeal procedures established by the board in policy and regulation and subject to the powers and duties enumerated in subdivision (a) of Section 1719:

(1) Permit the ward his or her liberty under supervision and upon conditions it believes are best designed for the protection of the public.

(2) Order his or her confinement under conditions it believes best designed for the protection of the public pursuant to the purposes set forth in Section 1700, except that a person committed to the Youth Authority pursuant to Sections 731 or 1731.5 may not be held in physical confinement for a total period of time in excess of the maximum periods of time set forth in Section 731. Nothing in this subdivision limits the power of the board to retain the minor or the young adult on parole status for the period permitted by Sections 1769, 1770, and 1771.

(3) Order reconfinement or renewed release under supervision as often as conditions indicate to be desirable.

(4) Revoke or modify any parole or disciplinary appeal order.

(5) Modify an order of discharge if conditions indicate that such modification is desirable and when that modification is to the benefit of the person committed to the authority.

(6) Discharge him or her from its control when it is satisfied that discharge is consistent with the protection of the public.

(b) Within 60 days of intake, the department shall provide the court and the probation department, with a treatment plan for the ward.

(c) A ward shall be entitled to an appearance hearing before a review panel of Youth Authority Board members for any action that would result in the extension of a parole consideration date pursuant to subdivision (e) of Section 1721.

(d) The department shall promulgate policies and regulations to implement this section.

(e) Commencing on July 1, 2004, and annually thereafter, for the preceding fiscal year, the department shall collect and make available to the public the following information:

(1) The total number of ward case reviews conducted by the department and the Youth Authority Board, categorized by guideline category.

(2) The number of parole consideration dates for each category set at guideline, above guideline, and below guideline.

(3) The number of ward case reviews resulting in a change to a parole consideration date, including the category assigned to the ward, the amount of time added to or subtracted from the parole consideration date, and the specific reason for the change.

(4) The percentage of wards who have had a parole consideration date changed to a later date, the percentage of wards who have had a parole consideration date changed to an earlier date, and the average annual time added or subtracted per case.

(5) The number and percentage of wards who, while confined or on parole, are charged with a new misdemeanor or felony criminal offense.

(6) Any additional data or information identified by the department as relevant.

(f) As used in subdivision (e), the term “ward case review” means any review of a ward that changes, maintains, or appreciably affects the programs, treatment, or placement of a ward.

SEC. 35. Section 1766.1 of the Welfare and Institutions Code is amended to read:

1766.1. When permitting an adult or minor committed to the Department of the Youth Authority his or her liberty pursuant to subdivision (a) of Section 1766, the Youth Authority Board shall impose as a condition thereof that the adult or minor pay in full any restitution fine or restitution order imposed pursuant to Section 13967, as operative on or before September 28, 1994, of the Government Code, or Section 1202.4 of the Penal Code, or Section 1203.4, as operative on or before August 2, 1994, of the Penal Code, or Section 730.6 or 731.1, as operative on or before August 2, 1995. Payment shall be in installments set in an amount consistent with the adult’s or minor’s ability to pay.

SEC. 36. Section 1767.1 of the Welfare and Institutions Code is amended to read:

1767.1. At least 30 days before the Youth Authority Board meets to review or consider the parole of any person who has been committed to the control of the Department of the Youth Authority for the commission of any offense described in subdivision (b), paragraph (2) of subdivision (d), or subdivision (e) of Section 707, or for the commission of an offense in violation of paragraph (2) of subdivision (a) of Section 262 or paragraph (3) of subdivision (a) of Section 261 of the Penal Code, the board shall send written notice of the hearing to each of the following persons: the judge of the court that committed the person to the authority, the attorney for the person, the district attorney of the county from which

the person was committed, the law enforcement agency that investigated the case, and the victim pursuant to Section 1767. The board shall also send a progress report regarding the ward to the judge of the court that committed the person at the same time it sends the written notice to the judge.

Each of the persons so notified shall have the right to submit a written statement to the board at least 10 days prior to the decision for the board's consideration. Nothing in this subdivision shall be construed to permit any person so notified to attend the hearing. With respect to the parole of any person over the age of 18 years, the presiding officer of the board shall state findings and supporting reasons for the decision of the board. The findings and reasons shall be reduced to writing, and shall be made available for inspection by members of the public no later than 30 days from the date of the decision.

SEC. 37. Section 1767.3 of the Welfare and Institutions Code is amended to read:

1767.3. (a) The Youth Authority Board may suspend, cancel, or revoke any parole and may order returned to custody of the department any person committed to it who is on parole.

(b) The written order of the director is a sufficient warrant for any peace officer to return to the custody of the department any person committed to it who is on parole or who has been permitted his or her liberty on condition.

(c) The written order of the Director of the Youth Authority is a sufficient warrant for any peace officer to return to the custody of the department, pending further proceedings before the Youth Authority Board or the Board of Prison Terms, any person committed to, or in the custody of, the department who is on parole or who has been permitted his or her liberty on condition, or for any peace officer to return to the custody of the department any person who has escaped from the custody of the department or from any institution or facility in which he or she has been placed by the department.

(d) All peace officers shall execute the orders in like manner as a felony warrant.

SEC. 38. Section 1767.4 of the Welfare and Institutions Code is amended to read:

1767.4. Whenever any person paroled by the Youth Authority Board is returned to the department upon the order of the director by a peace officer or probation officer, the officer shall be paid the same fees and expenses as are allowed those officers by law for the transportation of persons to institutions or facilities under the jurisdiction of the department.

SEC. 39. Section 1767.5 of the Welfare and Institutions Code is amended to read:

1767.5. The authority may pay any private home for the care of any person committed to the authority and paroled by the Youth Authority Board to the custody of the private home (including both persons committed to the authority under this chapter and persons committed to it by the juvenile court) at a rate to be approved by the Department of Finance. Payments for the care of paroled persons may be made from funds available to the authority for that purpose, or for the support of the institution or facility under the jurisdiction of the authority from which the person has been paroled.

SEC. 40. Section 1768.10 of the Welfare and Institutions Code is amended to read:

1768.10. Notwithstanding any other law, the Youth Authority Board may require a person under its jurisdiction or control to submit to an examination or test for tuberculosis when the board reasonably suspects that the parolee has, has had, or has been exposed to, tuberculosis in an infectious stage. For purposes of this section, an "examination or test for tuberculosis" means testing and followup examinations or treatment according to the Centers for Disease Control and the American Thoracic Society recommendations in effect at the time of the initial examination.

SEC. 41. Section 1772 of the Welfare and Institutions Code is amended to read:

1772. (a) Subject to subdivision (b), every person honorably discharged from control by the Youth Authority Board who has not, during the period of control by the authority, been placed by the authority in a state prison shall thereafter be released from all penalties and disabilities resulting from the offense or crime for which he or she was committed, and every person discharged may petition the court which committed him or her, and the court may upon that petition set aside the verdict of guilty and dismiss the accusation or information against the petitioner who shall thereafter be released from all penalties and disabilities resulting from the offense or crime for which he or she was committed, including, but not limited to, any disqualification for any employment or occupational license, or both, created by any other provision of law.

(b) Notwithstanding subdivision (a):

(1) A person described by subdivision (a) shall not be eligible for appointment as a peace officer employed by any public agency if his or her appointment would otherwise be prohibited by Section 1029 of the Government Code. However, that person may be appointed and employed as a peace officer by the Department of the Youth Authority if (A) at least five years have passed since his or her honorable discharge, and the person has had no misdemeanor or felony convictions except for traffic misdemeanors since he or she was honorably discharged by the

Youth Authority Board, or (B) the person was employed as a peace officer by the Department of the Youth Authority on or before January 1, 1983. No person who is under the jurisdiction of the Department of the Youth Authority shall be admitted to an examination for a peace officer position with the department unless and until the person has been honorably discharged from the jurisdiction of the Youth Authority Board.

(2) A person described by subdivision (a) is subject to Sections 12021 and 12021.1 of the Penal Code.

(3) The conviction of a person described by subdivision (a) for an offense listed in subdivision (b) of Section 707 is admissible in a subsequent criminal, juvenile, or civil proceeding if otherwise admissible, if all the following are true:

(A) The person was 16 years of age or older at the time he or she committed the offense.

(B) The person was found unfit to be dealt with under the juvenile court law pursuant to Section 707 because he or she was alleged to have committed an offense listed in subdivision (b) of Section 707.

(C) The person was tried as an adult and convicted of an offense listed in subdivision (b) of Section 707.

(D) The person was committed to the Department of the Youth Authority for the offense referred to in subparagraph (C).

(4) The conviction of a person described by subdivision (a) may be used to enhance the punishment for a subsequent offense.

(5) The conviction of a person who is 18 years of age or older at the time he or she committed the offense is admissible in a subsequent civil, criminal, or juvenile proceeding, if otherwise admissible pursuant to law.

(c) Every person discharged from control by the Youth Authority Board shall be informed of the provisions of this section in writing at the time of discharge.

(d) "Honorably discharged" as used in this section means and includes every person whose discharge is based upon a good record on parole.

SEC. 42. Section 1778 of the Welfare and Institutions Code is amended to read:

1778. Notwithstanding Section 11425.10 of the Government Code, Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to a parole hearing or other adjudication concerning rights of a person committed to the control of the Youth Authority conducted by the Department of the Youth Authority or the Youth Authority Board.

SEC. 43. Section 1780 of the Welfare and Institutions Code is amended to read:

1780. If the date of discharge occurs before the expiration of a period of control equal to the maximum term prescribed by law for the offense of which he or she was convicted, and if the Department of the Youth Authority believes that unrestrained freedom for that person would be dangerous to the public, the Department of the Youth Authority shall petition the court by which the commitment was made.

The petition shall be accompanied by a written statement of the facts upon which the department bases its opinion that discharge from its control at the time stated would be dangerous to the public, but a petition may not be dismissed merely because of its form or an asserted insufficiency of its allegations; every order shall be reviewed upon its merits.

SEC. 44. Section 1781 of the Welfare and Institutions Code is amended to read:

1781. Upon the filing of a petition under this article, the court shall notify the person whose liberty is involved, and if he or she is a minor, his or her parent or guardian if practicable, of the application and shall afford him or her an opportunity to appear in court with the aid of counsel and of process to compel attendance of witnesses and production of evidence. When he or she is unable to provide his or her own counsel, the court shall appoint counsel to represent him or her.

In the case of any person who is the subject of such a petition and who is under the control of the Youth Authority for the commission of any offense of rape in violation of paragraph (1) or (2) of subdivision (a) of Section 262 or subdivision (2) or subdivision (3) of Section 261 of the Penal Code, or murder, the Department of the Youth Authority shall send written notice of the petition and of any hearing set for the petition to each of the following persons: the attorney for the person who is the subject of the petition, the district attorney of the county from which the person was committed, and the law enforcement agency that investigated the case. The department shall also send written notice to the victim of the rape or the next of kin of the person murdered if he or she requests notice from the department and keeps it apprised of his or her current mailing address. Notice shall be sent at least 30 days before the hearing.

SEC. 45. Section 1800 of the Welfare and Institutions Code is amended to read:

1800. Whenever the Department of the Youth Authority determines that the discharge of a person from the control of the department at the time required by Section 1766, 1769, 1770, 1770.1, or 1771, as applicable, would be physically dangerous to the public because of the person's mental or physical deficiency, disorder, or abnormality, the department, through its director, shall request the prosecuting attorney to petition the committing court for an order directing that the person

remain subject to the control of the authority beyond that time. The petition shall be filed at least 90 days before the time of discharge otherwise required. The petition shall be accompanied by a written statement of the facts upon which the department bases its opinion that discharge from control of the department at the time stated would be physically dangerous to the public, but the petition may not be dismissed and an order may not be denied merely because of technical defects in the application.

The prosecuting attorney shall promptly notify the Department of the Youth Authority of a decision not to file a petition.

SEC. 46. Section 1800.5 is added to the Welfare and Institutions Code, to read:

1800.5. Notwithstanding any other provision of law, the Youth Authority Board may request the Director of the Youth Authority to review any case where the department has not made a request to the prosecuting attorney pursuant to Section 1800 and the board finds that the ward would be physically dangerous to the public because of the ward's mental or physical deficiency, disorder, or abnormality. Upon the board's request, a mental health professional designated by the director shall review the case and thereafter may affirm the finding or order additional assessment of the ward. If, after review, the mental health designee affirms the initial finding, concludes that a subsequent assessment does not demonstrate that a ward is subject to extended detention pursuant to Section 1800, or fails to respond to a request from the board within the timeframe mandated by this section, the board thereafter may request the prosecuting attorney to petition the committing court for an order directing that the person remain subject to the control of the authority pursuant to Section 1800 if the board continues to find that the ward would be physically dangerous to the public because of the ward's mental or physical deficiency, disorder, or abnormality. The board's request to the prosecuting attorney shall be accompanied by a copy of the ward's file and any documentation upon which the board bases its opinion, and shall include any documentation of the department's review and recommendations made pursuant to this section. Any request for review pursuant to this section shall be submitted to the director not less than 120 days before the date of final discharge, and the review shall be completed and transmitted to the board not more than 15 days after the request has been received.

SEC. 47. Section 1802 of the Welfare and Institutions Code is amended to read:

1802. When an order for continued detention is made as provided in Section 1801, the control of the authority over the person shall continue, subject to the provisions of this chapter, but, unless the person is previously discharged as provided in Section 1766, the authority shall,

within two years after the date of that order in the case of persons committed by the juvenile court, or within two years after the date of that order in the case of persons committed after conviction in criminal proceedings, file a new application for continued detention in accordance with the provisions of Section 1800 if continued detention is deemed necessary. These applications may be repeated at intervals as often as in the opinion of the authority may be necessary for the protection of the public, except that the department shall have the power, in order to protect other persons in the custody of the department to transfer the custody of any person over 21 years of age to the Director of Corrections for placement in the appropriate institution.

Each person shall be discharged from the control of the authority at the termination of the period stated in this section unless the authority has filed a new application and the court has made a new order for continued detention as provided above in this section.

SEC. 48. Section 1830 of the Welfare and Institutions Code is amended to read:

1830. The Director of the Youth Authority may participate in a local work furlough program established pursuant to subdivision (a) of Section 1208 of the Penal Code, or conduct or discontinue a work furlough rehabilitation program, in accordance with the provisions of this article, for appropriate classes of wards at one or more Youth Authority institutions. He or she may designate any officer or employee of the department to be the Youth Authority work furlough administrator and may assign personnel to assist the administrator.

SEC. 49. It is the intent of the Legislature that the Youth Authority Board be housed within the Department of the Youth Authority. The Department of General Services shall evaluate the options regarding current leases and determine when a move is appropriate.

SEC. 50. The sum of one million five hundred and fifty thousand dollars (\$1,550,000) is hereby appropriated from the General Fund to the Youthful Offender Parole Board to supplement funding provided in Item 5450-001-0001 of the Budget Act of 2002.

SEC. 51. 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.

SEC. 52. Sections 1 to 49, inclusive, of this act shall become operative on January 1, 2004.

CHAPTER 5

An act to amend Section 384 of the Streets and Highways Code, relating to state highways, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 21, 2003. Filed with
Secretary of State April 21, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 384 of the Streets and Highways Code is amended to read:

384. (a) Route 84 is from:

(1) Route 1 near San Gregorio to Route 101 at Woodside Road in Redwood City.

(2) Route 101 at Marsh Road in Menlo Park to Route 880.

(3) Route 880 to Route 238.

(4) Route 238 to Route 680 near Scotts Corners via the vicinity of Sunol.

(5) Route 680 near Scotts Corners to Route 580 in Livermore.

(6) Route 580 in Livermore to Route 4 near Brentwood.

(7) Route 12 at Rio Vista to Route 80 near Bryte via Ryer Island.

(b) The commission may relinquish the portion of Route 84 within the City of West Sacramento to that city upon terms and conditions that the commission finds to be in the best interests of the state.

(c) The relinquishment shall become effective the day immediately following the day the county recorder records the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.

(d) On and after the effective date of the relinquishment, all of the following shall occur:

(1) The relinquished portion shall cease to be a state highway.

(2) The relinquished portion may not be considered for future adoption under Section 81.

(3) For those portions of Route 84 that are relinquished, the City of West Sacramento shall agree to maintain signs within its jurisdiction directing motorists to the continuation of Route 84 as a condition of the relinquishment.

(4) Upon relinquishment of a portion of Route 84 to the City of West Sacramento, the last segment of Route 84 shall be defined as Route 12 at Rio Vista to the southerly city limit of the City of West Sacramento.

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:

The economy of the City of West Sacramento and the quality of life of its citizens will be adversely affected if important transportation projects contingent on the relinquishment of State Highway Route 84 are delayed.

CHAPTER 6

An act to make an appropriation in augmentation of the Budget Act of 2002, relating to contingencies or emergencies, to take effect immediately as an appropriation for the usual current expenses of the state.

[Approved by Governor April 22, 2003. Filed with
Secretary of State April 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The sum of one hundred forty-one million one hundred thirty-two thousand dollars (\$141,132,000) is hereby appropriated for expenditure for the 2002–03 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 2002 (Chapter 379 of the Statutes of 2002), in accordance with the following schedule:

(a) One hundred twenty-six million seven hundred forty-eight thousand dollars (\$126,748,000) from the General Fund to the Augmentation for Contingencies or Emergencies in Item 9840-001-0001.

(b) Nine million nine hundred eighty-one thousand dollars (\$9,981,000) from unallocated special funds to the Augmentation for Contingencies or Emergencies in Item 9840-001-0494.

(c) Four million two hundred one thousand dollars (\$4,201,000) from unallocated nongovernmental cost funds to the Augmentation for Contingencies or Emergencies in Item 9840-001-0988.

(d) Two hundred two thousand dollars (\$202,000) from the General Fund to the Reserve for Contingencies or Emergencies (Loans) in Item 9840-011-0001.

SEC. 2. The Director of Finance may withhold authorization for the expenditure of funds provided in this act until such time as, and to the extent that, preliminary estimates of potential deficiencies are verified.

SEC. 3. This act makes an appropriation for the usual current expenses of the state within the meaning of subdivision (c) of Section 8 of Article IV of the California Constitution and shall go into immediate effect.

CHAPTER 7

An act relating to the payment of claims against the state, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 28, 2003. Filed with
Secretary of State April 29, 2003.]

The people of the State of California do enact as follows:

SECTION 1. (a) The sum of two million three hundred sixty-four thousand two hundred twenty-one dollars and three cents (\$2,364,221.03) is hereby appropriated from the various funds, as specified in subdivision (b) to the Executive Officer of the California Victim Compensation and Government Claims Board for the payment of claims accepted by the board 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 California Victim Compensation and Government Claims Board shall be paid in accordance with the following schedule:

Total for Fund: Condemnation Deposits	
Fund (0910)	\$2,192.54
Total for Fund: Corporation Tax	
Fund (0084)	\$16,362.04
Total for Fund: Employment Development	
Contingent Fund (0185)	\$7,057.50
Total for Fund: General Fund (0001)	\$1,275,523.00
Total for Fund: Health Care Deposit	
Fund (0912)	\$292.40
Total for Fund: Item 0845-001-0217, Budget Act of 2002	\$59,363.00

Total for Fund: Item 0860-001-0001(2),	
Budget Act of 2002	\$627.04
Total for Fund: Item 1111-002-0069,	
Budget Act of 2002	\$780.00
Total for Fund: Item 1111-002-0582(1),	
Budget Act of 2002	\$864.81
Total for Fund: Item 1111-002-0582(3),	
Budget Act of 2002	\$39.00
Total for Fund: Item 1230-001-0735(1),	
Budget Act of 2002	\$233.66
Total for Fund: Item 1730-001-0001(1),	
Budget Act of 2002	\$3,436.23
Total for Fund: Item 1760-001-0666(1),	
Budget Act of 2002	\$1,925.56
Total for Fund: Item 2660-001-0042(2),	
Budget Act of 2002	\$51,220.07
Total for Fund: Item 2720-001-0044,	
Budget Act of 2002	\$5,739.35
Total for Fund: Item 2740-001-0044(1),	
Budget Act of 2002	\$26,598.49
Total for Fund: Item 2740-001-0044(6),	
Budget Act of 2002	\$10,277.60
Total for Fund: Item 2920-001-0001(3),	
Budget Act of 2002	\$62.40
Total for Fund: Item 3480-001-0001(1),	
Budget Act of 2002	\$1,284.58
Total for Fund: Item 3480-001-0133,	
Budget Act of 2002	\$17,050.57
Total for Fund: Item 3540-001-0001(1),	
Budget Act of 2002	\$127.43
Total for Fund: Item 3680-001-0516(1),	
Budget Act of 2002	\$261.00
Total for Fund: Item 3790-001-0392,	
Budget Act of 2002	\$1,005.80
Total for Fund: Item 3860-001-0001(1),	
Budget Act of 2002	\$294.00
Total for Fund: Item 3860-001-0001(2),	
Budget Act of 2002	\$139.00
Total for Fund: Item 3900-001-0044(1),	
Budget Act of 2002	\$8,260.51

Total for Fund: Item 3940-001-0001(1), Budget Act of 2002	\$224.12
Total for Fund: Item 4260-001-0001(2), Budget Act of 2002	\$139.00
Total for Fund: Item 4300-101-0001(1), Budget Act of 2002	\$102.64
Total for Fund: Item 4300-003-0001(1), Budget Act of 2002	\$232.52
Total for Fund: Item 4300-004-0001(1), Budget Act of 2002	\$44.66
Total for Fund: Item 4300-101-0001(2), Budget Act of 2002	\$25,390.19
Total for Fund: Item 4440-011-0001(2), Budget Act of 2002	\$6,082.73
Total for Fund: Item 4700-101-0890(1), Budget Act of 2002	\$92.52
Total for Fund: Item 5100-001-0185, Budget Act of 2002	\$1,962.76
Total for Fund: Item 5100-001-0870(1), Budget Act of 2002	\$2,927.09
Total for Fund: Item 5100-001-0870(2), Budget Act of 2002	\$328.43
Total for Fund: Item 5100-001-0588, Budget Act of 2002	\$1,421.71
Total for Fund: Item 5160-001-0001(1), Budget Act of 2002	\$16,494.86
Total for Fund: Item 5160-001-0001(2), Budget Act of 2002	\$2,265.02
Total for Fund: Item 5180-001-0001(1), Budget Act of 2002	\$153.00
Total for Fund: Item 5180-001-0890, Budget Act of 2002	\$106.18
Total for Fund: Item 5240-001-0001(1), Budget Act of 2002	\$55,703.81
Total for Fund: Item 5240-001-0001(2), Budget Act of 2002	\$143,480.27
Total for Fund: Item 5240-001-0001(3), Budget Act of 2002	\$8,531.85
Total for Fund: Item 6110-001-0001(2), Budget Act of 2002	\$6,236.01

Total for Fund: Item 6610-001-0001(1), Budget Act of 2002	\$110.88
Total for Fund: Item 8350-001-0001(7), Budget Act of 2002	\$5,135.16
Total for Fund: Item 8380-001-0915, Budget Act of 2002	\$1,629.85
Total for Fund: Item 8965-001-0001(1), Budget Act of 2002	\$181,190.68
Total for Fund: Litigation Deposits Fund (0920)	\$57.42
Total for Fund: Motor Vehicle Account, State Transportation Fund (0044)	\$189.00
Total for Fund: Public Employees' Health Care Fund (0822)	\$254.12
Total for Fund: Public Employees' Retirement Fund (0830)	\$725.39
Total for Fund: California Residential Earthquake Recovery Fund (0285)	\$65.44
Total for Fund: Restitution Fund (0214)	\$100.00
Total for Fund: State Highway Account, State Transportation Fund (0042)	\$1,564.34
Total for Fund: Tax Relief and Refund Account (0027)	\$385,598.23
Total for Fund: Teachers' Retirement Fund (0835)	\$5,152.72
Total for Fund: Unemployment Compensation Disability Fund (0588)	\$11,620.15
Total for Fund: Unemployment Fund (0871)	\$6,313.55
Total for Fund: State University Continuing Education Revenue Fund (0573)	\$201.79
Total for Fund: Welfare Advance Fund (0696)	\$1,374.53

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 hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 8

An act relating to horse racing, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor April 30, 2003. Filed with
Secretary of State May 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. In addition to any other authorization for horse racing, the board may authorize a thoroughbred association in the central zone to conduct a racing program that includes Breeders' Cup prep races on September 28, 2003, a date when a fair in the central zone is also conducting a live racing program, and the program that includes Breeders' Cup prep races shall not be counted against any limitation otherwise applicable to the number of racing days or racing weeks that may be allocated by the California Horse Racing Board.

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 certain Breeders Cup prep races can be run in the State of California, it is necessary that this bill take effect immediately.

CHAPTER 9

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 April 30, 2003. Filed with
Secretary of State May 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. This act shall be known and may be cited as the First Validating Act of 2003.

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 the Joint Exercise of Powers Act, 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.
School facilities improvement districts.
Separation of grade districts.
Service authorities for freeway emergencies.
Sewer districts.
Sewer maintenance districts.
Small craft harbor districts.
Special municipal tax 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.

(d) This act 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.

(e) 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 10

An act to amend Sections 20161, 20467, 20530.1, 20533, 20752, 20814, 20822, 20826, 20903, 21051, 21261, 21407, 21465, 21499, 21535, 21621, 50953, 75093, 75094, 75580, and 75590 of, to amend and renumber Section 75030.9 of, to amend the heading of Part 3.4 (commencing with Section 21750) of Division 5 of Title 2 of, to add Section 9359.02 to, and to repeal Sections 20162, 20791, 20794, 20795, 20796, 20800, 20801, 20802, 20804, 20807, 20908, 21000, 21262, and 21401 of, the Government Code, relating to public employees' retirement, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 14, 2003. Filed with
Secretary of State May 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 9359.02 is added to the Government Code, to read:

9359.02. (a) The amount of compensation used to compute benefits payable to any person who becomes a member of this system on or after July 1, 1996, may not exceed the limitations upon public retirement systems set forth in Section 401(a)(17) of Title 26 of the United States Code, as that section may be amended from time to time and as that limit may be adjusted by the Commissioner of Internal Revenue for increases in the cost of living.

(b) The determination of compensation for each 12-month period shall be subject to the annual compensation limit in effect for the calendar year in which the 12-month period begins. In a determination of average annual compensation over more than one 12-month period, the amount of compensation taken into account for each 12-month period shall be subject to the applicable annual compensation limit.

SEC. 2. Section 20161 of the Government Code is amended to read:

20161. Notwithstanding any other provision of this part or of Section 13943.2 or 16302.1 to the contrary, the following shall apply:

(a) When there has been a payment of death benefits or a return of accumulated contributions, this system may refrain from collecting an underpayment of accumulated contributions if the amount to be collected is two hundred fifty dollars (\$250) or less.

(b) When there has been a payment of death benefits or a return of accumulated contributions and there is a balance of fifty dollars (\$50) or less remaining posted to a member's individual account, this system may dispense with a return of accumulated contributions.

(c) When there is a positive or negative balance of two hundred fifty dollars (\$250) or less remaining posed to a member's individual account, or the balance exceeds two hundred fifty dollars (\$250) but the difference to the monthly allowance unmodified by any optional settlement is less than five dollars (\$5), this system may dispense with any recalculation of, or other adjustment to, benefit payments.

(d) The dollar amounts specified in subdivisions (a) and (c) shall be adjusted in accordance with any changes in the dollar amounts specified in Section 13943.2.

SEC. 3. Section 20162 of the Government Code is repealed.

SEC. 4. Section 20467 of the Government Code is amended to read:

20467. Notwithstanding Section 20466, the approximate contribution quoted by the board and the actual contributions for a contracting agency that is an employer for purposes of Chapter 9 (commencing with Section 20790) shall be the employer rate under Chapter 9, plus the additional amount required under that chapter on account of liability for service to date of contract and for benefits with respect to which it is not subject to Section 20506, the amount to be determined in accordance with Section 20466.

SEC. 5. Section 20530.1 of the Government Code is amended to read:

20530.1. (a) An agency whose contract provides for participation of its employees in this system may request the employees' service, with the contracting agency, prior to the date the employees became members of this system, be credited under this system. If the employees are members of a local retirement system and received service and contribution credits under that local retirement system, credit in this system may be granted if the system administrator certifies that the local system may be transferred.

(b) This section shall apply only to members employed by the contracting agency on the effective date of the contract or the amendment to the contract in which the contracting agency elects to be subject to the provisions of this section. Any cash and securities to the credit of the local retirement system and held on account of affected employees shall be transferred to this system as of said effective date.

(c) Notwithstanding subdivision (b), the board may make arrangements with the agency for the transfer of all or a portion of assets, or all or a portion of service credit, over an appropriate period following the effective date of the contract or the amendment to the contract, if it finds that transfer as of the effective date is not possible without hardship to the agency or its employees. Nothing in these arrangements for the partial transfer of assets or service credit shall affect the crediting of service for purposes of determining eligibility for benefits under this system. Interest may be charged at the discretion of the board.

(d) This section may not apply to any contracting agency unless and until the agency elects to be subject to this section by contract or amendment to the contract made in the manner prescribed for approval of contracts.

SEC. 6. Section 20533 of the Government Code is amended to read:

20533. The employer contribution rate adopted under this part or because of amendments to the contract or to this part, apply to all compensation upon the basis of which member's contributions are deducted after those percentages became or become effective, without regard to the time when the service was rendered for which the compensation is paid.

If correction of the amount of compensation reported requires additional employer contributions, the contributions shall be computed using the employer rate in effect at the time of the adjustment.

SEC. 7. Section 20752 of the Government Code is amended to read:

20752. (a) A member of the Judges' Retirement System, the Judges' Retirement System II, the Legislators' Retirement System, the State Teachers' Retirement System, the University of California Retirement System, or a county retirement system, who has withdrawn

accumulated contributions from this system shall have the right to redeposit those contributions, subject to the same conditions as imposed for redeposits of accumulated contributions by Section 20750, including the rights that he or she would have had under Section 20638 had he or she not withdrawn his or her contributions.

(b) Provisions of this section extending a right to redeposit accumulated contributions withdrawn from this system shall also apply to members of any retirement system established under Chapter 2 (commencing with Section 45300) of Division 5 of Title 4 with respect to which an ordinance complying with Section 45310.5 has been filed with, and accepted by, the board or any retirement system established by, or pursuant to, the charter of a city or city and county or by any other public agency of this state which system, in the opinion of the board, provides a similar modification of rights and benefits because of membership in this system and with respect to which the governing body of the city, city and county or public agency and the board have entered into agreement pursuant to Section 20351.

(c) A member who elects to redeposit under this section shall have the same rights as a member who has elected pursuant to Section 20731 to leave his or her accumulated contributions on deposit in the fund.

SEC. 8. Section 20791 of the Government Code is repealed.

SEC. 9. Section 20794 of the Government Code is repealed.

SEC. 10. Section 20795 of the Government Code is repealed.

SEC. 11. Section 20796 of the Government Code is repealed.

SEC. 12. Section 20800 of the Government Code is repealed.

SEC. 13. Section 20801 of the Government Code is repealed.

SEC. 14. Section 20802 of the Government Code is repealed.

SEC. 15. Section 20804 of the Government Code is repealed.

SEC. 16. Section 20807 of the Government Code is repealed.

SEC. 17. Section 20814 of the Government Code is amended to read:

20814. (a) Notwithstanding any other provision of law, the state's contribution under this chapter shall be adjusted from time to time in the annual Budget Act according to the following method. As part of the proposed budget submitted pursuant to Section 12 of Article IV of the California Constitution, the Governor shall include the contribution rates submitted by the actuary of the liability for benefits on account of employees of the state. The Legislature shall adopt the actuary's contribution rates and authorize the appropriation in the Budget Act.

(b) The employer contribution rates for all other public employers under this system shall be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in rate.

SEC. 18. Section 20822 of the Government Code is amended to read:

20822. From the General Fund in the State Treasury there is appropriated quarterly, to the retirement fund, the state's contribution for all of the following:

(a) All state miscellaneous members and all other categories of members whose compensation is paid from the General Fund.

(b) All university members whose compensation is paid from funds of, or funds appropriated to, the university.

(c) All state miscellaneous members who are employed by the State Department of Education or the Department of Rehabilitation and whose compensation is paid from the Vocational Education Federal Fund, the Vocational Rehabilitation Federal Fund, or any other fund received, in whole or in part, as a donation to the state under restrictions preventing its use for state contributions to the retirement system.

(d) All state miscellaneous members and all other categories of members whose compensation is paid from the Senate Operating Fund or the Assembly Operating Fund or the Operating Funds of the Assembly and Senate.

SEC. 19. Section 20826 of the Government Code is amended to read:

20826. The board shall certify to the Controller at the end of each quarter the total amount of compensation in respect to which state contributions are payable from the General Fund and each other fund in the State Treasury, and the Controller shall transfer the state's contribution from each fund, respectively, to the retirement fund. Compensation shall be included in the certification at the end of the month in which the member's contributions based upon it are paid.

SEC. 20. Section 20903 of the Government Code is amended to read:

20903. Notwithstanding any other provisions of this part, when the governing body of a contracting agency determines that because of an impending curtailment of, or change in the manner of performing service, the best interests of the agency would be served, a local member shall be eligible to receive additional service credit if the following conditions exist:

(a) The member is employed in a job classification, department, or other organizational unit designated by the governing body of the contracting agency and retires within any period designated in and subsequent to the effective date of the contract amendment, or any additional period or periods designated in any subsequently adopted resolution of the governing body of the contracting agency, provided the period is not less than 90 days nor more than 180 days.

(b) The governing body agrees that the added cost to the retirement fund for all eligible employees who retire during the specified period

shall be included in the contracting agency's employer contribution rate, as determined by Section 20814.

(c) The governing body shall certify that it is electing to exercise the provisions of this section, because of impending mandatory transfers, demotions, and layoffs that constitute at least 1 percent of the job classification, department, or organizational unit as designated by the governing board, resulting from the curtailment of, or change in the manner of performing, its services.

(d) The governing body shall certify that it is its intention at the time that this section is made operative that if any early retirements are granted after receipt of service credit pursuant to this section, that any vacancies thus created or at least one vacancy in any position in any department or other organizational unit shall remain permanently unfilled thereby resulting in an overall reduction in the workforce of the department or organizational unit.

(e) The amount of additional service credit shall be two years regardless of credited service.

(f) This section is not applicable to any member otherwise eligible if the member receives any unemployment insurance payments during the specified period.

(g) Any member who qualifies under this section, upon subsequent reentry to this system shall forfeit the service credit acquired under this section.

(h) This section does not apply to any member who is not employed by the contracting agency during the period designated in subdivision (a) and who has less than five years of service credit.

(i) This section does not apply to any contracting agency unless and until the agency elects to be subject to the provision of this section by amendment to its contract made in the manner prescribed for approval of contracts, except an election among the employees is not required, or, in the case of contracts made after January 1, 2000, by express provision in the contract making the contracting agency subject to the provisions of this section.

Before adopting this provision, the governing body of a contracting agency shall, with timely public notice, place the consideration of this section on the agenda of a public meeting of the governing body, at which time disclosure shall be made of the additional employer contributions, and the funding therefor, and members of the public shall be given the opportunity to be heard. The matter may not be placed on the agenda as a consent item. Only after the public meeting may the governing body adopt this section. The governing body shall also comply with the requirements of Section 7507. The employer shall notify the board of the employer's compliance with this subdivision at the time of the governing body's application to adopt this section.

(j) The contracts of contracting agencies that adopted the provisions of former Section 20903, prior to the repeal of that section on January 1, 1999, shall remain in full force and effect in accordance with their terms and the terms of this section. Notwithstanding subdivision (i), those contracting agencies need not amend their contracts or otherwise comply with the requirements of subdivision (i) to be subject to this section. Without limiting the foregoing, eligibility periods under subdivision (a) of former Section 20903, designated by the governing body of a contracting agency by resolution pursuant to the terms of its contract or contract amendment, shall remain in effect in accordance with their terms as if designated pursuant to this section.

(k) Notwithstanding Section 20790, an election to become subject to this section may not exclude an agency from the definition of "employer" for purposes of Section 20790.

SEC. 21. Section 20908 of the Government Code is repealed.

SEC. 22. Section 21000 of the Government Code is repealed.

SEC. 23. Section 21051 of the Government Code is amended to read:

21051. (a) A member electing to receive credit for service subject to this section shall contribute, in accordance with Section 21050, an amount equal to the following:

(1) The contributions the member would have made to the system for the period for which current service credit is granted, assuming that the rate of contribution under his or her employer's formula at the rate age applicable to him or her at the beginning of his or her first subsequent period of service in membership and his or her compensation earnable on that date had applied to the member during the period for which credit is granted.

(2) The interest that would have accrued on those contributions if they had been deposited at the beginning date of his or her first subsequent period of service in membership, from that date until the date of completion of payments.

(3) If the member is authorized under Section 21050 to contribute in other than a lump-sum payment, interest on the unpaid balance of the amounts payable under paragraphs (1) and (2), which interest shall begin to accrue as of the date of the election to receive credit.

(b) The beginning date of the first subsequent period of service, for purposes of computation of contributions and interest, shall be deemed to be the end of the period of service credited for a member who has no subsequent return to service.

SEC. 24. Section 21261 of the Government Code is amended to read:

21261. The sole purpose of this section is to notify the current spouse of the selection of benefits or change of beneficiary made by a

member. This section is not intended to conflict with community property law. An application for a refund of the member's accumulated contributions, an election of optional settlement, a designation of beneficiary, or a change in beneficiary designation shall contain the signature of the current spouse of the member, unless the member declares, in writing under penalty of perjury, any of the following:

- (a) The member is not married.
- (b) The current spouse has no identifiable community property interest in the benefit.
- (c) The member does not know, and has taken all reasonable steps to determine, the whereabouts of the current spouse.
- (d) The current spouse has been advised of the application and has refused to sign the written acknowledgment.
- (e) The current spouse is incapable of executing the acknowledgment because of an incapacitating mental or physical condition.
- (f) The member and the current spouse have executed a marriage settlement agreement pursuant to Part 5 (commencing with Section 1500) of Division 4 of the Family Code that makes the community property law inapplicable to the marriage.

SEC. 25. Section 21262 of the Government Code is repealed.

SEC. 26. Section 21401 of the Government Code is repealed.

SEC. 27. Section 21407 of the Government Code is amended to read:

21407. Upon retirement of a state peace officer/firefighter member or a local safety member subject to Section 21363, 21363.1, 21363.3, or 21363.4 for industrial disability, the member shall receive a disability allowance of 50 percent of his or her final compensation plus an annuity purchased with his or her accumulated additional contributions, if any, or, if qualified for service retirement, the member shall receive his or her service retirement allowance if the allowance, after deducting the annuity, is greater.

SEC. 28. Section 21465 of the Government Code is amended to read:

21465. (a) Optional settlement 5 consists of a partial distribution of the actuarial present value of the portion, as specified in this section, of the member's unmodified monthly allowance, as prescribed in Section 21362, 21362.2, 21363, 21363.1, 21363.4, or 21423, when a service retirement allowance is payable. The actuarial present value shall be based upon the investment return and postretirement mortality assumptions adopted by the board for that purpose. The member may elect to receive the actuarial present value of no less than 20 percent and no more than 50 percent of his or her unmodified allowance. The member may elect to receive the remaining portion of the unmodified allowance, not distributed as a lump-sum payment, under one of the

settlements specified in this article for the remainder of his or her lifetime and thereafter to his or her designated beneficiary, unless this amount is solely limited to the survivor continuance portion. The portion of the unmodified allowance equivalent to the survivor continuance pursuant to Section 21624 may not be distributed as a lump-sum payment. The benefits provided under this section may not exceed the benefits that would have otherwise been provided under any other section in this article.

(b) This section shall only apply to the following members who retire on or after January 1, 1999:

(1) State peace officer/firefighter members in State Bargaining Unit 6.

(2) State peace officer/firefighter members in State Bargaining Unit 8 and state patrol members in State Bargaining Unit 5, if a memorandum of understanding has been agreed upon by the state and the recognized employee organization to become subject to this section.

(3) This section shall also apply to state peace officer/firefighter members and state patrol members in related supervisory and confidential positions, if the Department of Personnel Administration has approved their inclusion.

SEC. 29. Section 21499 of the Government Code is amended to read:

21499. (a) Notwithstanding Section 21498, when either an initial payment of a preretirement or postretirement death allowance or a preretirement or postretirement lump-sum benefit is payable in an amount of ten dollars (\$10) or more, it shall be authorized to the Controller within 45 days of receipt by this system of all the necessary information, including the return of warrants issued or any overpayment outstanding after the date of the death of the annuitant.

(b) If any payment is not made within that time limitation, the payment shall also include interest at the greater of the interest crediting rate specified in Section 20178 or the net earnings rate (including capital gains and losses) in effect at the time the payment is made, for time following the expiration of that time limitation.

(c) The system shall submit, annually, as part of the report required by Section 20237, to the Legislature and the Governor a summary of the experience of the system in making payments pursuant to subdivision (b).

SEC. 30. Section 21535 of the Government Code is amended to read:

21535. Notwithstanding Section 20178, for member deaths occurring on or after January 1, 1994, if the actuarial interest rate exceeds 6 percent, the accumulated contributions of a member payable pursuant to subdivision (a) of Section 21532 shall be increased by a factor

determined by the board that is based on the difference between the current actuarial interest rate defined in Section 20014 and the 6 percent interest crediting rate on member contributions. If the actuarial interest rate is less than 6 percent, no increase may be provided under this section.

SEC. 31. Section 21621 of the Government Code is amended to read:

21621. If the beneficiary of a member retired under this system is entitled to receive a comparable lump-sum death benefit from any other retirement system supported, in whole or in part, by public funds in which he or she was a member in employment subsequent to his or her last employment in which he or she was a member of this system, no payment shall be made under Section 21620, 21622, 21623, 21623.5, or 21623.6 providing for payment of a lump-sum death benefit to a member's designated beneficiary.

SEC. 32. The heading of Part 3.4 (commencing with Section 21750) of Division 5 of Title 2 of the Government Code is amended to read:

PART 3.4. INTERNAL REVENUE CODE COMPLIANCE AND REPLACEMENT BENEFIT PLAN

SEC. 33. Section 50953 of the Government Code is amended to read:

50953. (a) (1) The award system shall be administered by the board. All provisions of the Public Employees' Retirement Law, Part 3 (commencing with Section 20000) of Division 5 of Title 2, governing the board's rights, powers, duties, obligations, and procedures in administration of that system and investment of the Public Employees' Retirement Fund which are not inconsistent with this chapter shall apply with equal force and effect to the award system and the investment of the fund created under this chapter.

(2) In addition to those powers and duties, the board shall determine if participation in the system is adequate to insure that sufficient funds will be available for the payment of awards on an actuarial reserve basis before any awards are paid. If the board determines that participation in the system is inadequate to assure the financial success of the system, it shall terminate the system prior to payment of the first award. In case of termination, evaluation fees shall be considered to have been fully earned and are nonrefundable.

(b) Notwithstanding subdivision (a), the assets of the fund attributable to the benefit of registered volunteers of a department are subject to the claims of creditors of the department in the case of the insolvency of the department. The assets of the fund that are not attributable to the benefits of registered volunteers of an insolvent

department are not subject to the claims of the creditors of the insolvent department.

SEC. 34. Section 75030.9 of the Government Code, as added by Chapter 433 of the Statutes of 2001, is amended and renumbered to read:

75030.8. (a) A judge may elect, by written election filed with the board at any time prior to retirement, to make contributions and receive service credit for all of the time he or she served as a full-time subordinate judicial officer, as defined in Section 71601, prior to becoming a judge, excluding any period of time for which the judge is receiving, or is entitled to receive, a retirement allowance from any other public retirement system.

(b) A judge electing to receive credit for service pursuant to subdivision (a) shall, at the time of filing his or her election, pay to the Judges' Retirement Fund, a sum equal to the actuarial present value of the increase in benefits due to the additional service. The amount shall be determined by the Judges' Retirement System in accordance with this section.

SEC. 35. Section 75093 of the Government Code is amended to read:

75093. (a) Notwithstanding any other provisions of this article to the contrary, the surviving spouse of any judge who died in office on or after January 1, 1987, shall receive a monthly allowance, equal to 25 percent of the monthly salary payable at the time payment of the allowance falls due, to the judge last holding the judicial office to which the deceased judge was last elected or appointed.

(b) A surviving spouse who receives an allowance pursuant to this section shall have no other claim with respect to the Judges' Retirement Fund or with respect to any other provisions of the Judges' Retirement Law except that a surviving spouse who receives an allowance pursuant to this section on account of a death in office on or after January 1, 1987, and who was eligible to elect the allowance payable pursuant to Section 75091, may elect, within a 24-month period after the date of the death of the judge, to become subject to Section 75091 in lieu of the benefit payable pursuant to this section, and that any surviving spouse who was, prior to January 1, 1987, eligible to elect the monthly allowance provided by Section 75091 but, instead, had elected at the time of the judge's death, the monthly allowance payable pursuant to this section, may elect, within a 24-month period after the date of the death of the judge, to receive the monthly allowance provided by Section 75091 in lieu of the benefit payable pursuant to this section. An election revoking the benefit payable pursuant to this section and electing to receive the monthly allowance payable pursuant to Section 75091 shall be filed with the Judges' Retirement System and the effective date of payment

provided by Section 75091 shall be the first of the month following the date on which that election was filed.

(c) This section does not prevent a surviving spouse from claiming or receiving any payments to which he or she may be entitled as a beneficiary under the Extended Service Incentive Program set forth in Article 4.5 (commencing with Section 75085).

(d) If the surviving spouse has received a benefit under Division 4 (commencing with Section 3201) of the Labor Code, on account of the death of a judge, the amount of that benefit shall be deducted from the allowance payable under this section.

(e) The allowance provided by this section shall be payable commencing with the day following the date of the judge's death.

(f) This section does not apply to the death of any retired judge while serving on assignment in any court.

SEC. 36. Section 75094 of the Government Code is amended to read:

75094. (a) Notwithstanding any other provision of this article to the contrary, the surviving spouse of a judge who (1) died in office, (2) had attained the minimum age for service retirement applicable to the judge preceding his or her death, with a minimum of 20 years of service, and (3) was eligible to receive an allowance pursuant to Section 75025 or 75033.5, shall receive an allowance that is equal to the amount that the judge would have received if the judge had been retired from service on the date of death and had elected optional settlement 2 specified in subdivision (b) of Section 75071.

(b) A surviving spouse receiving an allowance pursuant to this section shall have no other claim to benefits with respect to the Judges' Retirement Fund or with respect to any other provision of the Judges' Retirement Law.

(c) The benefits provided by this section are only payable to the surviving spouse of a judge who elects to come within this section. Notwithstanding Section 75090, that election may be made at any time while the judge is in office and, once made, the election is irrevocable.

(d) This section does not prevent a surviving spouse from claiming or receiving any payments to which he or she may be entitled as a beneficiary under the Extended Service Incentive Program set forth in Article 4.5 (commencing with Section 75085).

SEC. 37. Section 75580 of the Government Code is amended to read:

75580. (a) If a judge who is retired for disability engages in the practice of law or other gainful occupation that requires the discharge of duties substantially similar to those duties that the judge was found, pursuant to Section 75560.1, to be unable to perform due to mental or

physical disability, the retirement allowance otherwise payable to him or her shall cease permanently, except as provided in this section.

(b) If a retired judge becomes entitled to any salary for assignment to a court by the Chairperson of the Judicial Council after retirement for disability, the retirement allowance otherwise payable shall, during the time he or she is entitled to receive that salary or other compensation, be reduced by the amount of that salary or compensation.

(c) A judge who is retired for disability may, without loss or reduction in allowance, engage in the practice of law or any other gainful occupation that does not require the discharge of duties substantially similar to those duties the judge was found, pursuant to Section 75560.1, to be unable to perform due to mental or physical disability, other than a public office, as long as the compensation earned in any month when combined with the judge's allowance does not exceed 75 percent of the salary payable to the judge holding the judicial office to which the retired judge was last elected or appointed, and the retirement allowance otherwise payable to the judge shall be reduced by the amount of any earning in excess of that amount. The judge shall report the compensation earned during each month to the board by the eighth day of the following month.

(d) Persons affected by this section shall report all compensation earned in a form and manner required by the board under penalty of perjury. The board shall have the authority to require these persons to grant the board permission to request wage information for the purposes of verifying the reported compensation earned. The Employment Development Department shall report compensation in a form and manner required by the board in accordance with Section 1798.24 of the Civil Code. The board shall reimburse the Employment Development Department for the costs that the department incurs in searching for and providing that information.

(e) When a judge affected by subdivision (c) reaches the age at which the judge would be eligible to retire for services pursuant to Section 75522 had the judge not retired for disability, the judge's retirement allowance shall be made equal to the amount it would be if not reduced pursuant to this section, and may not again be modified for any cause.

(f) A judge who is retired for disability pursuant to this chapter or becomes entitled to any salary for assignment to a court by the Chairperson of the Judicial Council after retirement for disability pursuant to this chapter is not eligible to receive service credit in another public retirement system or pursuant to this chapter or to be reinstated to this system.

(g) The Legislature reserves the right to increase or reduce the benefits prescribed by this section as it may find appropriate.

SEC. 38. Section 75590 of the Government Code is amended to read:

75590. (a) A surviving spouse of a judge who was eligible to retire pursuant to subdivision (a) of Section 75522 shall, within 90 days after the judge's death, elect to receive either of the following:

(1) A monthly retirement allowance equal to one-half of the judge's benefit factor computed as stated in subdivision (d) of Section 75522 as of the date of death, multiplied by the judge's final compensation multiplied by the number of years of service credit. This allowance shall be adjusted for changes in the cost of living as provided in Section 75523.

(2) The judge's monetary credits determined pursuant to Section 75520, including the credits added under subdivision (b) of that section computed to the last day of the month preceding the date of distribution.

(b) A surviving spouse of a retired judge who elected to receive a monthly allowance under subdivision (d) of Section 75522 or who was retired for disability and receiving an allowance under Section 75560.4 shall receive a monthly allowance equal to 50 percent of the deceased judge's last monthly retirement allowance. This allowance shall be adjusted for changes in the cost of living as provided in Section 75523.

(c) (1) Notwithstanding any other provision of this article to the contrary, the surviving spouse of a judge who (A) died in office, (B) had attained the minimum age for service retirement applicable to the judge preceding his or her death, with a minimum of 20 years of service, and (C) was eligible to receive an allowance pursuant to Section 75522, shall receive an allowance that is equal to the amount that the judge would have received if the judge had been retired from service on the date of death and had elected optional settlement 2 specified in subdivision (b) of Section 75571.

(2) A surviving spouse receiving an allowance pursuant to this subdivision shall have no other claim to benefits with respect to the Judges' Retirement Fund or with respect to any other provision of the Judges' Retirement System II Law.

(3) The benefits provided by this subdivision are only payable to the surviving spouse of a judge who elects to come within this subdivision. That election may be made at any time while the judge is in office and, once made, the election is irrevocable.

(d) A monthly allowance payable to a surviving spouse pursuant to this section is payable commencing upon the death of the judge and continuing until the death of the surviving spouse.

SEC. 39. 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 orderly administration of public retirement systems subject to this act at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 11

An act to amend Section 93011 of the Government Code, relating to transportation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 20, 2003. Filed with
Secretary of State May 21, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 93011 of the Government Code is amended to read:

93011. (a) The authority shall be governed by a board of directors, composed as follows:

(1) Two persons appointed by each of the boards of supervisors of the Counties of Humboldt and Mendocino. If the County of Marin or the County of Sonoma elects to join the authority, the board of supervisors of the county so joining shall appoint two persons to the board of directors.

(2) A city representative, selected by the cities served by the rail line.

(3) A board member of the Golden Gate Bridge, Highway and Transportation District, who shall serve as a nonvoting, ex officio director of the authority.

(b) All directors, except the ex officio director, shall serve for terms of two years and until their successors have qualified.

(c) Notwithstanding any other provision of law including the common law doctrine that precludes the simultaneous holding of incompatible offices, a local government officer may be appointed and may serve as a member of the authority's board of directors if the person also meets the other applicable qualifications of this title.

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 allow local government officers to serve as members of the Board of Directors of the North Coast Railroad Authority, it is necessary that this act take effect immediately.

CHAPTER 12

An act to amend, repeal, and add Section 1356 of the Health and Safety Code, relating to health care service plans, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 27, 2003. Filed with
Secretary of State May 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1356 of the Health and Safety Code is amended to read:

1356. (a) Each plan applying for licensure under this chapter shall reimburse the director for the actual cost of processing the application, including overhead, up to an amount not to exceed twenty-five thousand dollars (\$25,000). The cost shall be billed not more frequently than monthly and shall be remitted by the applicant to the director within 30 days of the date of billing. The director shall not issue a license to any applicant prior to receiving payment in full for all amounts charged pursuant to this subdivision.

(b) (1) In addition to other fees and reimbursements required to be paid under this chapter, each licensed plan shall pay to the director an amount as estimated by the director for the ensuing fiscal year, as a reimbursement of its share of all costs and expenses, including, but not limited to, costs and expenses associated with routine financial examinations, grievances and complaints including maintaining a toll-free number for consumer grievances and complaints, investigation and enforcement, medical surveys and reports, and overhead, reasonably incurred in the administration of this chapter and not otherwise recovered by the director under this chapter or from the Managed Care Fund. The amount may be paid in two equal installments. The first installment shall be paid on or before August 1 of each year, and the second installment shall be paid on or before December 15 of each year.

(2) The amount paid by each plan shall be ten thousand dollars (\$10,000), plus an amount up to, but not exceeding, an amount computed in accordance with paragraph (3).

(3) (A) In addition to the amount specified in paragraph (2), all plans, except specialized plans, shall pay 65 percent of the total amount of the

department's costs and expenses for the ensuing fiscal year as estimated by the director. The amount per plan shall be calculated on a per enrollee basis as specified in paragraph (4).

(B) In addition to the amount specified in paragraph (2), all specialized plans shall pay 35 percent of the total amount of the department's costs and expenses for the ensuing fiscal year as estimated by the director. The amount per plan shall be calculated on a per enrollee basis as specified in paragraph (4).

(4) The amount paid by each plan shall be for each enrollee enrolled in its plan in this state as of the preceding March 31, and shall be fixed by the director by notice to all licensed plans on or before June 15 of each year. A plan that is unable to report the number of enrollees enrolled in the plan because it does not collect that data, shall provide the director with an estimate of the number of enrollees enrolled in the plan and the method used for determining the estimate. The director may, upon giving written notice to the plan, revise the estimate if the director determines that the method used for determining the estimate was not reasonable.

(5) In determining the amount assessed, the director shall consider all appropriations from the Managed Care Fund for the support of this chapter and all reimbursements provided for in this chapter.

(c) Each licensed plan shall also pay two thousand dollars (\$2,000), plus an amount up to, but not exceeding, forty-eight hundredths of one cent (\$.0048) for each enrollee for the purpose of reimbursing its share of all costs and expenses, including overhead, reasonably anticipated to be incurred by the department in administering Sections 1394.7 and 1394.8 during the current fiscal year. The amount charged shall be remitted within 30 days of the date of billing.

(d) In no case shall the reimbursement, payment, or other fee authorized by this section exceed the cost, including overhead, reasonably incurred in the administration of this chapter.

(e) The director by notice to all licensed plans on or before September 15 of each year, may require health care service plans to pay an additional assessment to provide the department with sufficient revenues to support costs and expenses as set forth in this section and subdivision (b) of Section 1341.4 for the 2000-01, 2001-02, and 2002-03 fiscal years. A plan that did not pay its assessment as required by this subdivision for the 2001-02 fiscal year, shall be assessed the amount due for the 2001-02 fiscal year in the 2002-03 fiscal year, in addition to the amount due in the 2002-03 fiscal year. The assessment pursuant to this subdivision is separate and independent of the assessment in subdivision (b), and may not be aggregated for the purposes of limitation or otherwise with the assessment in subdivision (b). The assessment pursuant to this subdivision is not subject to the limitations imposed on

assessments pursuant to Section 1356.1. In imposing an assessment pursuant to this subdivision, the director shall levy on each plan an amount determined by the director using the categories of plans in the schedules set forth in subdivision (b). The assessment shall be paid in full or in two equal installments, as determined by the department. On July 1, 2003, and thereafter, the director may raise the assessment limit pursuant to subdivision (b) to incorporate annual expenditure levels set forth in this subdivision.

(f) For the purpose of calculating the assessment under this section, an enrollee who is enrolled in one plan and who receives health care services under arrangements made by another plan or plans, whether pursuant to a contract, agreement, or otherwise, shall be considered to be enrolled in each of the plans.

(g) This section shall become inoperative on July 1, 2003, and, as of January 1, 2004, is repealed, unless a later enacted statute that is enacted before January 1, 2004, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 1356 is added to the Health and Safety Code, to read:

1356. (a) Each plan applying for licensure under this chapter shall reimburse the director for the actual cost of processing the application, including overhead, up to an amount not to exceed twenty-five thousand dollars (\$25,000). The cost shall be billed not more frequently than monthly and shall be remitted by the applicant to the director within 30 days of the date of billing. The director shall not issue a license to an applicant prior to receiving payment in full from that applicant for all amounts charged pursuant to this subdivision.

(b) (1) In addition to other fees and reimbursements required to be paid under this chapter, each licensed plan shall pay to the director an amount as estimated by the director for the ensuing fiscal year, as a reimbursement of its share of all costs and expenses, including, but not limited to, costs and expenses associated with routine financial examinations, grievances, and complaints including maintaining a toll-free telephone number for consumer grievances and complaints, investigation and enforcement, medical surveys and reports, and overhead reasonably incurred in the administration of this chapter and not otherwise recovered by the director under this chapter or from the Managed Care Fund. The amount may be paid in two equal installments. The first installment shall be paid on or before August 1 of each year, and the second installment shall be paid on or before December 15 of each year.

(2) The amount paid by each plan shall be ten thousand dollars (\$10,000) plus an amount up to, but not exceeding, an amount computed in accordance with paragraph (3).

(3) (A) In addition to the amount specified in paragraph (2), all plans, except specialized plans, shall pay 65 percent of the total amount of the department's costs and expenses for the ensuing fiscal year as estimated by the director. The amount per plan shall be calculated on a per enrollee basis as specified in paragraph (4).

(B) In addition to the amount specified in paragraph (2), all specialized plans shall pay 35 percent of the total amount of the department's costs and expenses for the ensuing fiscal year as estimated by the director. The amount per plan shall be calculated on a per enrollee basis as specified in paragraph (4).

(4) The amount paid by each plan shall be for each enrollee enrolled in its plan in this state as of the preceding March 31, and shall be fixed by the director by notice to all licensed plans on or before June 15 of each year. A plan that is unable to report the number of enrollees enrolled in the plan because it does not collect that data, shall provide the director with an estimate of the number of enrollees enrolled in the plan and the method used for determining the estimate. The director may, upon giving written notice to the plan, revise the estimate if the director determines that the method used for determining the estimate was not reasonable.

(5) In determining the amount assessed, the director shall consider all appropriations from the Managed Care Fund for the support of this chapter and all reimbursements provided for in this chapter.

(c) Each licensed plan shall also pay two thousand dollars (\$2,000), plus an amount up to, but not exceeding, forty-eight hundredths of one cent (\$.0048), for each enrollee for the purpose of reimbursing its share of all costs and expenses, including overhead, reasonably anticipated to be incurred by the department in administering Sections 1394.7 and 1394.8 during the current fiscal year. The amount charged shall be remitted within 30 days of the date of billing.

(d) In no case shall the reimbursement, payment, or other fee authorized by this section exceed the cost, including overhead, reasonably incurred in the administration of this chapter.

(e) For the purpose of calculating the assessment under this section, an enrollee who is enrolled in one plan and who receives health care services under arrangements made by another plan or plans, whether pursuant to a contract, agreement, or otherwise, shall be considered to be enrolled in each of the plans.

(f) This section shall become operative on July 1, 2003.

SEC. 3. Nothing in Section 2 of this act modifies or eliminates any obligation of a health care service plan to pay an additional assessment for the 2000-01, 2001-02, or 2002-03 fiscal year pursuant to subdivision (e) of Section 1356 of the Health and Safety Code, as amended by Section 4 of Chapter 1161 of the Statutes of 2002.

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 implement the revised reimbursement rates for health care service plans before the 2002–03 fiscal year commences, it is necessary that this act take effect immediately as an urgency statute.

CHAPTER 13

An act to amend Section 1358.11 of the Health and Safety Code, and to amend Sections 10192.11 and 11703 of the Insurance Code, relating to insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 27, 2003. Filed with
Secretary of State May 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1358.11 of the Health and Safety Code is amended to read:

1358.11. (a) An issuer shall not deny or condition the offering or effectiveness of any Medicare supplement contract available for sale in this state, nor discriminate in the pricing of a contract because of the health status, claims experience, receipt of health care, or medical condition of an applicant in the case of an application for a contract 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. Each Medicare supplement contract currently available from an issuer shall be made available to all applicants who qualify under this subdivision and are 65 years of age or older. Medicare supplement contracts A, B, C, F, and at least one letter-designated plan (H, I, or J, at the discretion of the issuer) that includes coverage for prescription medications, if currently available from an issuer, shall be made available to any applicant who qualifies under this subdivision who is 64 years of age or younger and who does not have End-Stage Renal Disease. This section and Section 1358.12 do not prohibit an issuer in determining subscriber rates from treating applicants who are under 65 years of age and are eligible for Medicare Part B as a separate risk classification.

(b) (1) If an applicant qualifies under subdivision (a) and submits an application during the time period referenced in subdivision (a) and, as

of the date of application, has had a continuous period of creditable coverage of at least six months, the issuer shall not exclude benefits based on a preexisting condition.

(2) If the applicant qualifies under subdivision (a) and submits an application during the time period referenced in subdivision (a) and, as of the date of application, has had a continuous period of creditable coverage that is less than six months, the issuer shall reduce the period of any preexisting condition exclusion by the aggregate of the period of creditable coverage applicable to the applicant as of the enrollment date. The manner of the reduction under this subdivision shall be as specified by the director.

(c) Except as provided in subdivision (b) and Section 1358.23, subdivision (a) shall not be construed as preventing the exclusion of benefits under a contract, during the first six months, based on a preexisting condition for which the enrollee received treatment or was otherwise diagnosed during the six months before the coverage became effective.

(d) An individual enrolled in Medicare by reason of disability shall be entitled to open enrollment described in this section for six months after he or she enrolled in Medicare Part B, or if notified retroactively of his or her eligibility for Medicare, for six months following notice of eligibility. Sales during the open enrollment period shall not be discouraged by any means, including the altering of the commission structure.

There shall be a one-time open enrollment period of 90 days commencing on January 1, 2004, for all individuals eligible for Medicare by reason of disability who do not have End-Stage Renal Disease and who did not use the prior one-time open enrollment that commenced on January 1, 2001. Notice of this one-time open enrollment right shall be publicized on the Web sites of the Department of Managed Health Care, the Department of Insurance, and the Department of Aging, through those departments' written materials directed to Medicare beneficiaries, and by the Health Insurance Counseling Advisory Program (HICAP), beginning January 1, 2003.

(e) An individual 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.

(2) Receipt of a notice of loss of eligibility due to the divorce or death of a spouse or, if no notice is received, the effective date of loss of eligibility due to the divorce or death of a spouse, from any employer-sponsored health plan including an employer-sponsored retiree health plan.

(3) 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 or loss of access to health care services because the base no longer offers services or because the individual relocates.

For purposes of this subdivision, "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 covered persons.

(f) An individual 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 issuer.

(g) (1) An individual whose coverage was terminated by a Medicare managed care plan shall be entitled to an additional 60-day open enrollment period to be added on to and run consecutively after any open enrollment period authorized by federal law or regulation, for any and all Medicare supplement coverage available on a guaranteed basis under state and federal law or regulations for persons terminated by their Medicare managed care plan.

(2) Health plans that terminate Medicare enrollees shall notify those enrollees in the termination notice of the additional open enrollment period authorized by this subdivision. Health plan notices shall inform enrollees of the opportunity to secure advice and assistance from the HICAP in their area, along with the toll-free telephone number for HICAP.

(h) 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 contract, that offers benefits equal to or lesser than those provided by the previous coverage. During this open enrollment period, no issuer 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, certificate, or contract. An issuer that offers Medicare supplement contracts shall notify an enrollee 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. 2. Section 10192.11 of the Insurance Code is amended to read:

10192.11. (a) An issuer shall not deny or condition the issuance or effectiveness of any Medicare supplement policy or certificate available

for sale in this state, nor discriminate in the pricing of a policy or certificate because of the 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. Each Medicare supplement policy and certificate currently available from an issuer shall be made available to all applicants who qualify under this subdivision and are 65 years of age or older. Medicare supplement contracts A, B, C, F, and at least one letter-designated plan (H, I, or J, at the discretion of the issuer) that includes coverage for prescription medications, if currently available from an issuer, shall be made available to any applicant who qualifies under this subdivision who is 64 years of age or younger and who does not have End-Stage Renal Disease. This section and Section 10192.12 do not prohibit an issuer in determining premium rates from treating applicants who are under 65 years of age and are eligible for Medicare Part B as a separate risk classification. 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 10192.8.

(b) (1) If an applicant qualifies under subdivision (a) and submits an application during the time period referenced in subdivision (a) and, as of the date of application, has had a continuous period of creditable coverage of at least six months, the issuer shall not exclude benefits based on a preexisting condition.

(2) If the applicant qualifies under subdivision (a) and submits an application during the time period referenced in subdivision (a) and, as of the date of application, has had a continuous period of creditable coverage that is less than six months, the issuer shall reduce the period of any preexisting condition exclusion by the aggregate of the period of creditable coverage applicable to the applicant as of the enrollment date. The manner of the reduction under this subdivision shall be as specified by the commissioner.

(c) Except as provided in subdivision (b) and Section 10192.23, subdivision (a) shall not be construed as preventing the exclusion of benefits under a policy, during the first six months, based on a preexisting condition for which the policyholder or certificate holder received treatment or was otherwise diagnosed during the six months before the coverage became effective.

(d) An individual enrolled in Medicare by reason of disability will be entitled to open enrollment described in this section for six months after he or she enrolled in Medicare Part B, or if notified retroactively of his or her eligibility for Medicare, for six months following notice of eligibility. Every issuer shall make available to every applicant qualified

for open enrollment all policies and certificates offered by that issuer at the time of application. Issuers shall not discourage sales during the open enrollment period by any means, including the altering of the commission structure.

There shall be a one-time open enrollment period of 90 days commencing on January 1, 2004, for all individuals eligible for Medicare by reason of disability who do not have End-Stage Renal Disease and who did not use the prior one-time open enrollment that commenced on January 1, 2001. Notice of this one-time open enrollment right shall be publicized on the Web sites of the Department of Managed Health Care, the Department of Insurance, and the Department of Aging, through those departments' written materials directed to Medicare beneficiaries, and by HICAP, beginning January 1, 2003.

(e) An individual 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.

(2) Receipt of a notice of loss of eligibility due to the divorce or death of a spouse or, if no notice is received, the effective date of loss of eligibility due to the divorce or death of a spouse, from any employer-sponsored health plan including an employer-sponsored retiree health plan.

(3) 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 or loss of access to health care services because the base no longer offers services or because the individual relocates.

For purposes of this subdivision, "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.

(f) An individual 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.

(g) An individual whose coverage was terminated by a Medicare managed care plan shall be entitled to an additional 60-day open enrollment period to be added on to and run consecutively after any open enrollment period authorized by federal law or regulation, for any Medicare supplement coverage provided by Medicare supplement insurers and available on a guaranteed basis under state and federal law or regulation for persons terminated by their Medicare managed care plan.

(h) 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 policy, 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 issuer 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. An issuer 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. 3. Section 11703 of the Insurance Code is amended to read:

11703. An insurer desiring to write workers' compensation insurance shall maintain or provide occupational safety and health loss control consultation services pursuant to Section 6354.5 of the Labor Code.

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 clarify the open enrollment provisions that apply to Medicare supplement insurance and to clarify requirements applicable to occupational safety and health loss control consultation services maintained by workers' compensation insurers as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 14

An act relating to the Oakland Unified School District, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 30, 2003. Filed with
Secretary of State June 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Providing a quality education that meets the unique needs of Oakland public school pupils is a fundamental goal that should not be jeopardized.

(b) In late August 2002, the Oakland Unified School District became aware of a negative general fund balance for the 2001–02 fiscal year, and of potential deficits in its 2002–03 budget, and thereafter, promptly reported this information to the Alameda County Office of Education.

(c) The Oakland Unified School District is projected to run out of cash in May of 2003 and will be unable to pay school employees unless immediate action is taken.

(d) Despite initial budget cuts for the 2002–03 fiscal year exceeding fourteen million dollars (\$14,000,000) and additional budget cuts and adjustments of seventeen million dollars (\$17,000,000), the Oakland Unified School District will have a negative fund balance at the close of the current fiscal year and requires a loan from the State of California.

(e) While in need of a loan from the State of California, there have not been any accusations of intentional mismanagement or fraud in the Oakland Unified School District.

(f) The Oakland Unified School District has made demonstrable academic improvements over the last few years, witnessed by test score improvements, more fully credentialed teachers in Oakland classrooms, and increased parental and community involvement.

(g) The community of the Oakland Unified School District has the will to continue the key educational reforms that have benefited Oakland public school pupils in the last three years and to support difficult decisions in order to immediately eliminate all further overspending by the district.

SEC. 2. (a) It is the intent of the Legislature that the state administrator appointed pursuant to this act should work with the present administrators and governing board of the Oakland Unified School District to identify the procedures and programs currently implemented by the district that have proven to do one or more of the following:

- (1) Significantly raise pupil achievement.
- (2) Improve pupil attendance.
- (3) Lower pupil dropout rate.
- (4) Increase parental involvement.
- (5) Attract, retain, and train a quality teaching staff.

(b) It is the intent of the Legislature that these identified procedures and programs should be protected, maintained, and expanded as the district's budget allows.

SEC. 3. The Legislature finds and declares that because of the fiscal emergency in which the Oakland Unified School District finds itself and in recognition of the March 27, 2003 request of the governing board of the district for a loan from the state, it is necessary that the

Superintendent of Public Instruction assume control of the district in order to ensure the return to the district of fiscal solvency.

SEC. 4. (a) The Superintendent of Public Instruction shall immediately assume all of the rights, duties, and powers of the governing board of the Oakland Unified School District.

(b) The Superintendent of Public Instruction, in consultation with the Alameda County Superintendent of Schools, shall appoint an administrator to act on behalf of the Superintendent of Public Instruction in exercising the authority described in this act. The Superintendent of Public Instruction or the state-appointed administrator may, on a short-term basis, employ at district expense any staff necessary to assist the administrator, including, but not limited to, a certified public accountant. The administrator shall have recognized expertise in management and finance. The administrator shall serve under the direction and supervision of the Superintendent of Public Instruction until terminated by the Superintendent of Public Instruction at his or her discretion. The Superintendent of Public Instruction shall consult with the Alameda County Superintendent of Schools prior to terminating the administrator. The Superintendent of Public Instruction, operating through the administrator, may do all of the following:

(1) Implement substantial changes in the fiscal policies and practices of the Oakland Unified School District, including, if necessary, the filing of a petition under Chapter 9 of the federal Bankruptcy Act (11 U.S.C. Sec. 901 et seq.) for the adjustment of indebtedness of the district.

(2) Revise the educational program of the Oakland Unified School District to reflect realistic income projections, in response to the dramatic effect of the changes in fiscal policies and practices upon educational program quality and the potential for the success of all pupils. To the extent allowed by district finances, it is the intent of the Legislature that the revised program shall maintain the core educational reforms that have led to districtwide improvement of academic achievement, including, but not limited to, educational reforms targeting underperforming schools, new small schools, and other reforms that have demonstrated measurable success.

(3) Encourage all members of the school community to accept a fair share of the burden of the fiscal recovery of the Oakland Unified School District.

(4) Consult, for the purposes described in this act, with the governing board of the Oakland Unified School District, the exclusive representatives of the employees of the district, parents, and the community.

SEC. 5. (a) (1) To facilitate the appointment of the state-appointed administrator and the employment of any necessary staff, for the purposes of this act, the Superintendent of Public Instruction is exempt

from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of the Public Contract Code.

(2) The salary and benefits of the administrator shall be established by the Superintendent of Public Instruction and paid by the Oakland Unified School District.

(3) During the tenure of his or her appointment, the administrator, if otherwise an employee of the state or of the county superintendent, is an employee of the school district, but shall remain in the same retirement system under the same plan that has been provided by his or her employment with the state or the office of the county superintendent. Upon the expiration or termination of the appointment, the administrator shall have the right to return to his or her former position, or to a position at substantially the same level as that position, if that former position was with the state or the office of the county superintendent. The time served in the appointment shall be counted for all purposes as if the administrator had served that time in his or her former position with the state or with the office of the county superintendent.

(b) For the period of time during which the Superintendent of Public Instruction exercises the authority described in subdivision (a) of Section 4, the governing board of the Oakland Unified School District shall serve as an advisory body reporting to the administrator, but has no rights, duties, or powers, and is not entitled to any stipend, benefits, or other compensation from the district.

(c) Notwithstanding any other provision of law, the administrator may, after according the employee reasonable notice and opportunity for hearing, terminate the employment of any district superintendent of schools, or deputy, associate, or assistant superintendent of schools, or other person employed in an equivalent capacity, whose duties include overseeing, managing, or otherwise directing the fiscal and budgetary operations of the Oakland Unified School District, and who is employed by the Oakland Unified School District under a contract of employment renewed after the effective date of this act if the employee fails to document, to the satisfaction of the administrator, that before the effective date of this act he or she either advised the governing board of the district, or his or her superior, that actions contemplated or taken by the governing board could result in the fiscal insolvency of the district, or took other appropriate action to avert that fiscal insolvency.

(d) With the approval of the Superintendent of Public Instruction, the administrator may enter into agreements on behalf of the school district and, subject to any contractual and statutory obligation of the school district, change any existing school district rules, regulations, policies, or practices as necessary for the effective implementation of the improvement plan specified in Section 7 of this act.

(e) The authority of the Superintendent of Public Instruction and the administrator pursuant to this act shall continue until all of the following conditions occur:

(1) Two complete fiscal years have elapsed following the appointment of the administrator or, at any time after one complete fiscal year has elapsed following that appointment, if the administrator determines, and so notifies the Superintendent of Public Instruction, that future compliance by the Oakland Unified School District with the improvement plan specified in Section 7 of this act is probable.

(2) The County Office Fiscal Crisis and Management Assistance Team (FCMAT) completes the improvement plan specified in Section 7 of this act.

(3) FCMAT, after consultation with the administrator, determines that for at least the immediately previous six months the school district made substantial and sustained progress in implementation of the plans in the major functional area.

(4) The administrator certifies that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the improvement plan specified in Section 7 of this act.

(5) The district completes all reports required by the Superintendent of Public Instruction and the administrator.

(6) The Superintendent of Public Instruction concurs with the assessment of the administrator and FCMAT that future compliance by the Oakland Unified School District with the improvement plan described in Section 7 of this act and the multiyear financial recovery plan described in paragraph (2) of subdivision (a) of Section 41327 of the Education Code is probable.

(f) If all of the conditions specified in subdivision (e) occur, the governing board of the Oakland Unified School District shall regain all of its rights, duties, and powers.

(g) Notwithstanding subdivision (f), if the Oakland Unified School District violates any provision of the improvement plan specified in Section 7 of this act, after the governing board of the school district regains all of its rights, duties, and powers pursuant to subdivision (f), the Superintendent of Public Instruction may reassume, in accordance with this section, all of the rights, duties, and powers of the governing board of the school district. The Superintendent of Public Instruction shall subsequently return to the governing board of the school district all of its rights, duties, and powers reassumed under this subdivision if he or she determines that the conditions of subdivision (e) are satisfied.

(h) For the purposes of Article 2 (commencing with Section 41320) and Article 2.5 (commencing with Section 41325 of Chapter 3 of Part 24 of the Education Code, the administrator is a public school employer

within the meaning of the Educational Employment Relations Act (Chapter 10.7 (commencing with Section 3540) of Division 4 of Title 1 of the Government Code).

SEC. 6. The administrator shall consider, on a monthly basis, or more frequently if so desired by the administrator, information from one or more groups from each of the following categories:

- (a) The governing board of the school district.
- (b) Any advisory council of the school district.
- (c) Any parent-teacher organization of the school district.
- (d) Representatives from the community in which the school district is located.

(e) The County Office Fiscal Crisis and Management Assistance Team.

(f) The Superintendent of Public Instruction.

SEC. 7. (a) On or before July 1, 2003, the County Office Fiscal Crisis and Management Assistance Team (FCMAT) shall prepare an improvement plan for the Oakland Unified School District by updating the January 2000 comprehensive assessments and recovery plans of the Oakland Unified School District.

(b) Based upon progress reports prepared pursuant to subdivision (c), FCMAT shall recommend to the Superintendent of Public Instruction those designated functional areas of school district operation that it determines are appropriate for the governing board of the school district to assume.

(c) Commencing 30 days following the effective date of this act and in September 2003, and each six months thereafter until September 2004, FCMAT shall file a written status report with the appropriate fiscal and policy committees of the Legislature, including any special committees created for the purpose of reviewing the reports, and with the Members of the Legislature who represent the Oakland Unified School District, the advisory board of the school district, the Superintendent of Public Instruction, the Director of Finance, and the Secretary for Education. The reports shall include the progress that the Oakland Unified School District is making in meeting the recommendations of the improvement plan developed pursuant to this section.

SEC. 8. (a) The Oakland Unified School District shall bear 100 percent of all costs associated with implementing this act, except for the activities of the County Office Fiscal Crisis and Management Team progress reports specified in Section 7 of this act.

(b) The Oakland Unified School District shall add the administrator as a covered employee of the school district for all purposes of errors and omissions liability insurance policies.

SEC. 9. (a) The sum of one hundred million dollars (\$100,000,000) is hereby appropriated from the General Fund to the Superintendent of

Public Instruction for apportionment to the Oakland Unified School District for the purpose of an emergency loan. In order to qualify for the loan, the district shall comply with Article 2 (commencing with Section 41320) and Article 2.5 (commencing with Section 41325) of Chapter 3 of Part 24 of the Education Code to the extent those provisions are consistent with the conditions specified in this act.

(b) Funds may be disbursed from the proceeds of the loan only if the administrator and the County Office Fiscal Crisis and Management Assistance Team jointly determine that the disbursement is necessary.

(c) Based on the needs of the district to meet its obligations, the Superintendent of Public Instruction may direct the Controller to disburse, on a monthly basis, specific amounts of the emergency loan before the approval of all of the conditions established by this act.

(d) For the fiscal year in which the loan moneys are disbursed and each fiscal year thereafter, the Controller, or his or her designee, shall cause an audit to be conducted of the books and accounts of the district, instead of the audit required by Section 41020 of the Education Code. At the discretion of the Controller, the audit may be conducted by the Controller, his or her designee, or an auditor selected by the county superintendent and approved by the Controller. The costs of the audit shall be paid by the district. The audits shall be performed until the Superintendent of Public Instruction, in consultation with the Controller, determines that the district is financially solvent, but may not cease being performed earlier than one year following the implementation of the plan required by Section 7 nor later than the time the emergency loan, including interest, is repaid. In addition, the Controller shall conduct quality control reviews pursuant to subdivision (c) of Section 14504.2 of the Education Code.

SEC. 10. (a) Notwithstanding subparagraph (A) of paragraph (2) of subdivision (a) of Section 41327 of the Education Code, the Oakland Unified School District shall repay the emergency loan incurred pursuant to Section 9 of this act as a straight line loan amortized over a 20-year term. This amount shall be repaid by the district, plus interest calculated at a rate equal to the rate earned by the Pooled Money Investment Account on the date this act becomes effective, for a period not to exceed 20 years.

(b) If a required payment is not made within 60 days after a scheduled date, the Controller shall pay the defaulted loan payment of principal and interest by withholding that amount from the next available payment that would otherwise be made to the county treasurer on behalf of the district pursuant to Section 14041 of the Education Code. However, subject to the approval of the Department of Finance, the amount withheld may be in monthly amounts as determined by an agreement between the Oakland Unified School District and the Controller during the period

beginning with the next available apportionment through the month preceding the next scheduled payment.

(c) The Director of Finance may amend the payment schedule set forth in subdivision (a) if the director concludes that the amendment is warranted and is in the best interests of both the state and the Oakland Unified School District education program. Upon that determination, the director shall notify the Joint Legislative Budget Committee that the payment scheduled will be changed on the date that is 90 days from the date of notification if the Legislature is in session. If the 90-day period ends during a recess of the Legislature or while the Legislature is not in session, the 90-day period shall be extended until the Legislature reconvenes. Amendments to the payment schedule shall defer the unpaid portion of a repayment of the earliest fiscal year in which no other repayment is scheduled. Interest shall accrue on the unpaid portion of a repayment from the scheduled due date until the time the payment is actually made. The interest charge shall be the rate equal to the daily investment rate of the Pooled Money Investment Account on the date the pay schedule is changed.

(d) The school district may repay its loan obligation without incurring any prepayment penalties.

SEC. 11. (a) Notwithstanding Sections 17456, 17457, 17462, and 17463 of the Education Code, or any other law, from June 1, 2003, to June 30, 2005, inclusive, the Oakland Unified School District may sell property owned by the district and use the proceeds from the sale to reduce or retire the emergency loan provided in Section 9 of this act. The sale only of property pursuant to this subdivision is not subject to Section 17459 or 17464 of the Education Code.

(b) Notwithstanding any other provision of law, from June 1, 2003, to June 30, 2005, inclusive, the Oakland Unified School District is not eligible for financial hardship assistance pursuant to Article 8 (commencing with Section 17075.10) of Chapter 12.5 of Part 10 of the Education Code.

SEC. 12. The Alameda County Superintendent of Schools maintains the responsibility to superintend school districts under its jurisdiction. This act does not remove any statutory or regulatory rights, duties, or obligations from the county superintendent of school.

SEC. 13. The Department of Finance is authorized to redirect funds appropriated in Item 6110-107-0001 of Section 2.00 of the Budget Act of 2002 and from the corresponding item and section number of the Budget Act of 2003 for the purposes of funding activities of the County Office Fiscal Crisis and Management Assistance Team specified in this act.

SEC. 14. The Legislature finds and declares that due to unique circumstances relating to the fiscal emergency in the Oakland Unified

School District, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

SEC. 15. 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 are the result of a program for which legislative authority was requested by that local agency or school district, within the meaning of Section 17556 of the Government Code and Section 6 of Article XIII B of the California Constitution.

SEC. 16. 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:

In order to address the fiscal emergency in which the Oakland Unified School District finds itself and to ensure that it meets its cash obligations for this fiscal year, it is necessary that this act take effect immediately.

CHAPTER 15

An act to add Section 35715.1 to the Vehicle Code, relating to vehicle weight limits.

[Approved by Governor June 12, 2003. Filed with
Secretary of State June 12, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 35715.1 is added to the Vehicle Code, to read:
35715.1. (a) The County of Tuolumne may by ordinance prohibit the use of Old Priest Grade in that county by a vehicle or combination of vehicles that exceeds a weight limit of 7,500 pounds or more. The weight limit shall be determined by the County Board of Supervisors and specified in the ordinance.

(b) An ordinance adopted pursuant to this section is not effective with respect to the following:

(1) A vehicle or combination of vehicles coming from an unrestricted highway having ingress and egress by direct route to and from the restricted highway when necessary for the purpose of making pickups or deliveries of goods, wares, and merchandise from or to any building or structure located on the restricted highway or for the purpose of delivering materials to be used in the actual and bona fide repair, alteration, remodeling, or construction of a building or structure upon

the restricted highway for which a building permit has previously been obtained.

(2) The operation of ambulances, hearses, or vehicles providing emergency roadside services or roadside assistance.

(3) A vehicle or combination of vehicles owned, operated, controlled, or used by a public utility in connection with the construction, installation, operation, maintenance, or repair of a public utility facility.

SEC. 2. The Legislature finds and declares that, because of the unique circumstances applicable only to the Old Priest Grade in the County of Tuolumne, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

CHAPTER 16

An act to add Section 21115.5 to the Vehicle Code, relating to vehicles.

[Approved by Governor June 23, 2003. Filed with
Secretary of State June 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 21115.5 is added to the Vehicle Code, to read:
21115.5. (a) A golf cart or a low-speed vehicle may cross State Highway 16 at Murieta Drive and at Murieta South Parkway, if the crossing is controlled by an official traffic control device and is at an angle of approximately 90 degrees to the direction of the highway.

(b) The Rancho Murieta Community Services District may take any reasonable measures within its jurisdiction that are necessary to ensure that golf carts and low-speed vehicles may cross safely, as authorized under this section, and that highway traffic is not unreasonably impeded thereby.

(c) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2006, deletes or extends that date.

SEC. 2. Due to unique circumstances present within the portion of State Highway Route 16 that is contiguous to the territory of the Rancho Murieta Community Services District, the Legislature hereby finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

Therefore, the special legislation contained within Section 1 of this act is necessarily applicable only to that portion of highway.

CHAPTER 17

An act to amend Section 699.510 of the Code of Civil Procedure, relating to money judgments.

[Approved by Governor June 23, 2003. Filed with
Secretary of State June 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 699.510 of the Code of Civil Procedure is amended to read:

699.510. (a) Subject to subdivision (b), after entry of a money judgment, a writ of execution shall be issued by the clerk of the court upon application of the judgment creditor and shall be directed to the levying officer in the county where the levy is to be made and to any registered process server. The clerk of the court shall give priority to the application for, and issuance of, writs of execution on orders or judgments for child support and spousal support. A separate writ shall be issued for each county where a levy is to be made. Writs may be issued successively until the money judgment is satisfied, except that a new writ may not be issued for a county until the expiration of 180 days after the issuance of a prior writ for that county unless the prior writ is first returned.

(b) If the judgment creditor seeks a writ of execution to enforce a judgment made, entered, or enforceable pursuant to the Family Code, in addition to the requirements of this article, the judgment creditor shall satisfy the requirements of any applicable provisions of the Family Code.

(c) (1) The writ of execution shall be issued in the name of the judgment debtor as listed on the judgment and may include the additional name or names by which the judgment debtor is known as set forth in the affidavit of identity, as defined in Section 680.135, filed by the judgment creditor with the application for issuance of the writ of execution. Prior to the clerk of the court issuing a writ of execution containing any additional name or names by which the judgment debtor is known that are not listed on the judgment, the court shall approve the affidavit of identity. If the court determines, without a hearing or a notice, that the affidavit of identity states sufficient facts upon which the judgment creditor has identified the additional names of the judgment

debtor, the court shall authorize the issuance of the writ of execution with the additional name or names.

(2) In any case where the writ of execution lists any name other than that listed on the judgment, the person in possession or control of the levied property, if other than the judgment debtor, shall not pay to the levying officer the amount or deliver the property being levied upon until being notified to do so by the levying officer. The levying officer may not require the person, if other than the judgment debtor, in possession or control of the levied property to pay the amount or deliver the property levied upon until the expiration of 15 days after service of notice of levy.

(3) If a person who is not the judgment debtor has property erroneously subject to an enforcement of judgment proceeding based upon an affidavit of identity, the person shall be entitled to the recovery of reasonable attorney's fees and costs from the judgment creditor incurred in releasing the person's property from a writ of execution, in addition to any other damages or penalties to which an aggrieved person may be entitled to by law, including the provisions of Division 4 (commencing with Section 720.010).

CHAPTER 18

An act to add and repeal Title 11.7 (commencing with Section 14180) of Part 4 of the Penal Code, relating to crime prevention.

[Approved by Governor June 23, 2003. Filed with
Secretary of State June 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Title 11.7 (commencing with Section 14180) is added to Part 4 of the Penal Code, to read:

TITLE 11.7. CENTRAL COAST RURAL CRIME PREVENTION PROGRAM

14180. The Legislature encourages the Counties of Monterey, San Benito, Santa Barbara, Santa Cruz, and San Luis Obispo to develop, adopt, and implement a Central Coast Rural Crime Prevention Program based upon the Central Valley Rural Crime Prevention Program established by Title 11.5 (commencing with Section 14170) of Part 4.

14181. (a) The Counties of Monterey, San Luis Obispo, Santa Barbara, Santa Cruz, and San Benito may each develop within its respective jurisdiction a Central Coast Rural Crime Prevention Program,

which shall be administered in San Benito County, Santa Barbara County, Santa Cruz County, and San Luis Obispo County by the county district attorney's office under a joint powers agreement with the county sheriff's office, and in Monterey County by the county sheriff's office under a joint powers agreement with the county district attorney's office. Each joint powers agreement shall be entered into pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(b) The parties to each agreement shall form a regional task force that shall be known as the Central Coast Rural Crime Task Force, that includes the respective county office of the county agricultural commissioner, the county district attorney, the county sheriff, and interested property owner groups or associations. The task force shall be an interactive team working together to develop crime prevention, problem solving, and crime control techniques, to encourage timely reporting of crimes, and to evaluate the results of these activities. The task force shall operate from a joint facility in order to facilitate investigative coordination. The task force shall also consult with experts from the United States military, other law enforcement entities, and various private organizations as deemed necessary to maximize the effectiveness of this program. Media and community support shall be solicited to promote this program. Each of the designated counties shall adopt rules and regulations for the implementation and administration of this program.

(1) The Central Coast Rural Crime Task Force shall develop rural crime prevention programs containing a system for reporting rural crimes that enables the swift recovery of stolen goods and the apprehension of criminal suspects for prosecution. The task force shall develop computer software and use communication technology to implement the reporting system, although the task force is not limited to the use of these means to achieve the stated goals.

(2) The Central Coast Rural Crime Task Force shall develop a uniform procedure for all participating counties to collect, and each participating county shall collect, data on agricultural crimes. The task force shall also establish a central database for the collection and maintenance of data on agricultural crimes and designate one participating county to maintain the database.

(c) The staff for each program shall consist of the personnel designated by the district attorney and sheriff for each county in accordance with the joint powers agreement.

14182. Sources of funding for the program may include, but shall not be limited to, appropriations from local government and private contributions.

14183. This title shall become inoperative on July 1, 2010, and is repealed as of January 1, 2011, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends those dates.

CHAPTER 19

An act to add Section 8920 to the Family Code, relating to adoption.

[Approved by Governor June 23, 2003. Filed with
Secretary of State June 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 8920 is added to the Family Code, to read:

8920. (a) A child who was adopted as part of a sibling group and who has been separated from his or her sibling or siblings through readoption by a resident of this state may petition the court to enforce any agreement for visitation to which the separate adoptive families of the siblings subscribed prior to the child's readoption or to order visitation if no such agreement exists. The court may order that the agreement be enforced or grant visitation rights upon a finding that visitation is in the best interest of the child.

(b) In making a finding that enforcement of an existing agreement or the granting of visitation rights is in the best interest of the child under subdivision (a), the court shall take into consideration the nature and extent of the child's sibling relationship, including, but not limited to, whether the child was raised with a sibling in the same home, whether the child shares significant common experiences or has close and strong bonds with a sibling, and whether ongoing contact with a sibling is in the child's best interest, including the child's long-term interest.

(c) As used in this section, "sibling" means full-siblings or half-siblings.

(d) As used in this section, "readoption" means the process by which a child who belongs to a foreign-born sibling group that was adopted together through an intercountry adoption is subsequently adopted by a different set of adoptive parents who are residents of the state.

CHAPTER 20

An act to amend Sections 2472, 4980.01, and 4996 of, and to add Sections 1626.2 and 2904.5 to, the Business and Professions Code, relating to the healing arts.

[Approved by Governor June 25, 2003. Filed with
Secretary of State June 26, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1626.2 is added to the Business and Professions Code, to read:

1626.2. A dentist licensed under this chapter is a licentiate for purposes of paragraph (2) of subdivision (a) of Section 805, and thus is a health care practitioner subject to the provisions of Section 2290.5 pursuant to subdivision (b) of that section.

SEC. 2. Section 2472 of the Business and Professions Code is amended to read:

2472. (a) The certificate to practice podiatric medicine authorizes the holder to practice podiatric medicine.

(b) As used in this chapter, "podiatric medicine" means the diagnosis, medical, surgical, mechanical, manipulative, and electrical treatment of the human foot, including the ankle and tendons that insert into the foot and the nonsurgical treatment of the muscles and tendons of the leg governing the functions of the foot.

(c) No podiatrist shall do any amputation or administer an anesthetic other than local. If an anesthetic other than local is required for any procedure, the anesthetic shall be administered by another health care practitioner licensed under this division, who is authorized to administer the required anesthetic within the scope of his or her practice.

(d) Surgical treatment of the ankle and tendons at the level of the ankle may be performed by a doctor of podiatric medicine who was certified by the board on and after January 1, 1984.

(e) Surgical treatment by a podiatrist of the ankle and tendons at the level of the ankle shall be performed only in the following locations:

(1) A licensed general acute care hospital, as defined in Section 1250 of the Health and Safety Code.

(2) A licensed surgical clinic, as defined in Section 1204 of the Health and Safety Code, if the podiatrist has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in subparagraph (1) and meets all the protocols of the surgical clinic.

(3) An ambulatory surgical center that is certified to participate in the Medicare program under Title XVIII (42 U.S.C. Sec. 1395 et seq.) of the

federal Social Security Act, if the podiatrist has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in subparagraph (1) and meets all the protocols of the surgical center.

(4) A freestanding physical plant housing outpatient services of a licensed general acute care hospital, as defined in Section 1250 of the Health and Safety Code, if the podiatrist has surgical privileges, including the privilege to perform surgery on the ankle, in a general acute care hospital described in paragraph (1). For purposes of this section, a “freestanding physical plant” means any building that is not physically attached to a building where inpatient services are provided.

(f) The amendment of this section made at the 1983–84 Regular Session of the Legislature is intended to codify existing practice.

(g) A podiatrist licensed under this chapter is a licentiate for purposes of paragraph (2) of subdivision (a) of Section 805, and thus is a health care practitioner subject to the provisions of Section 2290.5 pursuant to subdivision (b) of that section.

SEC. 3. Section 2904.5 is added to the Business and Professions Code, to read:

2904.5. A psychologist licensed under this chapter is a licentiate for purposes of paragraph (2) of subdivision (a) of Section 805, and thus is a health care practitioner subject to the provisions of Section 2290.5 pursuant to subdivision (b) of that section.

SEC. 4. Section 4980.01 of the Business and Professions Code is amended to read:

4980.01. (a) Nothing in this chapter shall be construed to constrict, limit, or withdraw the Medical Practice Act, the Social Work Licensing Law, the Nursing Practice Act, or the Psychology Licensing Act.

(b) This chapter shall not apply to any priest, rabbi, or minister of the gospel of any religious denomination when performing counseling services as part of his or her pastoral or professional duties, or to any person who is admitted to practice law in the state, or who is licensed to practice medicine, when providing counseling services as part of his or her professional practice.

(c) This chapter shall not apply to an employee of a governmental entity or of a school, college, or university, or of an institution both nonprofit and charitable if his or her practice is performed solely under the supervision of the entity, school, or organization by which he or she is employed, and if he or she performs those functions as part of the position for which he or she is employed.

(d) A marriage and family therapist licensed under this chapter is a licentiate for purposes of paragraph (2) of subdivision (a) of Section 805, and thus is a health care practitioner subject to the provisions of Section 2290.5 pursuant to subdivision (b) of that section.

(e) Notwithstanding subdivisions (b) and (c) all persons registered as interns or licensed under this chapter shall not be exempt from this chapter or the jurisdiction of the board.

SEC. 5. Section 4996 of the Business and Professions Code is amended to read:

4996. (a) Only individuals who have received a license under this article may style themselves as “Licensed Clinical Social Workers.” Every individual who styles himself or herself or who holds himself or herself out to be a licensed clinical social worker, or who uses any words or symbols indicating or tending to indicate that he or she is a licensed clinical social worker, without holding his or her license in good standing under this article, is guilty of a misdemeanor.

(b) It is unlawful for any person to engage in the practice of clinical social work unless at the time of so doing such person holds a valid, unexpired, and unrevoked license under this article.

(c) A clinical social worker licensed under this chapter is a licentiate for purposes of paragraph (2) of subdivision (a) of Section 805, and thus is a health care practitioner subject to the provisions of Section 2290.5 pursuant to subdivision (b) of that section.

CHAPTER 21

An act to amend Sections 32050 and 48900 of the Education Code, relating to school safety, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 25, 2003. Filed with
Secretary of State June 26, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 32050 of the Education Code is amended to read:

32050. As used in this article, “hazing” includes any method of initiation or preinitiation into a student organization or student body or any pastime or amusement engaged in with respect to these organizations which causes, or is likely to cause, bodily danger, physical harm, or personal degradation or disgrace resulting in physical or mental harm, to any pupil or other person attending any school, community college, college, university, or other educational institution in this state. The term “hazing” does not include customary athletic events or other similar contests or competitions.

SEC. 2. Section 48900 of the Education Code is amended to read:

48900. A pupil may not be suspended from school or recommended for expulsion, unless the superintendent or the principal of the school in which the pupil is enrolled determines that the pupil has committed an act as defined pursuant to any of subdivisions (a) to (q), inclusive:

(a) (1) Caused, attempted to cause, or threatened to cause physical injury to another person.

(2) Willfully used force or violence upon the person of another, except in self-defense.

(b) Possessed, sold, or otherwise furnished any firearm, knife, explosive, or other dangerous object, unless, in the case of possession of any object of this type, the pupil had obtained written permission to possess the item from a certificated school employee, which is concurred in by the principal or the designee of the principal.

(c) Unlawfully possessed, used, sold, or otherwise furnished, or been under the influence of, any controlled substance listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, an alcoholic beverage, or an intoxicant of any kind.

(d) Unlawfully offered, arranged, or negotiated to sell any controlled substance listed in Chapter 2 (commencing with Section 11053) of Division 10 of the Health and Safety Code, an alcoholic beverage, or an intoxicant of any kind, and either sold, delivered, or otherwise furnished to any person another liquid, substance, or material and represented the liquid, substance, or material as a controlled substance, alcoholic beverage, or intoxicant.

(e) Committed or attempted to commit robbery or extortion.

(f) Caused or attempted to cause damage to school property or private property.

(g) Stolen or attempted to steal school property or private property.

(h) Possessed or used tobacco, or any products containing tobacco or nicotine products, including, but not limited to, cigarettes, cigars, miniature cigars, clove cigarettes, smokeless tobacco, snuff, chew packets, and betel. However, this section does not prohibit use or possession by a pupil of his or her own prescription products.

(i) Committed an obscene act or engaged in habitual profanity or vulgarity.

(j) Unlawfully possessed or unlawfully offered, arranged, or negotiated to sell any drug paraphernalia, as defined in Section 11014.5 of the Health and Safety Code.

(k) Disrupted school activities or otherwise willfully defied the valid authority of supervisors, teachers, administrators, school officials, or other school personnel engaged in the performance of their duties.

(l) Knowingly received stolen school property or private property.

(m) Possessed an imitation firearm. As used in this section, "imitation firearm" means a replica of a firearm that is so substantially

similar in physical properties to an existing firearm as to lead a reasonable person to conclude that the replica is a firearm.

(n) Committed or attempted to commit a sexual assault as defined in Section 261, 266c, 286, 288, 288a, or 289 of the Penal Code or committed a sexual battery as defined in Section 243.4 of the Penal Code.

(o) Harassed, threatened, or intimidated a pupil who is a complaining witness or a witness in a school disciplinary proceeding for the purpose of either preventing that pupil from being a witness or retaliating against that pupil for being a witness, or both.

(p) Unlawfully offered, arranged to sell, negotiated to sell, or sold the prescription drug Soma.

(q) Engaged in, or attempted to engage in, hazing as defined in Section 32050.

(r) A pupil may not be suspended or expelled for any of the acts enumerated in this section, unless that act is related to school activity or school attendance occurring within a school under the jurisdiction of the superintendent or principal or occurring within any other school district. A pupil may be suspended or expelled for acts that are enumerated in this section and related to school activity or attendance that occur at any time, including, but not limited to, any of the following:

- (1) While on school grounds.
- (2) While going to or coming from school.
- (3) During the lunch period whether on or off the campus.
- (4) During, or while going to or coming from, a school sponsored activity.

(s) A pupil who aids or abets, as defined in Section 31 of the Penal Code, the infliction or attempted infliction of physical injury to another person may suffer suspension, but not expulsion, pursuant to this section, except that a pupil who has been adjudged by a juvenile court to have committed, as an aider and abettor, a crime of physical violence in which the victim suffered great bodily injury or serious bodily injury shall be subject to discipline pursuant to subdivision (a).

(t) As used in this section, "school property" includes, but is not limited to, electronic files and databases.

(u) A superintendent or principal may use his or her discretion to provide alternatives to suspension or expulsion, including, but not limited to, counseling and an anger management program, for a pupil subject to discipline under this section.

(v) It is the intent of the Legislature that alternatives to suspension or expulsion be imposed against any pupil who is truant, tardy, or otherwise absent from school activities.

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 that a punishment exists, prior to the start of the next school year, for pupils who engage in hazing, it is necessary that this bill take effect immediately.

CHAPTER 22

An act to amend Section 1281.5 of the Code of Civil Procedure, relating to mechanic's liens.

[Approved by Governor June 25, 2003. Filed with
Secretary of State June 26, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1281.5 of the Code of Civil Procedure is amended to read:

1281.5. (a) Any person who proceeds to record and enforce a claim of lien by commencement of an action pursuant to Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, does not thereby waive any right of arbitration the person may have pursuant to a written agreement to arbitrate, if, in filing an action to enforce the claim of lien, the claimant does either of the following:

(1) Includes an allegation in the complaint that the claimant does not intend to waive any right of arbitration, and intends to move the court, within 30 days after service of the summons and complaint, for an order to stay further proceedings in the action.

(2) At the same time that the complaint is filed, the claimant files an application that the action be stayed pending the arbitration of any issue, question, or dispute that is claimed to be arbitrable under the agreement and that is relevant to the action to enforce the claim of lien.

(b) Within 30 days after service of the summons and complaint, the claimant shall file and serve a motion and notice of motion pursuant to Section 1281.4 to stay the action pending the arbitration of any issue, question, or dispute that is claimed to be arbitrable under the agreement and that is relevant to the action to enforce the claim of lien. The failure of a claimant to comply with this subdivision is a waiver of the claimant's right to compel arbitration.

(c) The failure of a defendant to file a petition pursuant to Section 1281.2 at or before the time the defendant answers the complaint filed

pursuant to subdivision (a) is a waiver of the defendant's right to compel arbitration.

CHAPTER 23

An act to amend Section 207 of the Penal Code, relating to kidnapping.

[Approved by Governor June 25, 2003. Filed with
Secretary of State June 26, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 207 of the Penal Code is amended to read:

207. (a) Every person who forcibly, or by any other means of instilling fear, steals or takes, or holds, detains, or arrests any person in this state, and carries the person into another country, state, or county, or into another part of the same county, is guilty of kidnapping.

(b) Every person, who for the purpose of committing any act defined in Section 288, hires, persuades, entices, decoys, or seduces by false promises, misrepresentations, or the like, any child under the age of 14 years to go out of this country, state, or county, or into another part of the same county, is guilty of kidnapping.

(c) Every person who forcibly, or by any other means of instilling fear, takes or holds, detains, or arrests any person, with a design to take the person out of this state, without having established a claim, according to the laws of the United States, or of this state, or who hires, persuades, entices, decoys, or seduces by false promises, misrepresentations, or the like, any person to go out of this state, or to be taken or removed therefrom, for the purpose and with the intent to sell that person into slavery or involuntary servitude, or otherwise to employ that person for his or her own use, or to the use of another, without the free will and consent of that persuaded person, is guilty of kidnapping.

(d) Every person who, being out of this state, abducts or takes by force or fraud any person contrary to the law of the place where that act is committed, and brings, sends, or conveys that person within the limits of this state, and is afterwards found within the limits thereof, is guilty of kidnapping.

(e) For purposes of those types of kidnapping requiring force, the amount of force required to kidnap an unresisting infant or child is the amount of physical force required to take and carry the child away a substantial distance for an illegal purpose or with an illegal intent.

(f) Subdivisions (a) to (d), inclusive, do not apply to any of the following:

(1) To any person who steals, takes, entices away, detains, conceals, or harbors any child under the age of 14 years, if that act is taken to protect the child from danger of imminent harm.

(2) To any person acting under Section 834 or 837.

SEC. 2. The amendment to Section 207 of the Penal Code made by this act codifies the holding in *In re Michelle D.* (2002) 29 Cal.4th 600, and does not constitute a change in existing law.

CHAPTER 24

An act to amend Section 19406 of the Business and Professions Code, relating to horse racing.

[Approved by Governor June 25, 2003. Filed with
Secretary of State June 26, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 19406 of the Business and Professions Code is amended to read:

19406. (a) A “California-bred horse” is a foal dropped by a mare in California after being conceived in California and remaining in California until the foal is weaned.

(b) A “California-bred thoroughbred” is a horse dropped by a mare in California after being conceived in California, or any thoroughbred horse dropped by a mare in California if the mare remains in California to be next bred to a thoroughbred stallion standing in California. If the mare cannot be bred for two successive breeding seasons but remains in California during that period, her foal shall be considered to be a California-bred thoroughbred.

(c) A “California-bred quarter horse” is a quarter horse foal conceived in California by a stallion standing in California at the time of conception.

(d) A “California-bred standardbred horse” is a standardbred foal dropped by a mare in California after being conceived in California by a stallion registered with the California Standardbred Sires Stakes Program.

(e) A “California-bred Appaloosa horse” is a horse dropped by a mare in California after being conceived in California, or any Appaloosa horse dropped by a mare in California if the mare remains in California to be next bred to an Appaloosa stallion standing in California. If the

mare cannot be bred for two successive breeding seasons but remains in California during that period, her foal shall be considered to be a California-bred Appaloosa horse.

(f) A "California-bred paint horse" is a registered paint horse foal conceived in California by a stallion standing in California at the time of the conception, or by a registered paint horse stallion.

CHAPTER 25

An act to amend Section 87482.5 of the Education Code, relating to community colleges.

[Approved by Governor June 25, 2003. Filed with
Secretary of State June 26, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 87482.5 of the Education Code is amended to read:

87482.5. (a) Notwithstanding any other provision of law, any person who is employed to teach adult or community college classes for not more than 60 percent of the hours per week considered a full-time assignment for regular employees having comparable duties shall be classified as a temporary employee, and shall not become a contract employee under Section 87604.

(b) Service as a substitute on a day-to-day basis by persons employed under this section shall not be used for purposes of calculating eligibility for contract or regular status.

(c) (1) Service in professional ancillary activities by persons employed under this section, including, but not necessarily limited to, governance, staff development, grant writing, and advising student organizations, shall not be used for purposes of calculating eligibility for contract or regular status unless otherwise provided for in a collective bargaining agreement applicable to a person employed under this section.

(2) This subdivision may not be construed to affect the requirements of subdivision (d) of Section 84362.

CHAPTER 26

An act relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 30, 2003. Filed with
Secretary of State June 30, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The sum of eighty million dollars (\$80,000,000) is hereby reduced from the amount appropriated to the State Department of Education for purposes of the Targeted Instructional Improvement Grant Program in Item 6110-132-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 2. (a) The sum of eighty million dollars (\$80,000,000) is hereby appropriated from the General Fund to the State Department of Education for the 2003–04 fiscal year for the Targeted Instructional Improvement Grant Program, to be expended consistent with the requirements specified in Item 6110-132-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

(b) For 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 to school districts,” as defined in subdivision (c) of Section 41202 of the Education Code for the 2003–04 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 2003–04 fiscal year.

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 make adjustments to appropriations made in the Budget Act of 2002 prior to the end of the 2002–03 fiscal year, it is necessary for this act to take effect immediately.

CHAPTER 27

An act to amend the heading of Chapter 9.5 (commencing with Section 13885) of Title 6 of Part 4 of, and to amend Section 13885.1 of,

the Penal Code, relating to the Sexual Predator Apprehension Team force.

[Approved by Governor July 2, 2003. Filed with
Secretary of State July 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The heading of Chapter 9.5 (commencing with Section 13885) of Title 6 of Part 4 of the Penal Code is amended to read:

CHAPTER 9.5. STATEWIDE SEXUAL PREDATOR APPREHENSION TEAM

SEC. 2. Section 13885.1 of the Penal Code is amended to read:

13885.1. The Attorney General shall maintain, upon appropriation of funds by the Legislature, a statewide Sexual Predator Apprehension Team force within the California Bureau of Investigation. The Sexual Predator Apprehension Team force shall be comprised of California Bureau of Investigation special agent teams throughout California. The teams shall focus on repeat sex offenders, and perform the following activities:

(a) Coordinate state and local investigative resources to apprehend sexual habitual offenders and persons required to register under Section 290 who violate the law or conditions of probation or parole.

(b) Target and monitor chronic repeat violent sex offenders before the commission of additional sexual offenses.

(c) Develop profiles in unsolved sexual assault cases.

CHAPTER 28

An act to amend Section 361.5 of the Welfare and Institutions Code, relating to child welfare services.

[Approved by Governor July 2, 2003. Filed with
Secretary of State July 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 361.5 of the Welfare and Institutions Code, as amended by Section 7 of Chapter 918 of the Statutes of 2002, is amended to read:

361.5. (a) Except as provided in subdivision (b), or when the parent has voluntarily relinquished the child and the relinquishment has been filed with the State Department of Social Services, or upon the

establishment of an order of guardianship pursuant to Section 360, whenever a child is removed from a parent's or guardian's custody, the juvenile court shall order the social worker to provide child welfare services to the child and the child's mother and statutorily presumed father or guardians. Upon a finding and declaration of paternity by the juvenile court or proof of a prior declaration of paternity by any court of competent jurisdiction, the juvenile court may order services for the child and the biological father, if the court determines that the services will benefit the child. Child welfare services, when provided, shall be provided as follows:

(1) For a child who, on the date of initial removal from the physical custody of his or her parent or guardian, was three years of age or older, court-ordered services shall not exceed a period of 12 months from the date the child entered foster care, except as otherwise provided in paragraph (3).

(2) For a child who, on the date of initial removal from the physical custody of his or her parent or guardian, was under the age of three years, court-ordered services may not exceed a period of six months from the date the child entered foster care.

(3) For the purpose of placing and maintaining a sibling group together in a permanent home should reunification efforts fail, for a child in a sibling group whose members were removed from parental custody at the same time, and in which one member of the sibling group was under the age of three years on the date of initial removal from the physical custody of his or her parent or guardian, court-ordered services to some or all of the sibling group may be limited to a period of six months from the date the child entered foster care. For the purposes of this paragraph, "a sibling group" shall mean two or more children who are related to each other as siblings.

For purposes of this section, "sibling" means a person related to the child by blood, adoption, or affinity through a common legal or biological parent.

Regardless of the age of the child, a child shall be deemed to have entered foster care on the earlier of the date of the jurisdictional hearing held pursuant to Section 356 or the date that is 60 days after the date on which the child was initially removed from the physical custody of his or her parent or guardian.

Notwithstanding paragraphs (1), (2), and (3), court-ordered services may be extended up to a maximum time period not to exceed 18 months after the date the child was originally removed from physical custody of his or her parent or guardian if it can be shown, at the hearing held pursuant to subdivision (f) of Section 366.21, that the permanent plan for the child is that he or she will be returned and safely maintained in the home within the extended time period. The court shall extend the

time period only if it finds that there is a substantial probability that the child will be returned to the physical custody of his or her parent or guardian within the extended time period or that reasonable services have not been provided to the parent or guardian. If the court extends the time period, the court shall specify the factual basis for its conclusion that there is a substantial probability that the child will be returned to the physical custody of his or her parent or guardian within the extended time period. The court also shall make findings pursuant to subdivision (a) of Section 366 and subdivision (e) of Section 358.1.

When counseling or other treatment services are ordered, the parent or guardian shall be ordered to participate in those services, unless the parent's or guardian's participation is deemed by the court to be inappropriate or potentially detrimental to the child. Physical custody of the child by the parents or guardians during the applicable time period under paragraph (1), (2), or (3) may not serve to interrupt the running of the period. If at the end of the applicable time period, a child cannot be safely returned to the care and custody of a parent or guardian without court supervision, but the child clearly desires contact with the parent or guardian, the court shall take the child's desire into account in devising a permanency plan.

In cases where the child was under the age of three years on the date of the initial removal from the physical custody of his or her parent or guardian or is a member of a sibling group as described in paragraph (3), the court shall inform the parent or guardian that the failure of the parent or guardian to participate regularly in any court-ordered treatment programs or to cooperate or avail himself or herself of services provided as part of the child welfare services case plan may result in a termination of efforts to reunify the family after six months. The court shall inform the parent or guardian of the factors used in subdivision (e) of Section 366.21 to determine whether to limit services to six months for some or all members of a sibling group as described in paragraph (3).

Except in cases where, pursuant to subdivision (b), the court does not order reunification services, the court shall inform the parent or parents of Section 366.26 and shall specify that the parent's or parents' parental rights may be terminated.

(b) Reunification services need not be provided to a parent or guardian described in this subdivision when the court finds, by clear and convincing evidence, any of the following:

(1) That the whereabouts of the parent or guardian are unknown. A finding pursuant to this paragraph shall be supported by an affidavit or by proof that a reasonably diligent search has failed to locate the parent or guardian. The posting or publication of notices is not required in that search.

(2) That the parent or guardian is suffering from a mental disability that is described in Chapter 2 (commencing with Section 7820) of Part 4 of Division 12 of the Family Code and that renders him or her incapable of utilizing those services.

(3) That the child or a sibling of the child has been previously adjudicated a dependent pursuant to any subdivision of Section 300 as a result of physical or sexual abuse, that following that adjudication the child had been removed from the custody of his or her parent or guardian pursuant to Section 361, that the child has been returned to the custody of the parent or guardian from whom the child had been taken originally, and that the child is being removed pursuant to Section 361, due to additional physical or sexual abuse.

(4) That the parent or guardian of the child has caused the death of another child through abuse or neglect.

(5) That the child was brought within the jurisdiction of the court under subdivision (e) of Section 300 because of the conduct of that parent or guardian.

(6) That the child has been adjudicated a dependent pursuant to any subdivision of Section 300 as a result of severe sexual abuse or the infliction of severe physical harm to the child or a sibling, as defined in this paragraph, by a parent or guardian and the court makes a factual finding that it would not benefit the child to pursue reunification services with the offending parent or guardian.

A finding of severe sexual abuse, for the purposes of this subdivision, may be based on, but is not limited to, sexual intercourse, or stimulation involving genital-genital, oral-genital, anal-genital, or oral-anal contact, whether between the parent or guardian and the child or a sibling of the child, or between the child or a sibling of the child and another person or animal with the actual or implied consent of the parent or guardian; or the penetration or manipulation of the child's or sibling's genital organs or rectum by any animate or inanimate object for the sexual gratification of the parent or guardian, or for the sexual gratification of another person with the actual or implied consent of the parent or guardian.

A finding of the infliction of severe physical harm, for the purposes of this subdivision, may be based on, but is not limited to, deliberate and serious injury inflicted to or on a child's body or the body of a sibling of the child by an act or omission of the parent or guardian, or of another individual or animal with the consent of the parent or guardian; deliberate and torturous confinement of the child or sibling in a closed space; or any other torturous act or omission that would be reasonably understood to cause serious emotional damage.

As used in this paragraph, "sibling" also includes a person whose legal, biological, or foster parent is the parent of the child.

(7) That the parent is not receiving reunification services for a sibling of the child pursuant to paragraph (3), (5), or (6).

(8) That the child was conceived by means of the commission of an offense listed in Section 288 or 288.5 of the Penal Code, or by an act committed outside of this state that, if committed in this state, would constitute one of those offenses. This paragraph only applies to the parent who committed the offense or act.

(9) That the child has been found to be a child described in subdivision (g) of Section 300, that the parent or guardian of the child willfully abandoned the child, and the court finds that the abandonment itself constituted a serious danger to the child; or that the parent or other person having custody of the child voluntarily surrendered physical custody of the child pursuant to Section 1255.7 of the Health and Safety Code. For the purposes of this paragraph, “serious danger” means that without the intervention of another person or agency, the child would have sustained severe or permanent disability, injury, illness, or death. For purposes of this paragraph, “willful abandonment” may not be construed as actions taken in good faith by the parent without the intent of placing the child in serious danger.

(10) That the court ordered termination of reunification services for any siblings of the child because the parent or guardian failed to reunify with the sibling after the sibling had been removed from that parent or guardian pursuant to Section 361 and that parent or guardian is the same parent or guardian described in subdivision (a) and that, according to the findings of the court, this parent or guardian has not subsequently made a reasonable effort to treat the problems that led to removal of the sibling of that child from that parent or guardian.

(11) That the parental rights of a parent over any sibling of the child had been permanently severed, and this parent is the same parent described in subdivision (a), and that, according to the findings of the court, this parent has not subsequently made a reasonable effort to treat the problems that led to removal of the sibling of that child from the parent.

(12) That the parent or guardian of the child has been convicted of a violent felony, as defined in subdivision (c) of Section 667.5 of the Penal Code.

(13) That the parent or guardian of the child has a history of extensive, abusive, and chronic use of drugs or alcohol and has resisted prior court-ordered treatment for this problem during a three-year period immediately prior to the filing of the petition that brought that child to the court’s attention, or has failed or refused to comply with a program of drug or alcohol treatment described in the case plan required by Section 358.1 on at least two prior occasions, even though the programs identified were available and accessible.

(14) That the parent or guardian of the child has advised the court that he or she is not interested in receiving family maintenance or family reunification services or having the child returned to or placed in his or her custody and does not wish to receive family maintenance or reunification services.

The parent or guardian shall be represented by counsel and shall execute a waiver of services form to be adopted by the Judicial Council. The court shall advise the parent or guardian of any right to services and of the possible consequences of a waiver of services, including the termination of parental rights and placement of the child for adoption. The court may not accept the waiver of services unless it states on the record its finding that the parent or guardian has knowingly and intelligently waived the right to services.

(15) That the parent or guardian has on one or more occasions willfully abducted the child or child's sibling from his or her placement and refused to disclose the child's or child's sibling's whereabouts, refused to return physical custody of the child or child's sibling to his or her placement, or refused to return physical custody of the child or child's sibling to the social worker.

(c) In deciding whether to order reunification in any case in which this section applies, the court shall hold a dispositional hearing. The social worker shall prepare a report that discusses whether reunification services shall be provided. When it is alleged, pursuant to paragraph (2) of subdivision (b), that the parent is incapable of utilizing services due to mental disability, the court shall order reunification services unless competent evidence from mental health professionals establishes that, even with the provision of services, the parent is unlikely to be capable of adequately caring for the child within the time limits specified in subdivision (a).

The court may not order reunification for a parent or guardian described in paragraph (3), (4), (6), (7), (8), (9), (10), (11), (12), (13), (14), or (15) of subdivision (b) unless the court finds, by clear and convincing evidence, that reunification is in the best interest of the child.

In addition, the court may not order reunification in any situation described in paragraph (5) of subdivision (b) unless it finds that, based on competent testimony, those services are likely to prevent reabuse or continued neglect of the child or that failure to try reunification will be detrimental to the child because the child is closely and positively attached to that parent. The social worker shall investigate the circumstances leading to the removal of the child and advise the court whether there are circumstances that indicate that reunification is likely to be successful or unsuccessful and whether failure to order reunification is likely to be detrimental to the child.

The failure of the parent to respond to previous services, the fact that the child was abused while the parent was under the influence of drugs or alcohol, a past history of violent behavior, or testimony by a competent professional that the parent's behavior is unlikely to be changed by services are among the factors indicating that reunification services are unlikely to be successful. The fact that a parent or guardian is no longer living with an individual who severely abused the child may be considered in deciding that reunification services are likely to be successful, provided that the court shall consider any pattern of behavior on the part of the parent that has exposed the child to repeated abuse.

(d) If reunification services are not ordered pursuant to paragraph (1) of subdivision (b) and the whereabouts of a parent become known within six months of the out-of-home placement of the child, the court shall order the social worker to provide family reunification services in accordance with this subdivision.

(e) (1) If the parent or guardian is incarcerated or institutionalized, the court shall order reasonable services unless the court determines, by clear and convincing evidence, those services would be detrimental to the child. In determining detriment, the court shall consider the age of the child, the degree of parent-child bonding, the length of the sentence, the nature of the treatment, the nature of the crime or illness, the degree of detriment to the child if services are not offered and, for children 10 years of age or older, the child's attitude toward the implementation of family reunification services, and any other appropriate factors. Reunification services are subject to the applicable time limitations imposed in subdivision (a). Services may include, but shall not be limited to, all of the following:

(A) Maintaining contact between the parent and child through collect telephone calls.

(B) Transportation services, where appropriate.

(C) Visitation services, where appropriate.

(D) Reasonable services to extended family members or foster parents providing care for the child if the services are not detrimental to the child.

An incarcerated parent may be required to attend counseling, parenting classes, or vocational training programs as part of the service plan if these programs are available.

(2) The presiding judge of the juvenile court of each county may convene representatives of the county welfare department, the sheriff's department, and other appropriate entities for the purpose of developing and entering into protocols for ensuring the notification, transportation, and presence of an incarcerated or institutionalized parent at all court hearings involving proceedings affecting the child pursuant to Section 2625 of the Penal Code.

(3) Notwithstanding any other provision of law, if the incarcerated parent is a woman seeking to participate in the community treatment program operated by the Department of Corrections pursuant to Chapter 4.8 (commencing with Section 1174) of Title 7 of Part 2 of, Chapter 4 (commencing with Section 3410) of Title 2 of Part 3 of, the Penal Code, the court shall determine whether the parent's participation in a program is in the child's best interest and whether it is suitable to meet the needs of the parent and child.

(f) If the court, pursuant to paragraph (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), or (15) of subdivision (b) or paragraph (1) of subdivision (e), does not order reunification services, it shall, at the dispositional hearing, that shall include a permanency hearing, determine if a hearing under Section 366.26 shall be set in order to determine whether adoption, guardianship, or long-term foster care is the most appropriate plan for the child. If the court so determines, it shall conduct the hearing pursuant to Section 366.26 within 120 days after the dispositional hearing. However, the court shall not schedule a hearing so long as the other parent is being provided reunification services pursuant to subdivision (a). The court may continue to permit the parent to visit the child unless it finds that visitation would be detrimental to the child.

(g) Whenever a court orders that a hearing shall be held pursuant to Section 366.26, it shall direct the agency supervising the child and the licensed county adoption agency, or the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency, to prepare an assessment that shall include:

- (1) Current search efforts for an absent parent or parents.
- (2) A review of the amount of and nature of any contact between the child and his or her parents and other members of his or her extended family since the time of placement. Although the extended family of each child shall be reviewed on a case-by-case basis, "extended family" for the purpose of this paragraph shall include, but not be limited to, the child's siblings, grandparents, aunts, and uncles.
- (3) An evaluation of the child's medical, developmental, scholastic, mental, and emotional status.
- (4) A preliminary assessment of the eligibility and commitment of any identified prospective adoptive parent or guardian, particularly the caretaker, to include a social history including screening for criminal records and prior referrals for child abuse or neglect, the capability to meet the child's needs, and the understanding of the legal and financial rights and responsibilities of adoption and guardianship. If a proposed guardian is a relative of the minor, and the relative was assessed for foster care placement of the minor prior to January 1, 1998, the assessment shall also consider, but need not be limited to, all of the factors specified

in subdivision (a) of Section 361.3. As used in this paragraph, "relative" means an adult who is related to the minor 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 those persons even if the marriage was terminated by death or dissolution.

(5) The relationship of the child to any identified prospective adoptive parent or guardian, the duration and character of the relationship, the motivation for seeking adoption or guardianship, and a statement from the child concerning placement and the adoption or guardianship, unless the child's age or physical, emotional, or other condition precludes his or her meaningful response, and if so, a description of the condition.

(6) An analysis of the likelihood that the child will be adopted if parental rights are terminated.

(h) In determining whether reunification services will benefit the child pursuant to paragraph (6) or (7) of subdivision (b), the court shall consider any information it deems relevant, including the following factors:

(1) The specific act or omission comprising the severe sexual abuse or the severe physical harm inflicted on the child or the child's sibling.

(2) The circumstances under which the abuse or harm was inflicted on the child or the child's sibling.

(3) The severity of the emotional trauma suffered by the child or the child's sibling.

(4) Any history of abuse of other children by the offending parent or guardian.

(5) The likelihood that the child may be safely returned to the care of the offending parent or guardian within 12 months with no continuing supervision.

(6) Whether or not the child desires to be reunified with the offending parent or guardian.

(i) The court shall read into the record the basis for a finding of severe sexual abuse or the infliction of severe physical harm under paragraph (6) of subdivision (b), and shall also specify the factual findings used to determine that the provision of reunification services to the offending parent or guardian would not benefit the child.

(j) This section shall be repealed on January 1, 2006, unless a later enacted statute extends or deletes that date.

SEC. 2. Section 361.5 of the Welfare and Institutions Code, as amended by Section 8 of Chapter 918 of the Statutes of 2002, is amended to read:

361.5. (a) Except as provided in subdivision (b), or when the parent has voluntarily relinquished the child and the relinquishment has been

filed with the State Department of Social Services, or upon the establishment of an order of guardianship pursuant to Section 360, whenever a child is removed from a parent's or guardian's custody, the juvenile court shall order the social worker to provide child welfare services to the child and the child's mother and statutorily presumed father or guardians. Upon a finding and declaration of paternity by the juvenile court or proof of a prior declaration of paternity by any court of competent jurisdiction, the juvenile court may order services for the child and the biological father, if the court determines that the services will benefit the child. Child welfare services, when provided, shall be provided as follows:

(1) For a child who, on the date of initial removal from the physical custody of his or her parent or guardian, was three years of age or older, court-ordered services shall not exceed a period of 12 months from the date the child entered foster care, except as otherwise provided in paragraph (3).

(2) For a child who, on the date of initial removal from the physical custody of his or her parent or guardian, was under the age of three years, court-ordered services shall not exceed a period of six months from the date the child entered foster care.

(3) For the purpose of placing and maintaining a sibling group together in a permanent home should reunification efforts fail, for a child in a sibling group whose members were removed from parental custody at the same time, and in which one member of the sibling group was under the age of three years on the date of initial removal from the physical custody of his or her parent or guardian, court-ordered services to some or all of the sibling group may be limited to a period of six months from the date the child entered foster care. For the purposes of this paragraph, "a sibling group" shall mean two or more children who are related to each other as siblings.

For purposes of this section, "sibling" means a person related to the child by blood, adoption, or affinity through a common legal or biological parent.

Regardless of the age of the child, a child shall be deemed to have entered foster care on the earlier of the date of the jurisdictional hearing held pursuant to Section 356 or the date that is 60 days after the date on which the child was initially removed from the physical custody of his or her parent or guardian.

Notwithstanding paragraphs (1), (2), and (3), court-ordered services may be extended up to a maximum time period not to exceed 18 months after the date the child was originally removed from physical custody of his or her parent or guardian if it can be shown, at the hearing held pursuant to subdivision (f) of Section 366.21, that the permanent plan for the child is that he or she will be returned and safely maintained in

the home within the extended time period. The court shall extend the time period only if it finds that there is a substantial probability that the child will be returned to the physical custody of his or her parent or guardian within the extended time period or that reasonable services have not been provided to the parent or guardian. If the court extends the time period, the court shall specify the factual basis for its conclusion that there is a substantial probability that the child will be returned to the physical custody of his or her parent or guardian within the extended time period. The court also shall make findings pursuant to subdivision (a) of Section 366 and subdivision (e) of Section 358.1.

When counseling or other treatment services are ordered, the parent or guardian shall be ordered to participate in those services, unless the parent's or guardian's participation is deemed by the court to be inappropriate or potentially detrimental to the child. Physical custody of the child by the parents or guardians during the applicable time period under paragraph (1), (2), or (3) may not serve to interrupt the running of the period. If at the end of the applicable time period, a child cannot be safely returned to the care and custody of a parent or guardian without court supervision, but the child clearly desires contact with the parent or guardian, the court shall take the child's desire into account in devising a permanency plan.

In cases where the child was under the age of three years on the date of the initial removal from the physical custody of his or her parent or guardian or is a member of a sibling group as described in paragraph (3), the court shall inform the parent or guardian that the failure of the parent or guardian to participate regularly in any court-ordered treatment programs or to cooperate or avail himself or herself of services provided as part of the child welfare services case plan may result in a termination of efforts to reunify the family after six months. The court shall inform the parent or guardian of the factors used in subdivision (e) of Section 366.21 to determine whether to limit services to six months for some or all members of a sibling group as described in paragraph (3).

Except in cases where, pursuant to subdivision (b), the court does not order reunification services, the court shall inform the parent or parents of Section 366.26 and shall specify that the parent's or parents' parental rights may be terminated.

(b) Reunification services need not be provided to a parent or guardian described in this subdivision when the court finds, by clear and convincing evidence, any of the following:

(1) That the whereabouts of the parent or guardian are unknown. A finding pursuant to this paragraph shall be supported by an affidavit or by proof that a reasonably diligent search has failed to locate the parent or guardian. The posting or publication of notices is not required in that search.

(2) That the parent or guardian is suffering from a mental disability that is described in Chapter 2 (commencing with Section 7820) of Part 4 of Division 12 of the Family Code and that renders him or her incapable of utilizing those services.

(3) That the child or a sibling of the child has been previously adjudicated a dependent pursuant to any subdivision of Section 300 as a result of physical or sexual abuse, that following that adjudication the child had been removed from the custody of his or her parent or guardian pursuant to Section 361, that the child has been returned to the custody of the parent or guardian from whom the child had been taken originally, and that the child is being removed pursuant to Section 361, due to additional physical or sexual abuse.

(4) That the parent or guardian of the child has caused the death of another child through abuse or neglect.

(5) That the child was brought within the jurisdiction of the court under subdivision (e) of Section 300 because of the conduct of that parent or guardian.

(6) That the child has been adjudicated a dependent pursuant to any subdivision of Section 300 as a result of severe sexual abuse or the infliction of severe physical harm to the child or a sibling by a parent or guardian, as defined in this subdivision, and the court makes a factual finding that it would not benefit the child to pursue reunification services with the offending parent or guardian.

A finding of severe sexual abuse, for the purposes of this subdivision, may be based on, but is not limited to, sexual intercourse, or stimulation involving genital-genital, oral-genital, anal-genital, or oral-anal contact, whether between the parent or guardian and the child or a sibling of the child, or between the child or a sibling of the child and another person or animal with the actual or implied consent of the parent or guardian; or the penetration or manipulation of the child's or sibling's genital organs or rectum by any animate or inanimate object for the sexual gratification of the parent or guardian, or for the sexual gratification of another person with the actual or implied consent of the parent or guardian.

A finding of the infliction of severe physical harm, for the purposes of this subdivision, may be based on, but is not limited to, deliberate and serious injury inflicted to or on a child's body or the body of a sibling of the child by an act or omission of the parent or guardian, or of another individual or animal with the consent of the parent or guardian; deliberate and torturous confinement of the child or sibling in a closed space; or any other torturous act or omission that would be reasonably understood to cause serious emotional damage.

As used in this paragraph, "sibling" also includes a person whose legal, biological, or foster parent is the parent of the child.

(7) That the parent is not receiving reunification services for a sibling of the child pursuant to paragraph (3), (5), or (6).

(8) That the child was conceived by means of the commission of an offense listed in Section 288 or 288.5 of the Penal Code, or by an act committed outside of this state that, if committed in this state, would constitute one of those offenses. This paragraph only applies to the parent who committed the offense or act.

(9) That the child has been found to be a child described in subdivision (g) of Section 300, that the parent or guardian of the child willfully abandoned the child, and the court finds that the abandonment itself constituted a serious danger to the child. For the purposes of this paragraph, "serious danger" means that without the intervention of another person or agency, the child would have sustained severe or permanent disability, injury, illness, or death. For purposes of this paragraph, "willful abandonment" shall not be construed as actions taken in good faith by the parent without the intent of placing the child in serious danger.

(10) That the court ordered termination of reunification services for any siblings of the child because the parent or guardian failed to reunify with the sibling after the sibling had been removed from that parent or guardian pursuant to Section 361 and that parent or guardian is the same parent or guardian described in subdivision (a), and that, according to the findings of the court, this parent or guardian has not subsequently made a reasonable effort to treat the problems that led to removal of the sibling of that child from that parent or guardian.

(11) That the parental rights of a parent over any sibling of the child had been permanently severed, and this parent is the same parent described in subdivision (a), and that, according to the findings of the court, this parent has not subsequently made a reasonable effort to treat the problems that led to removal of the sibling of that child from the parent.

(12) That the parent or guardian of the child has been convicted of a violent felony, as defined in subdivision (c) of Section 667.5 of the Penal Code.

(13) That the parent or guardian of the child has a history of extensive, abusive, and chronic use of drugs or alcohol and has resisted prior court-ordered treatment for this problem during a three-year period immediately prior to the filing of the petition that brought that child to the court's attention, or has failed or refused to comply with a program of drug or alcohol treatment described in the case plan required by Section 358.1 on at least two prior occasions, even though the programs identified were available and accessible.

(14) That the parent or guardian of the child has advised the court that he or she is not interested in receiving family maintenance or family

reunification services or having the child returned to or placed in his or her custody and does not wish to receive family maintenance or reunification services.

The parent or guardian shall be represented by counsel and shall execute a waiver of services form to be adopted by the Judicial Council. The court shall advise the parent or guardian of any right to services and of the possible consequences of a waiver of services, including the termination of parental rights and placement of the child for adoption. The court may not accept the waiver of services unless it states on the record its finding that the parent or guardian has knowingly and intelligently waived the right to services.

(15) That the parent or guardian has on one or more occasions willfully abducted the child or child's sibling from his or her placement and refused to disclose the child's or child's sibling's whereabouts, refused to return physical custody of the child or child's sibling to his or her placement, or refused to return physical custody of the child or child's sibling to the social worker.

(c) In deciding whether to order reunification in any case in which this section applies, the court shall hold a dispositional hearing. The social worker shall prepare a report that discusses whether reunification services shall be provided. When it is alleged, pursuant to paragraph (2) of subdivision (b), that the parent is incapable of utilizing services due to mental disability, the court shall order reunification services unless competent evidence from mental health professionals establishes that, even with the provision of services, the parent is unlikely to be capable of adequately caring for the child within the time limits specified in subdivision (a).

The court may not order reunification for a parent or guardian described in paragraph (3), (4), (6), (7), (8), (9), (10), (11), (12), (13), (14), or (15) of subdivision (b) unless the court finds, by clear and convincing evidence, that reunification is in the best interest of the child.

In addition, the court may not order reunification in any situation described in paragraph (5) of subdivision (b) unless it finds that, based on competent testimony, those services are likely to prevent reabuse or continued neglect of the child or that failure to try reunification will be detrimental to the child because the child is closely and positively attached to that parent. The social worker shall investigate the circumstances leading to the removal of the child and advise the court whether there are circumstances that indicate that reunification is likely to be successful or unsuccessful and whether failure to order reunification is likely to be detrimental to the child.

The failure of the parent to respond to previous services, the fact that the child was abused while the parent was under the influence of drugs or alcohol, a past history of violent behavior, or testimony by a

competent professional that the parent's behavior is unlikely to be changed by services are among the factors indicating that reunification services are unlikely to be successful. The fact that a parent or guardian is no longer living with an individual who severely abused the child may be considered in deciding that reunification services are likely to be successful, provided that the court shall consider any pattern of behavior on the part of the parent that has exposed the child to repeated abuse.

(d) If reunification services are not ordered pursuant to paragraph (1) of subdivision (b) and the whereabouts of a parent become known within six months of the out-of-home placement of the child, the court shall order the social worker to provide family reunification services in accordance with this subdivision.

(e) (1) If the parent or guardian is incarcerated or institutionalized, the court shall order reasonable services unless the court determines, by clear and convincing evidence, those services would be detrimental to the child. In determining detriment, the court shall consider the age of the child, the degree of parent-child bonding, the length of the sentence, the nature of the treatment, the nature of the crime or illness, the degree of detriment to the child if services are not offered and, for children 10 years of age or older, the child's attitude toward the implementation of family reunification services, and any other appropriate factors. Reunification services are subject to the applicable time limitations imposed in subdivision (a). Services may include, but shall not be limited to, all of the following:

(A) Maintaining contact between the parent and child through collect telephone calls.

(B) Transportation services, where appropriate.

(C) Visitation services, where appropriate.

(D) Reasonable services to extended family members or foster parents providing care for the child if the services are not detrimental to the child.

An incarcerated parent may be required to attend counseling, parenting classes, or vocational training programs as part of the service plan if these programs are available.

(2) The presiding judge of the juvenile court of each county may convene representatives of the county welfare department, the sheriff's department, and other appropriate entities for the purpose of developing and entering into protocols for ensuring the notification, transportation, and presence of an incarcerated or institutionalized parent at all court hearings involving proceedings affecting the child pursuant to Section 2625 of the Penal Code.

(3) Notwithstanding any other provision of law, if the incarcerated parent is a woman seeking to participate in the community treatment program operated by the Department of Corrections pursuant to Chapter

4.8 (commencing with Section 1174) of Title 7 of Part 2 of, Chapter 4 (commencing with Section 3410) of Title 2 of Part 3 of, the Penal Code, the court shall determine whether the parent's participation in a program is in the child's best interest and whether it is suitable to meet the needs of the parent and child.

(f) If the court, pursuant to paragraph (2), (3), (4), (5), (6), (7), (8), (9), (10), (11), (12), (13), (14), or (15) of subdivision (b) or paragraph (1) of subdivision (e), does not order reunification services, it shall, at the dispositional hearing, that shall include a permanency hearing, determine if a hearing under Section 366.26 shall be set in order to determine whether adoption, guardianship, or long-term foster care is the most appropriate plan for the child. If the court so determines, it shall conduct the hearing pursuant to Section 366.26 within 120 days after the dispositional hearing. However, the court may not schedule a hearing so long as the other parent is being provided reunification services pursuant to subdivision (a). The court may continue to permit the parent to visit the child unless it finds that visitation would be detrimental to the child.

(g) Whenever a court orders that a hearing shall be held pursuant to Section 366.26, it shall direct the agency supervising the child and the licensed county adoption agency, or the State Department of Social Services when it is acting as an adoption agency in counties that are not served by a county adoption agency, to prepare an assessment that shall include:

- (1) Current search efforts for an absent parent or parents.
- (2) A review of the amount of and nature of any contact between the child and his or her parents and other members of his or her extended family since the time of placement. Although the extended family of each child shall be reviewed on a case-by-case basis, "extended family" for the purpose of this paragraph shall include, but not be limited to, the child's siblings, grandparents, aunts, and uncles.
- (3) An evaluation of the child's medical, developmental, scholastic, mental, and emotional status.
- (4) A preliminary assessment of the eligibility and commitment of any identified prospective adoptive parent or guardian, particularly the caretaker, to include a social history including screening for criminal records and prior referrals for child abuse or neglect, the capability to meet the child's needs, and the understanding of the legal and financial rights and responsibilities of adoption and guardianship. If a proposed guardian is a relative of the minor, and the relative was assessed for foster care placement of the minor prior to January 1, 1998, the assessment shall also consider, but need not be limited to, all of the factors specified in subdivision (a) of Section 361.3. As used in this paragraph, "relative" means an adult who is related to the minor 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 those persons even if the marriage was terminated by death or dissolution.

(5) The relationship of the child to any identified prospective adoptive parent or guardian, the duration and character of the relationship, the motivation for seeking adoption or guardianship, and a statement from the child concerning placement and the adoption or guardianship, unless the child’s age or physical, emotional, or other condition precludes his or her meaningful response, and if so, a description of the condition.

(6) An analysis of the likelihood that the child will be adopted if parental rights are terminated.

(h) In determining whether reunification services will benefit the child pursuant to paragraph (6) or (7) of subdivision (b), the court shall consider any information it deems relevant, including the following factors:

(1) The specific act or omission comprising the severe sexual abuse or the severe physical harm inflicted on the child or the child’s sibling.

(2) The circumstances under which the abuse or harm was inflicted on the child or the child’s sibling.

(3) The severity of the emotional trauma suffered by the child or the child’s sibling.

(4) Any history of abuse of other children by the offending parent or guardian.

(5) The likelihood that the child may be safely returned to the care of the offending parent or guardian within 12 months with no continuing supervision.

(6) Whether or not the child desires to be reunified with the offending parent or guardian.

(i) The court shall read into the record the basis for a finding of severe sexual abuse or the infliction of severe physical harm under paragraph (6) of subdivision (b), and shall also specify the factual findings used to determine that the provision of reunification services to the offending parent or guardian would not benefit the child.

(j) This section shall become operative on January 1, 2006, unless a later enacted statute extends or deletes that date.

CHAPTER 29

An act to amend Section 977 of the Penal Code, relating to criminal procedure.

[Approved by Governor July 2, 2003. Filed with
Secretary of State July 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 977 of the Penal Code is amended to read:

977. (a) (1) In all cases in which the accused is charged with a misdemeanor only, he or she may appear by counsel only, except as provided in paragraph (2). If the accused agrees, the initial court appearance, arraignment, and plea may be by video, as provided by subdivision (c).

(2) If the accused is charged with a misdemeanor offense involving domestic violence, as defined in Section 6211 of the Family Code, or a misdemeanor violation of Section 273.6, the accused shall be present for arraignment and sentencing, and at any time during the proceedings when ordered by the court for the purpose of being informed of the conditions of a protective order issued pursuant to Section 136.2.

(b) (1) In all cases in which a felony is charged, the accused shall be present at the arraignment, at the time of plea, during the preliminary hearing, during those portions of the trial when evidence is taken before the trier of fact, and at the time of the imposition of sentence. The accused shall be personally present at all other proceedings unless he or she shall, with leave of court, execute in open court, a written waiver of his or her right to be personally present, as provided by paragraph (2). If the accused agrees, the initial court appearance, arraignment, and plea may be by video, as provided by subdivision (c).

(2) The accused may execute a written waiver of his or her right to be personally present, approved by his or her counsel, and the waiver shall be filed with the court. However, the court may specifically direct the defendant to be personally present at any particular proceeding or portion thereof. The waiver shall be substantially in the following form:

“WAIVER OF DEFENDANT’S PERSONAL PRESENCE”

“The undersigned defendant, having been advised of his or her right to be present at all stages of the proceedings, including, but not limited to, presentation of and arguments on questions of fact and law, and to be confronted by and cross-examine all witnesses, hereby waives the right to be present at the hearing of any motion or other proceeding in this cause. The undersigned defendant hereby requests the court to proceed during every absence of the defendant that the court may permit pursuant to this waiver, and hereby agrees that his or her interest is represented at all times by the presence of his or her attorney the same as if the defendant were personally present in court, and further agrees that notice to his or her attorney that his or her presence in court on a particular day

at a particular time is required is notice to the defendant of the requirement of his or her appearance at that time and place.”

(c) The court may permit the initial court appearance and arraignment in municipal or superior court of defendants held in any state, county, or local facility within the county on felony or misdemeanor charges, except for those defendants who were indicted by a grand jury, to be conducted by two-way electronic audiovideo communication between the defendant and the courtroom in lieu of the physical presence of the defendant in the courtroom. If the defendant is represented by counsel, the attorney shall be present with the defendant at the initial court appearance and arraignment, and may enter a plea during the arraignment. However, if the defendant is represented by counsel at an initial hearing in superior court in a felony case, and if the defendant does not plead guilty or nolo contendere to any charge, the attorney shall be present with the defendant or if the attorney is not present with the defendant, the attorney shall be present in court during the hearing. The defendant shall have the right to make his or her plea while physically present in the courtroom if he or she so requests. If the defendant decides not to exercise the right to be physically present in the courtroom, he or she shall execute a written waiver of that right. A judge may order a defendant’s personal appearance in court for the initial court appearance and arraignment. In a misdemeanor case, a judge may, pursuant to this subdivision, accept a plea of guilty or no contest from a defendant who is not physically in the courtroom. In a felony case, a judge may, pursuant to this subdivision, accept a plea of guilty or no contest from a defendant who is not physically in the courtroom if the parties stipulate thereto.

(d) Notwithstanding subdivision (c), if the defendant is represented by counsel, the attorney shall be present with the defendant in any county exceeding 4,000,000 persons in population.

CHAPTER 30

An act to amend Section 1270.1 of the Penal Code, relating to domestic violence protective orders.

[Approved by Governor July 2, 2003. Filed with
Secretary of State July 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1270.1 of the Penal Code is amended to read:

1270.1. (a) Before any person who is arrested for any of the following crimes may be released on bail in an amount that is either more or less than the amount contained in the schedule of bail for the offense, or may be released on his or her own recognizance, a hearing shall be held in open court before the magistrate or judge:

(1) A serious felony, as defined in subdivision (c) of Section 1192.7, or a violent felony, as defined in subdivision (c) of Section 667.5, but not including a violation of subdivision (a) of Section 460 (residential burglary).

(2) A violation of Section 136.1 where punishment is imposed pursuant to subdivision (c) of Section 136.1, 262, 273.5, 422 where the offense is punished as a felony, or 646.9.

(3) A violation of paragraph (1) of subdivision (e) of Section 243.

(4) A violation of Section 273.6 if the detained person made threats to kill or harm, has engaged in violence against, or has gone to the residence or workplace of, the protected party.

(b) The prosecuting attorney and defense attorney shall be given a two court-day written notice and an opportunity to be heard on the matter. If the detained person does not have counsel, the court shall appoint counsel for purposes of this section only. The hearing required by this section shall be held within the time period prescribed in Section 825.

(c) At the hearing, the court shall consider evidence of past court appearances of the detained person, the maximum potential sentence that could be imposed, and the danger that may be posed to other persons if the detained person is released. In making the determination whether to release the detained person on his or her own recognizance, the court shall consider the potential danger to other persons, including threats that have been made by the detained person and any past acts of violence. The court shall also consider any evidence offered by the detained person regarding his or her ties to the community and his or her ability to post bond.

(d) If the judge or magistrate sets the bail in an amount that is either more or less than the amount contained in the schedule of bail for the offense, the judge or magistrate shall state the reasons for that decision and shall address the issue of threats made against the victim or witness, if they were made, in the record. This statement shall be included in the record.

CHAPTER 31

An act to amend Section 917.8 of the Code of Civil Procedure, relating to appeals.

[Approved by Governor July 2, 2003. Filed with
Secretary of State July 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 917.8 of the Code of Civil Procedure is amended to read:

917.8. The perfecting of an appeal does not stay proceedings, in the absence of an order of the trial court providing otherwise or of a writ of supersedeas, under any of the following circumstances:

(a) If a party to the proceeding has been adjudged guilty of usurping, or intruding into, or unlawfully holding a public office, civil or military, within this state.

(b) If the judgment or order directs a corporation, or any of its officers or agents, to give to a person adjudged to be a director, stockholder, or member of that corporation a reasonable opportunity to inspect or make copies of the books, papers, or documents of the corporation as the trial court finds that the director, stockholder, or member is entitled by law to inspect or copy.

(c) If a judgment or order adjudges a building or place to be a nuisance and, as part of that judgment or order, directs the closing or discontinuance of any specific use of the building or place for any period of time.

(d) If a judgment or order, including, but not limited to, a temporary restraining order or preliminary injunction, grants relief in an action brought by a governmental agency under the provisions of Article 2 (commencing with Section 11225) of Chapter 3 of Title 1 of Part 4 of the Penal Code or Article 3 (commencing with Section 11570) of Chapter 10 of Division 10 of the Health and Safety Code.

CHAPTER 32

An act to amend Sections 1004, 2356.5, 3121, 3144, 6240, 6327, 8852, 9761, 9884, 10151, 10534, 11952, 13601, 19054, 21401, and 21623 of, and to amend and renumber Section 26112 of, the Probate Code, relating to probate.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1004 of the Probate Code is amended to read: 1004. If a proceeding under this code affects the title to or the right of possession of real property, notice of the pendency of the proceeding may be filed pursuant to Title 4.5 (commencing with Section 405) of Part 2 of the Code of Civil Procedure.

SEC. 2. Section 2356.5 of the Probate Code is amended to read:

2356.5. (a) The Legislature hereby finds and declares:

(1) That people with dementia, as defined in the last published edition of the "Diagnostic and Statistical Manual of Mental Disorders," should have a conservatorship to serve their unique and special needs.

(2) That, by adding powers to the probate conservatorship for people with dementia, their unique and special needs can be met. This will reduce costs to the conservatee and the family of the conservatee, reduce costly administration by state and county government, and safeguard the basic dignity and rights of the conservatee.

(3) That it is the intent of the Legislature to recognize that the administration of psychotropic medications has been, and can be, abused by caregivers and, therefore, granting powers to a conservator to authorize these medications for the treatment of dementia requires the protections specified in this section.

(b) Notwithstanding any other provision of law, a conservator may authorize the placement of a conservatee in a secured perimeter residential care facility for the elderly operated pursuant to Section 1569.698 of the Health and Safety Code, or a locked and secured nursing facility which specializes in the care and treatment of people with dementia pursuant to subdivision (c) of Section 1569.691 of the Health and Safety Code, and which has a care plan that meets the requirements of Section 87724 of Title 22 of the California Code of Regulations, upon a court's finding, by clear and convincing evidence, of all of the following:

(1) The conservatee has dementia, as defined in the last published edition of the "Diagnostic and Statistical Manual of Mental Disorders."

(2) The conservatee lacks the capacity to give informed consent to this placement and has at least one mental function deficit pursuant to subdivision (a) of Section 811, and this deficit significantly impairs the person's ability to understand and appreciate the consequences of his or her actions pursuant to subdivision (b) of Section 811.

(3) The conservatee needs or would benefit from a restricted and secure environment, as demonstrated by evidence presented by the physician or psychologist referred to in paragraph (3) of subdivision (f).

(4) The court finds that the proposed placement in a locked facility is the least restrictive placement appropriate to the needs of the conservatee.

(c) Notwithstanding any other provision of law, a conservator of a person may authorize the administration of medications appropriate for the care and treatment of dementia, upon a court's finding, by clear and convincing evidence, of all of the following:

(1) The conservatee has dementia, as defined in the last published edition of the "Diagnostic and Statistical Manual of Mental Disorders."

(2) The conservatee lacks the capacity to give informed consent to the administration of medications appropriate to the care of dementia, and has at least one mental function deficit pursuant to subdivision (a) of Section 811, and this deficit or deficits significantly impairs the person's ability to understand and appreciate the consequences of his or her actions pursuant to subdivision (b) of Section 811.

(3) The conservatee needs or would benefit from appropriate medication as demonstrated by evidence presented by the physician or psychologist referred to in paragraph (3) of subdivision (f).

(d) Pursuant to subdivision (b) of Section 2355, in the case of a person who is an adherent of a religion whose tenets and practices call for a reliance on prayer alone for healing, the treatment required by the conservator under subdivision (c) shall be by an accredited practitioner of that religion in lieu of the administration of medications.

(e) A conservatee who is to be placed in a facility pursuant to this section shall not be placed in a mental health rehabilitation center as described in Section 5675 of the Welfare and Institutions Code, or in an institution for mental disease as described in Section 5900 of the Welfare and Institutions Code.

(f) A petition for authority to act under this section shall be governed by Section 2357, except:

(1) The conservatee shall be represented by an attorney pursuant to Chapter 4 (commencing with Section 1470) of Part 1.

(2) The conservatee shall be produced at the hearing, unless excused pursuant to Section 1893.

(3) The petition shall be supported by a declaration of a licensed physician, or a licensed psychologist within the scope of his or her licensure, regarding each of the findings required to be made under this section for any power requested, except that the psychologist has at least two years of experience in diagnosing dementia.

(4) The petition may be filed by any of the persons designated in Section 1891.

(g) The court investigator shall annually investigate and report to the court every two years pursuant to Sections 1850 and 1851 if the conservator is authorized to act under this section. In addition to the other

matters provided in Section 1851, the conservatee shall be specifically advised by the investigator that the conservatee has the right to object to the conservator's powers granted under this section, and the report shall also include whether powers granted under this section are warranted. If the conservatee objects to the conservator's powers granted under this section, or the investigator determines that some change in the powers granted under this section is warranted, the court shall provide a copy of the report to the attorney of record for the conservatee. If no attorney has been appointed for the conservatee, one shall be appointed pursuant to Chapter 4 (commencing with Section 1470) of Part 1. The attorney shall, within 30 days after receiving this report, do one of the following:

(1) File a petition with the court regarding the status of the conservatee.

(2) File a written report with the court stating that the attorney has met with the conservatee and determined that the petition would be inappropriate.

(h) A petition to terminate authority granted under this section shall be governed by Section 2359.

(i) Nothing in this section shall be construed to affect a conservatorship of the estate of a person who has dementia.

(j) Nothing in this section shall affect the laws that would otherwise apply in emergency situations.

(k) Nothing in this section shall affect current law regarding the power of a probate court to fix the residence of a conservatee or to authorize medical treatment for any conservatee who has not been determined to have dementia.

(l) (1) Until such time as the conservatorship becomes subject to review pursuant to Section 1850, this section shall not apply to a conservatorship established on or before the effective date of the adoption of Judicial Council forms that reflect the procedures authorized by this section, or January 1, 1998, whichever occurs first.

(2) Upon the adoption of Judicial Council forms that reflect the procedures authorized by this section or January 1, 1998, whichever occurs first, this section shall apply to any conservatorships established after that date.

SEC. 3. Section 3121 of the Probate Code is amended to read:

3121. The petition shall set forth all of the following information:

(a) The name, age, and residence of each spouse.

(b) If one or both spouses is alleged to lack legal capacity for the proposed transaction, a statement that the spouse has a conservator or a statement of the facts upon which the allegation is based.

(c) If there is a conservator of a spouse, the name and address of the conservator, the county in which the conservatorship proceeding is pending, and the court number of the proceeding.

(d) If a spouse alleged to lack legal capacity for the proposed transaction is a patient in or on leave of absence from a state institution under the jurisdiction of the State Department of Mental Health or the State Department of Developmental Services, the name and address of the institution.

(e) The names and addresses of all of the following persons:

(1) Relatives within the second degree of each spouse alleged to lack legal capacity for the proposed transaction.

(2) If the petition is to provide gifts or otherwise affect estate planning of the spouse who is alleged to lack capacity, as would be properly the subject of a petition under Article 10 (commencing with Section 2580) of Chapter 6 of Part 4 (substituted judgment) in the case of a conservatorship, the names and addresses of the persons identified in Section 2581.

(f) A sufficient description of the property that is the subject of the proposed transaction.

(g) An allegation that the property is community property, and, if the proposed transaction involves property in which a spouse also has a separate property interest, an allegation of good cause to include that separate property in the transaction.

(h) The estimated value of the property.

(i) The terms and conditions of the proposed transaction, including the names of all parties thereto.

(j) The relief requested.

SEC. 4. Section 3144 of the Probate Code is amended to read:

3144. (a) The court may authorize the proposed transaction if the court determines all of the following:

(1) The property that is the subject of the proposed transaction is community property of the spouses, and, if the proposed transaction involves property in which a spouse also has a separate property interest, that there is good cause to include that separate property in the transaction.

(2) One of the spouses then has a conservator or otherwise lacks legal capacity for the proposed transaction.

(3) The other spouse either has legal capacity for the proposed transaction or has a conservator.

(4) Each of the spouses either (i) joins in or consents to the proposed transaction, (ii) has a conservator, or (iii) is substantially unable to manage his or her own financial resources or resist fraud or undue influence. Substantial inability may not be proved by isolated incidents of negligence or improvidence.

(5) The proposed transaction is one that should be authorized under this chapter.

(b) If the proposed transaction is to provide gifts or otherwise affect estate planning of the spouse who is alleged to lack capacity, as would be properly the subject of a petition under Article 10 (commencing with Section 2580) of Chapter 6 of Part 4 (substituted judgment) in the case of a conservatorship, the court may authorize the transaction under this chapter only if the transaction is one that the court would authorize under that article.

(c) If the court determines under subdivision (a) that the transaction should be authorized, the court shall so order and may authorize the petitioner to do and perform all acts and to execute and deliver all papers, documents, and instruments necessary to effectuate the order.

(d) In an order authorizing a transaction, the court may prescribe any terms and conditions as the court in its discretion determines appropriate, including, but not limited to, requiring joinder or consent of another person.

SEC. 5. Section 6240 of the Probate Code is amended to read:
6240. The following is the California Statutory Will form:

QUESTIONS AND ANSWERS ABOUT THIS CALIFORNIA STATUTORY WILL

The following information, in question and answer form, is not a part of the California Statutory Will. It is designed to help you understand about Wills and to decide if this Will meets your needs. This Will is in a simple form. The complete text of each paragraph of this Will is printed at the end of the Will.

1. *What happens if I die without a Will?* If you die without a Will, what you own (your “assets”) in your name alone will be divided among your spouse, domestic partner, children, or other relatives according to state law. The court will appoint a relative to collect and distribute your assets.

2. *What can a Will do for me?* In a Will you may designate who will receive your assets at your death. You may designate someone (called an “executor”) to appear before the court, collect your assets, pay your debts and taxes, and distribute your assets as you specify. You may nominate someone (called a “guardian”) to raise your children who are under age 18. You may designate someone (called a “custodian”) to manage assets for your children until they reach any age from 18 to 25.

3. *Does a Will avoid probate?* No. With or without a Will, assets in your name alone usually go through the court probate process. The court’s first job is to determine if your Will is valid.

4. *What is community property?* Can I give away my share in my Will? If you are married and you or your spouse earned money during

your marriage from work and wages, that money (and the assets bought with it) is community property. Your Will can only give away your one-half of community property. Your Will cannot give away your spouse's one-half of community property.

5. *Does my Will give away all of my assets?* Do all assets go through probate? No. Money in a joint tenancy bank account automatically belongs to the other named owner without probate. If your spouse, domestic partner, or child is on the deed to your house as a joint tenant, the house automatically passes to him or her. Life insurance and retirement plan benefits may pass directly to the named beneficiary. A Will does not necessarily control how these types of "nonprobate" assets pass at your death.

6. *Are there different kinds of Wills?* Yes. There are handwritten Wills, typewritten Wills, attorney-prepared Wills, and statutory Wills. All are valid if done precisely as the law requires. You should see a lawyer if you do not want to use this Statutory Will or if you do not understand this form.

7. *Who may use this Will?* This Will is based on California law. It is designed only for California residents. You may use this form if you are single, married, a member of a domestic partnership, or divorced. You must be age 18 or older and of sound mind.

8. *Are there any reasons why I should NOT use this Statutory Will?* Yes. This is a simple Will. It is not designed to reduce death taxes or other taxes. Talk to a lawyer to do tax planning, especially if (i) your assets will be worth more than \$600,000 or the current amount excluded from estate tax under federal law at your death, (ii) you own business-related assets, (iii) you want to create a trust fund for your children's education or other purposes, (iv) you own assets in some other state, (v) you want to disinherit your spouse, domestic partner, or descendants, or (vi) you have valuable interests in pension or profit-sharing plans. You should talk to a lawyer who knows about estate planning if this Will does not meet your needs. This Will treats most adopted children like natural children. You should talk to a lawyer if you have stepchildren or foster children whom you have not adopted.

9. *May I add or cross out any words on this Will?* No. If you do, the Will may be invalid or the court may ignore the crossed out or added words. You may only fill in the blanks. You may amend this Will by a separate document (called a codicil). Talk to a lawyer if you want to do something with your assets which is not allowed in this form.

10. *May I change my Will?* Yes. A Will is not effective until you die. You may make and sign a new Will. You may change your Will at any time, but only by an amendment (called a codicil). You can give away or sell your assets before your death. Your Will only acts on what you own at death.

11. *Where should I keep my Will?* After you and the witnesses sign the Will, keep your Will in your safe deposit box or other safe place. You should tell trusted family members where your Will is kept.

12. *When should I change my Will?* You should make and sign a new Will if you marry, divorce, or terminate your domestic partnership after you sign this Will. Divorce, annulment, or termination of a domestic partnership automatically cancels all property stated to pass to a former husband, wife, or domestic partner under this Will, and revokes the designation of a former spouse or domestic partner as executor, custodian, or guardian. You should sign a new Will when you have more children, or if your spouse or a child dies, or a domestic partner dies or marries. You may want to change your Will if there is a large change in the value of your assets. You may also want to change your Will if you enter a domestic partnership or your domestic partnership has been terminated after you sign this Will.

13. *What can I do if I do not understand something in this Will?* If there is anything in this Will you do not understand, ask a lawyer to explain it to you.

14. *What is an executor?* An “executor” is the person you name to collect your assets, pay your debts and taxes, and distribute your assets as the court directs. It may be a person or it may be a qualified bank or trust company.

15. *Should I require a bond?* You may require that an executor post a “bond.” A bond is a form of insurance to replace assets that may be mismanaged or stolen by the executor. The cost of the bond is paid from the estate’s assets.

16. *What is a guardian?* Do I need to designate one? If you have children under age 18, you should designate a guardian of their “persons” to raise them.

17. *What is a custodian?* Do I need to designate one? A “custodian” is a person you may designate to manage assets for someone (including a child) who is under the age of 25 and who receives assets under your Will. The custodian manages the assets and pays as much as the custodian determines is proper for health, support, maintenance, and education. The custodian delivers what is left to the person when the person reaches the age you choose (from 18 to 25). No bond is required of a custodian.

18. *Should I ask people if they are willing to serve before I designate them as executor, guardian, or custodian?* Probably yes. Some people and banks and trust companies may not consent to serve or may not be qualified to act.

19. *What happens if I make a gift in this Will to someone and that person dies before I do?* A person must survive you by 120 hours to take a gift under this Will. If that person does not, then the gift fails and goes

with the rest of your assets. If the person who does not survive you is a relative of yours or your spouse, then certain assets may go to the relative's descendants.

20. *What is a trust?* There are many kinds of trusts, including trusts created by Wills (called "testamentary trusts") and trusts created during your lifetime (called "revocable living trusts"). Both kinds of trusts are long-term arrangements in which a manager (called a "trustee") invests and manages assets for someone (called a "beneficiary") on the terms you specify. Trusts are too complicated to be used in this Statutory Will. You should see a lawyer if you want to create a trust.

21. *What is a domestic partner?* You have a domestic partner if you have met certain legal requirements and filed a form entitled "Declaration of Domestic Partnership" with the Secretary of State. Notwithstanding Section 299.6 of the Family Code, if you have not filed a Declaration of Domestic Partnership with the Secretary of State, you do not meet the required definition and should not use the section of the Statutory Will form that refers to domestic partners even if you have registered your domestic partnership with another governmental entity. If you are unsure if you have a domestic partner or if your domestic partnership meets the required definition, please contact the Secretary of State's office.

INSTRUCTIONS

1. *READ THE WILL.* Read the whole Will first. If you do not understand something, ask a lawyer to explain it to you.

2. *FILL IN THE BLANKS.* Fill in the blanks. Follow the instructions in the form carefully. Do not add any words to the Will (except for filling in blanks) or cross out any words.

3. *DATE AND SIGN THE WILL AND HAVE TWO WITNESSES SIGN IT.* Date and sign the Will and have two witnesses sign it. You and the witnesses should read and follow the Notice to Witnesses found at the end of this Will.

CALIFORNIA STATUTORY WILL OF

Print Your Full Name

- 1. Will. This is my Will. I revoke all prior Wills and codicils.
2. Specific Gift of Personal Residence. (Optional—use only if you want to give your personal residence to a different person or persons than you give the balance of your assets to under paragraph 5 below.) I give my interest in my principal personal residence at the time of my death (subject to mortgages and liens) as follows:

(Select one choice only and sign in the box after your choice.)

a. Choice One: All to my spouse or domestic partner, registered with the California Secretary of State, if my spouse or domestic partner, registered with the California Secretary of State, survives me; otherwise to my descendants (my children and the descendants of my children)who survive me.

[Empty box for Choice One signature]

b. Choice Two: Nothing to my spouse or domestic partner, registered with the California Secretary of State; all to my descendants (my children and the descendants of my children) who survive me.

[Empty box for Choice Two signature]

c. Choice Three: All to the following person if he or she survives me (Insert the name of the person.):

[Empty box for Choice Three name]

d. Choice Four: Equally among the following persons who survive me (Insert the names of two or more persons.):

[Empty box for Choice Four names]

- 3. Specific Gift of Automobiles, Household and Personal Effects. (Optional—use only if you want to give automobiles and household and personal effects to a different person or persons than you give the balance of your assets to under paragraph 5 below.) I give all of my automobiles (subject to loans), furniture, furnishings, household items, clothing, jewelry, and other tangible articles of a personal nature at the time of my death as follows:

(Select one choice only and sign in the box after your choice.)

a. Choice One: All to my spouse or domestic partner, registered with the California Secretary of State, if my spouse, domestic partner, registered with the California Secretary of State, survives me; otherwise to my descendants (my children and the descendants of my children) who survive me.

b. Choice Two: Nothing to my spouse or domestic partner, registered with the California Secretary of State; all to my descendants (my children and the descendants of my children) who survive me.

c. Choice Three: All to the following person if he or she survives me (Insert the name of the person.):

d. Choice Four: Equally among the following persons who survive me (Insert the names of two or more persons.):

4. Specific Gifts of Cash. (Optional) I make the following cash gifts to the persons named below who survive me, or to the named charity, and I sign my name in the box after each gift. If I do not sign in the box, I do not make a gift. (Sign in the box after each gift you make.)

Name of Person or Charity to receive gift (name one only—please print)	Amount of Cash Gift
	Sign your name in this box to make this gift

Name of Person or Charity to receive gift (name one only—please print)	Amount of Cash Gift
	Sign your name in this box to make this gift

Name of Person or Charity to receive gift (name one only—please print)	Amount of Cash Gift
	Sign your name in this box to make this gift
Name of Person or Charity to receive gift (name one only—please print)	Amount of Cash Gift
	Sign your name in this box to make this gift
Name of Person or Charity to receive gift (name one only—please print)	Amount of Cash Gift
	Sign your name in this box to make this gift

5. Balance of My Assets. Except for the specific gifts made in paragraphs 2, 3 and 4 above, I give the balance of my assets as follows:

(Select one choice only and sign in the box after your choice. If I sign in more than one box or if I do not sign in any box, the court will distribute my assets as if I did not make a Will.)

a. Choice One: All to my spouse or domestic partner, registered with the California Secretary of State, if my spouse or domestic partner, registered with the California Secretary of State, survives me; otherwise to my descendants (my children and the descendants of my children) who survive me.

b. Choice Two: Nothing to my spouse or domestic partner, registered with the California Secretary of State; all to my descendants (my children and the descendants of my children) who survive me.

c. Choice Three: All to the following person if he or she survives me (Insert the name of the person.):

d. Choice Four: Equally among the following persons who survive me (Insert the names of two or more persons.):

6. Guardian of the Child's Person. If I have a child under age 18 and the child does not have a living parent at my death, I nominate the individual named below as First Choice as guardian of the person of that child (to raise the child). If the First Choice does not serve, then I nominate the Second Choice, and then the Third Choice, to serve. Only an individual (not a bank or trust company) may serve.

7. Special Provision for Property of Persons Under Age 25. (Optional—unless you use this paragraph, assets that go to a child or other person who is under age 18 may be given to the parent of the person, or to the Guardian named in paragraph 6 above as guardian of the person until age 18, and the court will require a bond, and assets that go to a child or other person who is age 18 or older will be given outright to the person. By using this paragraph you may provide that a custodian will hold the assets for the person until the person reaches any age from 18 to 25 which you choose.) If a beneficiary of this Will is under the age chosen below, I nominate the individual or bank or trust company named below as First Choice as custodian of the property. If the First Choice does not serve, then I nominate the Second Choice, and then the Third Choice, to serve.

Insert any age from 18 to 25 as the age for the person to receive the property:

(If you do not choose an age, age 18 will apply.)

8. Executor. I nominate the individual or bank or trust company named below as First Choice as executor. If the First Choice does not serve, then I nominate the Second Choice, and then the Third Choice, to serve.

Name of First Choice for Executor

Name of Second Choice for Executor

Name of Third Choice for Executor

9. Bond. My signature in this box means a bond is not required for any person named as executor. A bond may be required if I do not sign in this box:

No bond shall be required.

(Notice: You must sign this Will in the presence of two (2) adult witnesses. The witnesses must sign their names in your presence and in each other's presence. You must first read to them the following sentence.)

This is my Will: I ask the persons who sign below to be my witnesses.

Signed on _____ at _____, California.
(date) (city)

Signature of Maker of Will

(Notice to Witnesses: Two (2) adults must sign as witnesses. Each witness must read the following clause before signing. The witnesses should not receive assets under this Will.)

Each of us declares under penalty of perjury under the laws of the State of California that the following is true and correct:

- a. On the date written below the maker of this Will declared to us that this instrument was the maker's Will and requested us to act as witnesses to it;
- b. We understand this is the maker's Will;
- c. The maker signed this Will in our presence, all of us being present at the same time;

d. We now, at the maker's request, and in the maker's and each other's presence, sign below as witnesses;

e. We believe the maker is of sound mind and memory;

f. We believe that this Will was not procured by duress, menace, fraud or undue influence;

g. The maker is age 18 or older; and

h. Each of us is now age 18 or older, is a competent witness, and resides at the address set forth after his or her name.

Dated: _____ , _____

Signature of witness

Signature of witness

Print name here:

Print name here:

Residence address:

Residence address:

AT LEAST TWO WITNESSES MUST SIGN
NOTARIZATION ALONE IS NOT SUFFICIENT

SEC. 6. Section 6327 of the Probate Code is amended to read:
6327. An appeal may be taken from any of the following:

(a) Any order described in Part 3 (commencing with Section 1300) of Division 3 made pursuant to this chapter.

(b) An order making or refusing to make a determination specified in paragraph (1), (2), or (8) of subdivision (a) of Section 6325.

(c) As provided in Section 1304 for an order made pursuant to Section 6326.

SEC. 7. Section 8852 of the Probate Code is amended to read:

8852. (a) The personal representative shall take and subscribe an oath that the inventory contains a true statement of the property to be administered in the decedent's estate of which the personal representative has knowledge, and particularly of money of the decedent and debts or demands of the decedent against the personal representative. The oath shall be endorsed upon or attached to the inventory.

(b) If there is more than one personal representative, each shall take and subscribe the oath. If the personal representatives are unable to agree as to property to be included in the inventory, any personal representative may petition for a court order determining whether the property is to be administered in the decedent's estate. The determination shall be made pursuant to the procedure provided in Part 19 (commencing with Section 850) of Division 2 or, if there is an issue of property belonging or passing to the surviving spouse, pursuant to Chapter 5 (commencing with Section 13650) of Part 2 of Division 8.

SEC. 8. Section 9761 of the Probate Code is amended to read:

9761. If a partnership existed between the decedent and another person at the time of the decedent's death, on application of the personal representative, the court may order any surviving partner to render an account pursuant to Section 15510, 15634, or 16807 of the Corporations Code. An order under this section may be enforced by the court's power to punish for contempt.

SEC. 9. Section 9884 of the Probate Code is amended to read:

9884. This chapter does not prohibit the purchase of property of the estate by the personal representative or the personal representative's attorney pursuant to a contract in writing made during the lifetime of the decedent if the contract is one that can be specifically enforced and the requirements of Part 19 (commencing with Section 850) of Division 2 are satisfied.

SEC. 10. Section 10151 of the Probate Code is amended to read:

10151. (a) The personal representative may enter into a written contract with any of the following:

(1) Where the public auction sale will be held in this state, an auctioneer who is qualified to conduct business under Title 2.95

(commencing with Section 1812.600) of Part 4 of Division 3 of the Civil Code.

(2) Where the public auction sale will be held outside this state pursuant to an order made under Section 10254, an auctioneer who is legally permitted in the jurisdiction where the sale will be held to conduct a public auction sale and to secure purchasers by that method for the personal property authorized to be sold by public auction sale in that jurisdiction under the court order.

(b) The contract shall be one that is legally enforceable under the law of the jurisdiction where made.

(c) The contract may provide for payment to the auctioneer of a fee, commission, or other compensation out of the proceeds of sale and for reimbursement of expenses, but the contract is binding and valid as against the estate only for such amounts as the court allows pursuant to Section 10167. No liability of any kind is incurred by the estate under the contract or a sale unless the sale is approved by the court, except for the obligations of the estate to the purchaser of personal property as to which title passes pursuant to Section 10259 without court confirmation or approval. The personal representative is not personally liable on the contract by reason of execution of the contract.

(d) The contract may provide that personal property of two or more estates being administered by the same personal representative may be sold at the same public auction sale. Items of personal property may be sold separately or in a lot with other items from the same estate. A sale pursuant to the contract shall be with reserve. The auctioneer shall comply with the instructions of the personal representative with respect to withdrawal of items, risk of loss, place of delivery, warranties, and other matters.

SEC. 11. Section 10534 of the Probate Code is amended to read:

10534. (a) Subject to the partnership agreement and the provisions of the Uniform Partnership Act of 1994 (Chapter 5 (commencing with Section 16100) of Title 2 of the Corporations Code), the personal representative has the power to continue as a general partner in any partnership in which the decedent was a general partner at the time of death.

(b) The personal representative has the power to continue operation of any of the following:

(1) An unincorporated business or venture in which the decedent was engaged at the time of the decedent's death.

(2) An unincorporated business or venture which was wholly or partly owned by the decedent at the time of the decedent's death.

(c) Except as provided in subdivision (d), the personal representative may exercise the powers described in subdivisions (a) and (b) without

giving notice of proposed action under Chapter 4 (commencing with Section 10580).

(d) The personal representative shall comply with the requirements of Chapter 4 (commencing with Section 10580) if the personal representative continues as a general partner under subdivision (a), or continues the operation of any unincorporated business or venture under subdivision (b), for a period of more than six months from the date letters are first issued to a personal representative.

SEC. 12. Section 11952 of the Probate Code is amended to read:

11952. (a) Notice of the hearing on the petition shall be given as provided in Section 1220 to the personal representative and to the persons entitled to distribution of the undivided interests.

(b) At the hearing the persons entitled to distribution of the undivided interests shall be considered the parties to the proceeding whether or not they have appeared or filed a responsive pleading. No one shall be considered as a plaintiff or as a defendant.

(c) Any objection to the jurisdiction of the court shall be made and resolved in the manner prescribed in Part 19 (commencing with Section 850) of Division 2.

SEC. 13. Section 13601 of the Probate Code is amended to read:

13601. (a) To collect salary or other compensation under this chapter, an affidavit or a declaration under penalty of perjury under the laws of this state shall be furnished to the employer of the deceased spouse stating all of the following:

- (1) The name of the decedent.
- (2) The date and place of the decedent's death.
- (3) Either of the following, as appropriate:

(A) "The affiant or declarant is the surviving spouse of the decedent."

(B) "The affiant or declarant is the guardian or conservator of the estate of the surviving spouse of the decedent."

(4) "The surviving spouse of the decedent is entitled to the earnings of the decedent under the decedent's will or by intestate succession and no one else has a superior right to the earnings."

(5) "No proceeding is now being or has been conducted in California for administration of the decedent's estate."

(6) "Sections 13600 to 13605, inclusive, of the California Probate Code require that the earnings of the decedent, including compensation for unused vacation, not in excess of five thousand dollars (\$5,000) net, be paid promptly to the affiant or declarant."

(7) "Neither the surviving spouse, nor anyone acting on behalf of the surviving spouse, has a pending request to collect compensation owed by another employer for personal services of the decedent under Sections 13600 to 13605, inclusive, of the California Probate Code."

(8) "Neither the surviving spouse, nor anyone acting on behalf of the surviving spouse, has collected any compensation owed by an employer for personal services of the decedent under Sections 13600 to 13605, inclusive, of the California Probate Code except the sum of ____ dollars (\$____) which was collected from ____."

(9) "The affiant or declarant requests that he or she be paid the salary or other compensation owed by you for personal services of the decedent, including compensation for unused vacation, not to exceed five thousand dollars (\$5,000) net, less the amount of ____ dollars (\$____) which was previously collected."

(10) "The affiant or declarant affirms or declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct."

(b) Reasonable proof of the identity of the surviving spouse shall be provided to the employer. If a guardian or conservator is acting for the surviving spouse, reasonable proof of the identity of the guardian or conservator shall also be provided to the employer. Proof of identity that is sufficient under Section 13104 is sufficient proof of identity for the purposes of this subdivision.

(c) If a person presenting the affidavit or declaration is a person claiming to be the guardian or conservator of the estate of the surviving spouse, the employer shall be provided with reasonable proof, satisfactory to the employer, of the appointment of the person to act as guardian or conservator of the estate of the surviving spouse.

SEC. 14. Section 19054 of the Probate Code is amended to read:

19054. Notwithstanding Section 19050, the trustee need not give notice to a creditor even though the trustee has knowledge of the creditor if either of the following conditions is satisfied:

(a) The creditor has filed a claim as provided in this part.

(b) The creditor has demanded payment and the trustee elects to treat the demand as a claim under Section 19154.

SEC. 15. Section 21401 of the Probate Code is amended to read:

21401. Except as provided in Sections 21612 (omitted spouse) and 21623 (omitted children) and in Division 10 (commencing with Section 20100) (proration of taxes), shares of beneficiaries abate as provided in this part for all purposes, including payment of the debts, expenses, and charges specified in Section 11420, satisfaction of gifts, and payment of expenses on specifically devised property pursuant to Section 12002, and without any priority as between real and personal property.

SEC. 16. Section 21623 of the Probate Code is amended to read:

21623. (a) Except as provided in subdivision (b), in satisfying a share provided by this chapter:

(1) The share will first be taken from the decedent's estate not disposed of by will or trust, if any.

(2) If that is not sufficient, so much as may be necessary to satisfy the share shall be taken from all beneficiaries of decedent's testamentary instruments in proportion to the value they may respectively receive. The proportion of each beneficiary's share that may be taken pursuant to this subdivision shall be determined based on values as of the date of the decedent's death.

(b) If the obvious intention of the decedent in relation to some specific gift or devise or other provision of a testamentary instrument would be defeated by the application of subdivision (a), the specific devise or gift or provision of a testamentary instrument may be exempted from the apportionment under subdivision (a), and a different apportionment, consistent with the intention of the decedent, may be adopted.

SEC. 17. Section 26112 of the Probate Code is amended and renumbered to read:

21612. (a) Except as provided in subdivision (b), in satisfying a share provided by this chapter:

(1) The share will first be taken from the decedent's estate not disposed of by will or trust, if any.

(2) If that is not sufficient, so much as may be necessary to satisfy the share shall be taken from all beneficiaries of decedent's testamentary instruments in proportion to the value they may respectively receive. The proportion of each beneficiary's share that may be taken pursuant to this subdivision shall be determined based on values as of the date of the decedent's death.

(b) If the obvious intention of the decedent in relation to some specific gift or devise or other provision of a testamentary instrument would be defeated by the application of subdivision (a), the specific devise or gift or provision may be exempted from the apportionment under subdivision (a), and a different apportionment, consistent with the intention of the decedent, may be adopted.

CHAPTER 33

An act to amend Section 30801 of the Food and Agricultural Code, relating to animals.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 30801 of the Food and Agricultural Code is amended to read:

30801. (a) A board of supervisors may provide for the issuance of serially numbered metallic dog licenses pursuant to this section. The dog licenses shall be:

(1) Stamped with the name of the county and the year of issue.

(2) (A) Unless the board of supervisors designates the animal control department to issue the licenses, issued by the county clerk, to owners of dogs, that make application.

(B) The board of supervisors or animal control department may authorize veterinarians to issue the licenses to owners of dogs that make application.

(b) The licenses shall be issued for a period of not to exceed two years.

(c) In addition to the authority provided in subdivisions (a) and (b), a license may be issued, as provided by this section, by a board of supervisors for a period not to exceed three years for dogs that have attained the age of 12 months, or older, and who have been vaccinated against rabies. The person to whom the license is to be issued pursuant to this subdivision may choose a license period as established by the board of supervisors of up to one, two, or three years. However, when issuing a license pursuant to this subdivision, the license period shall not extend beyond the remaining period of validity for the current rabies vaccination.

CHAPTER 34

An act to amend Section 7027.5 of the Business and Professions Code, relating to contractors.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 7027.5 of the Business and Professions Code is amended to read:

7027.5. (a) A landscape contractor working within the classification for which the license is issued may design systems or facilities for work to be performed and supervised by that contractor.

(b) Notwithstanding any other provision of this chapter, a landscape contractor working within the classification for which the license is issued may enter into a prime contract for the construction of a swimming pool, spa, or hot tub provided the improvements are included within the landscape project that the landscape contractor is supervising and the construction of any swimming pool, spa, or hot tub is

subcontracted to a single licensed contractor holding a Swimming Pool (C-53) classification or performed by the landscape contractor if the landscape contractor also holds a Swimming Pool (C-53) classification. The contractor constructing the swimming pool, spa, or hot tub may subcontract with other appropriately licensed contractors for the completion of individual components of the construction.

CHAPTER 35

An act to amend Section 51221.3 of the Education Code, relating to school curriculum.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 51221.3 of the Education Code is amended to read:

51221.3. (a) Instruction in the area of social sciences, as required pursuant to subdivision (b) of Section 51220, may include instruction on World War II and the American role in that war. The Legislature encourages that this instruction include, but not be limited to, a component drawn from personal testimony, especially in the form of oral or video history, if available, of American soldiers who were involved in World War II and those men and women who contributed to the war effort on the homefront. The oral histories used as part of the instruction regarding World War II shall exemplify the personal sacrifice and courage of the wide range of ordinary citizens who were called upon to participate. The oral histories shall contain the views and comments of their subjects regarding the reasons for American participation in the war and the actions taken to end the war in the Pacific. These oral histories shall also solicit comments from their subjects regarding the aftermath of the war in Eastern Europe and the former Soviet Union.

(b) This section shall be carried out in a manner that does not result in any new duties or programs being imposed on the school district. In that regard, the Legislature finds and declares that this section does not mandate costs to local agencies or school districts and materials used to comply with this section shall be part of normal curriculum materials purchased by school districts in their normal course of business and purchasing cycles.

CHAPTER 36

An act to amend Section 56886 of, and to add Sections 57001.1 and 57202.1 to, the Government Code, relating to local agency reorganization.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 56886 of the Government Code is amended to read:

56886. Any change of organization or reorganization may provide for, or be made subject to one or more of, the following terms and conditions. If a change of organization or reorganization is made subject to one or more of the following terms and conditions in the commission's resolution making determinations, the terms and conditions imposed shall constitute the exclusive terms and conditions for the change of organization or reorganization, notwithstanding the general provisions of Part 5 (commencing with Section 57300). However, none of the following terms and conditions shall directly regulate land use, property development, or subdivision requirements:

(a) The payment of a fixed or determinable amount of money, either as a lump sum or in installments, for the acquisition, transfer, use or right of use of all or any part of the existing property, real or personal, of any city, county, or district.

(b) The levying or fixing and the collection of any of the following, for the purpose of providing for any payment required pursuant to subdivision (a):

(1) Special, extraordinary, or additional taxes or assessments.

(2) Special, extraordinary, or additional service charges, rentals, or rates.

(3) Both taxes or assessments and service charges, rentals, or rates.

(c) The imposition, exemption, transfer, division, or apportionment, as among any affected cities, affected counties, affected districts, and affected territory of liability for payment of all or any part of principal, interest, and any other amounts which shall become due on account of all or any part of any outstanding or then authorized but thereafter issued bonds, including revenue bonds, or other contracts or obligations of any city, county, district, or any improvement district within a local agency, and the levying or fixing and the collection of any (1) taxes or assessments, or (2) service charges, rentals, or rates, or (3) both taxes or assessments and service charges, rentals, or rates, in the same manner as

provided in the original authorization of the bonds and in the amount necessary to provide for that payment.

(d) If, as a result of any term or condition made pursuant to subdivision (c), the liability of any affected city, affected county, or affected district for payment of the principal of any bonded indebtedness is increased or decreased, the term and condition may specify the amount, if any, of that increase or decrease which shall be included in, or excluded from, the outstanding bonded indebtedness of that entity for the purpose of the application of any statute or charter provision imposing a limitation upon the principal amount of outstanding bonded indebtedness of the entity.

(e) The formation of a new improvement district or districts or the annexation or detachment of territory to, or from, any existing improvement district or districts.

(f) The incurring of new indebtedness or liability by, or on behalf of, all or any part of any local agency, including territory being annexed to any local agency, or of any existing or proposed new improvement district within that local agency. The new indebtedness may be the obligation solely of territory to be annexed if the local agency has the authority to establish zones for incurring indebtedness. The indebtedness or liability shall be incurred substantially in accordance with the laws otherwise applicable to the local agency.

(g) The issuance and sale of any bonds, including authorized but unissued bonds of a local agency, either by that local agency or by a local agency designated as the successor to any local agency which is extinguished as a result of any change of organization or reorganization.

(h) The acquisition, improvement, disposition, sale, transfer, or division of any property, real or personal.

(i) The disposition, transfer, or division of any moneys or funds, including cash on hand and moneys due but uncollected, and any other obligations.

(j) The fixing and establishment of priorities of use, or right of use, of water, or capacity rights in any public improvements or facilities or any other property, real or personal. However, none of the terms and conditions ordered pursuant to this subdivision shall modify priorities of use, or right of use, to water, or capacity rights in any public improvements or facilities that have been fixed and established by a court or an order of the State Water Resources Control Board.

(k) The establishment, continuation, or termination of any office, department, or board, or the transfer, combining, consolidation, or separation of any offices, departments, or boards, or any of the functions of those offices, departments, or boards, if, and to the extent that, any of those matters is authorized by the principal act.

(l) The employment, transfer, or discharge of employees, the continuation, modification, or termination of existing employment contracts, civil service rights, seniority rights, retirement rights, and other employee benefits and rights.

(m) The designation of a city, county, or district, as the successor to any local agency that is extinguished as a result of any change of organization or reorganization, for the purpose of succeeding to all of the rights, duties, and obligations of the extinguished local agency with respect to enforcement, performance, or payment of any outstanding bonds, including revenue bonds, or other contracts and obligations of the extinguished local agency.

(n) The designation of (1) the method for the selection of members of the legislative body of a district or (2) the number of those members, or (3) both, where the proceedings are for a consolidation, or a reorganization providing for a consolidation or formation of a new district and the principal act provides for alternative methods of that selection or for varying numbers of those members, or both.

(o) The initiation, conduct, or completion of proceedings on a proposal made under, and pursuant to, this division.

(p) The fixing of the effective date or dates of any change of organization, subject to the limitations of Section 57202.

(q) Any terms and conditions authorized or required by the principal act with respect to any change of organization.

(r) The continuation or provision of any service provided at that time, or previously authorized to be provided by an official act of the local agency.

(s) The levying of assessments, including the imposition of a fee pursuant to Section 50029 or 66484.3 or the approval by the voters of general or special taxes. For the purposes of this section, imposition of a fee as a condition of the issuance of a building permit does not constitute direct regulation of land use, property development, or subdivision requirements.

(t) The extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency or a successor local agency in the affected territory.

(u) The transfer of authority and responsibility among any affected cities, affected counties, and affected districts for the administration of special tax and special assessment districts, including, but not limited to, the levying and collecting of special taxes and special assessments, including the determination of the annual special tax rate within authorized limits; the management of redemption, reserve, special reserve, and construction funds; the issuance of bonds which are authorized but not yet issued at the time of the transfer, including not yet issued portions or phases of bonds which are authorized; supervision of

construction paid for with bond or special tax or assessment proceeds; administration of agreements to acquire public facilities and reimburse advances made to the district; and all other rights and responsibilities with respect to the levies, bonds, funds, and use of proceeds that would have applied to the local agency that created the special tax or special assessment district.

(v) Any other matters necessary or incidental to any of the terms and conditions specified in this section. If a change of organization, reorganization, or special reorganization provides for, or is made subject to one or more of, the terms and conditions specified in this section, those terms and conditions shall be deemed to be the exclusive terms and conditions for the change of organization, reorganization, or special reorganization, and shall control over any general provisions of Part 5 (commencing with Section 57300).

SEC. 2. Section 57001.1 is added to the Government Code, to read: 57001.1. In the case of a reorganization requested by a city in Santa Cruz County that has adopted a voter approved urban limit line, the time limits specified in Section 57001 shall not apply if the commission's resolution making determinations includes terms and conditions that allow for the completion of the reorganization in two or more segments. The commission may not use the provisions of this section for any reorganization approved or conditionally approved after January 1, 2009.

SEC. 3. Section 57202.1 is added to the Government Code, to read: 57202.1. In the case of a reorganization requested by a city in Santa Cruz County that has adopted a voter approved urban limit line, the conditions of paragraph (2) of subdivision (a) of Section 57202 shall not apply and the effective date of that reorganization shall be fixed in the terms and conditions of the commission resolution. The commission may not use the provisions of this section for any reorganization approved or conditionally approved after January 1, 2009.

SEC. 4. The Legislature finds and declares that, because of the unique circumstances applicable only to the County of Santa Cruz, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

CHAPTER 37

An act to amend Sections 2982, 2982.5, and 2985.8 of the Civil Code, relating to vehicle contracts.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 2982 of the Civil Code is amended to read:

2982. Every conditional sale contract subject to this chapter shall contain the disclosures required by Regulation Z, whether or not Regulation Z applies to the transaction. In addition, to the extent applicable, the contract shall contain the other disclosures and notices required by, and shall satisfy the requirements and limitations of, this section. The disclosures required by subdivision (a) may be itemized or subtotaled to a greater extent than as required by that subdivision and shall be made together and in the sequence set forth in that subdivision. All other disclosures and notices may appear in the contract in any location or sequence and may be combined or interspersed with other provisions of the contract.

(a) The contract shall contain the following disclosures, as applicable, which shall be labeled "itemization of the amount financed":

(1) (A) The cash price, exclusive of document preparation fees, taxes imposed on the sale, pollution control certification fees, prior credit or lease balance on property being traded in, and the amount charged for a service contract.

(B) The fee to be retained by the seller for document preparation.

(C) The fee charged by the seller for certifying that the motor vehicle complies with applicable pollution control requirements.

(D) Taxes imposed on the sale.

(E) The amount of any optional business partnership automation fee to register or transfer the vehicle, which shall be labeled "Optional DMV Electronic Filing Fee".

(F) The amount charged for a service contract.

(G) The prior credit or lease balance remaining on property being traded in, as required by paragraph (6). The disclosure required by this subparagraph shall be labeled "prior credit or lease balance (see downpayment and trade-in calculation)."

(H) Any charge for an optional debt cancellation agreement.

(I) The total cash price, which is the sum of subparagraphs (A) to (H), inclusive.

(2) Amounts paid to public officials for the following:

(A) Vehicle license fees.

(B) Registration, transfer, and titling fees.

(C) California tire fees imposed pursuant to Section 42885 of the Public Resources Code.

(3) The aggregate amount of premiums agreed, upon execution of the contract, to be paid for policies of insurance included in the contract, excluding the amount of any insurance premium included in the finance charge.

(4) The amount of the state fee for issuance of a certificate of compliance, noncompliance, exemption, or waiver pursuant to any applicable pollution control statute.

(5) A subtotal representing the sum of the foregoing items.

(6) The amount of the buyer's downpayment itemized to show the following:

(A) The agreed value of the property being traded in.

(B) The prior credit or lease balance, if any, owing on the property being traded in.

(C) The net agreed value of the property being traded in, which is the difference between the amounts disclosed in subparagraphs (A) and (B). If the prior credit or lease balance of the property being traded in exceeds the agreed value of the property, a negative number shall be stated.

(D) The amount of any portion of the downpayment to be deferred until not later than the due date of the second regularly scheduled installment under the contract and which is not subject to a finance charge.

(E) The amount of any manufacturer's rebate applied or to be applied to the downpayment.

(F) The remaining amount paid or to be paid by the buyer as a downpayment.

(G) The total downpayment. If the sum of subparagraphs (C) to (F), inclusive, is zero or more, that sum shall be stated as the total downpayment and no amount shall be stated as the prior credit or lease balance under subparagraph (G) of paragraph (1). If the sum of subparagraphs (C) to (F), inclusive, is less than zero, then that sum, expressed as a positive number, shall be stated as the prior credit or lease balance under subparagraph (G) of paragraph (1), and zero shall be stated as the total downpayment. The disclosure required by this subparagraph shall be labeled "total downpayment" and shall contain a descriptor indicating that if the total downpayment is a negative number, a zero shall be disclosed as the total downpayment and a reference made that the remainder shall be included in the disclosure required pursuant to subparagraph (G) of paragraph (1).

(7) The amount of any administrative finance charge, labeled "prepaid finance charge."

(8) The difference between item (5) and the sum of items (6) and (7), labeled "amount financed."

(b) No particular terminology is required to disclose the items set forth in subdivision (a) except as expressly provided in that subdivision.

(c) If payment of all or a portion of the downpayment is to be deferred, the deferred payment shall be reflected in the payment schedule disclosed pursuant to Regulation Z.

(d) If the downpayment includes property being traded in, the contract shall contain a brief description of that property.

(e) The contract shall contain the names and addresses of all persons to whom the notice required under Section 2983.2 and permitted under Sections 2983.5 and 2984 is to be sent.

(f) (1) If the contract includes a finance charge determined on the precomputed basis, the contract shall identify the method of computing the unearned portion of the finance charge in the event of prepayment in full of the buyer's obligation and contain a statement of the amount or method of computation of any charge that may be deducted from the amount of any unearned finance charge in computing the amount that will be credited to the obligation or refunded to the buyer. The method of computing the unearned portion of the finance charge shall be sufficiently identified with a reference to the actuarial method if the computation will be under that method. The method of computing the unearned portion of the finance charge shall be sufficiently identified with a reference to the Rule of 78's, the sum of the digits, or the sum of the periodic time balances method in all other cases, and those references shall be deemed to be equivalent for disclosure purposes.

(2) If the contract includes a finance charge which is determined on the simple-interest basis but provides for a minimum finance charge in the event of prepayment in full, the contract shall contain a statement of that fact and the amount of the minimum finance charge or its method of calculation.

(g) (1) If the contract includes a finance charge which is determined on the precomputed basis and provides that the unearned portion of the finance charge to be refunded upon full prepayment of the contract is to be determined by a method other than actuarial, the contract shall contain a notice, in at least 10-point boldface type if the contract is printed, reading as follows: "Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is \$1 or more. Because of the way the amount of this refund will be figured, the time when you prepay could increase the ultimate cost of credit under this agreement. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement."

(2) If the contract includes a finance charge which is determined on the precomputed basis and provides for the actuarial method for

computing the unearned portion of the finance charge upon prepayment in full, the contract shall contain a notice, in at least 10-point boldface type if the contract is printed, reading as follows: “Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time and obtain a partial refund of the finance charge if it is \$1 or more. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement.”

(3) If the contract includes a finance charge which is determined on the simple-interest basis, the contract shall contain a notice, in at least 10-point boldface type if the contract is printed, reading as follows: “Notice to buyer: (1) Do not sign this agreement before you read it or if it contains any blank spaces to be filled in. (2) You are entitled to a completely filled-in copy of this agreement. (3) You can prepay the full amount due under this agreement at any time. (4) If you default in the performance of your obligations under this agreement, the vehicle may be repossessed and you may be subject to suit and liability for the unpaid indebtedness evidenced by this agreement.”

(h) The contract shall contain a notice in at least 8-point boldface type, acknowledged by the buyer, that reads as follows:

“If you have a complaint concerning this sale, you should try to resolve it with the seller.

Complaints concerning unfair or deceptive practices or methods by the seller may be referred to the city attorney, the district attorney, or an investigator for the Department of Motor Vehicles, or any combination thereof.

After this contract is signed, the seller may not change the financing or payment terms unless you agree in writing to the change. You do not have to agree to any change, and it is an unfair or deceptive practice for the seller to make a unilateral change.

Buyer’s Signature”

(i) (1) The contract shall contain an itemization of any insurance included as part of the amount financed disclosed pursuant to paragraph (3) of subdivision (a) and of any insurance included as part of the finance charge. The itemization shall identify the type of insurance coverage and the premium charged therefor, and, if the insurance expires before the

date of the last scheduled installment included in the repayment schedule, the term of the insurance shall be stated.

(2) If any charge for insurance, other than for credit life or disability, is included in the contract balance and disbursement of any part thereof is to be made more than one year after the date of the conditional sale contract, any finance charge on the amount to be disbursed after one year shall be computed from the month the disbursement is to be made to the due date of the last installment under the conditional sale contract.

(j) (1) Except for contracts in which the finance charge or portion thereof is determined by the simple-interest basis and the amount financed disclosed pursuant to paragraph (8) of subdivision (a) is more than two thousand five hundred dollars (\$2,500), the dollar amount of the disclosed finance charge may not exceed the greater of:

(A) (i) One and one-half percent on so much of the unpaid balance as does not exceed two hundred twenty-five dollars (\$225), $1\frac{1}{6}$ percent on so much of the unpaid balance in excess of two hundred twenty-five dollars (\$225) as does not exceed nine hundred dollars (\$900) and five-sixths of 1 percent on so much of the unpaid balance in excess of nine hundred dollars (\$900) as does not exceed two thousand five hundred dollars (\$2,500); or

(ii) One percent of the entire unpaid balance; multiplied in either case by the number of months (computed on the basis of a full month for any fractional month period in excess of 15 days) elapsing between the date of the contract and the due date of the last installment; or

(B) If the finance charge is determined by the precomputed basis, twenty-five dollars (\$25); or

(C) If the finance charge or a portion thereof is determined by the simple-interest basis:

(i) Twenty-five dollars (\$25) if the unpaid balance does not exceed one thousand dollars (\$1,000).

(ii) Fifty dollars (\$50) if the unpaid balance exceeds one thousand dollars (\$1,000) but does not exceed two thousand dollars (\$2,000).

(iii) Seventy-five dollars (\$75) if the unpaid balance exceeds two thousand dollars (\$2,000).

(2) The holder of the contract may not charge, collect, or receive a finance charge which exceeds the disclosed finance charge, except to the extent (A) caused by the holder's receipt of one or more payments under a contract which provides for determination of the finance charge or a portion thereof on the 365-day basis at a time or times other than as originally scheduled whether or not the parties enter into an agreement pursuant to Section 2982.3, (B) permitted by paragraph (2), (3), or (4) of subdivision (c) of Section 226.17 of Regulation Z, or (C) permitted by subdivisions (a) and (c) of Section 2982.8.

(3) If the finance charge or a portion thereof is determined by the simple-interest basis and the amount of the unpaid balance exceeds five thousand dollars (\$5,000), the holder of the contract may, in lieu of its right to a minimum finance charge under subparagraph (C) of paragraph (1), charge, receive, or collect on the date of the contract an administrative finance charge not to exceed seventy-five dollars (\$75), provided that the sum of the administrative finance charge and the portion of the finance charge determined by the simple-interest basis shall not exceed the maximum total finance charge permitted by subparagraph (A) of paragraph (1). Any administrative finance charge which is charged, received, or collected by a holder shall be deemed a finance charge earned on the date of the contract.

(4) If a contract provides for unequal or irregular payments, or payments on other than a monthly basis, the maximum finance charge shall be at the effective rate provided for in paragraph (1), having due regard for the schedule of installments.

(k) The contract may provide that for each installment in default for a period of not less than 10 days the buyer shall pay a delinquency charge in an amount not to exceed in the aggregate 5 percent of the delinquent installment, which amount may be collected only once on any installment regardless of the period during which it remains in default. Payments timely received by the seller under an extension or deferral agreement may not be subject to a delinquency charge unless the charge is permitted by Section 2982.3. The contract may provide for reasonable collection costs and fees in the event of delinquency.

(l) Notwithstanding any provision of a contract to the contrary, the buyer may pay at any time before maturity the entire indebtedness evidenced by the contract without penalty. In the event of prepayment in full:

(1) If the finance charge was determined on the precomputed basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, provided, however, that the buyer shall be entitled to a refund credit in the amount of the unearned portion of the finance charge, except as provided in paragraphs (3) and (4). The amount of the unearned portion of the finance charge shall be at least as great a proportion of the finance charge, including any additional finance charge imposed pursuant to Section 2982.8 or other additional charge imposed because the contract has been extended, deferred, or refinanced, as the sum of the periodic monthly time balances payable more than 15 days after the date of prepayment bears to the sum of all the periodic monthly time balances under the schedule of installments in the contract or, if the contract has been extended, deferred, or refinanced, as so extended, deferred, or refinanced. If the amount of the refund credit is less than one dollar (\$1), no refund credit need be made by the holder. Any refund

credit may be made in cash or credited to the outstanding obligations of the buyer under the contract.

(2) If the finance charge or a portion thereof was determined on the simple-interest basis, the amount required to prepay the contract shall be the outstanding contract balance as of that date, including any earned finance charges which are unpaid as of that date and, if applicable, the amount provided in paragraph (3), and provided further that in cases where a finance charge is determined on the 360-day basis, the payments theretofore received will be assumed to have been received on their respective due dates regardless of the actual dates on which the payments were received.

(3) Where the minimum finance charge provided by subparagraph (B) or subparagraph (C) of paragraph (1) of subdivision (j), if either is applicable, is greater than the earned finance charge as of the date of prepayment, the holder shall be additionally entitled to the difference.

(4) The provisions of this subdivision may not impair the right of the seller or the seller's assignee to receive delinquency charges on delinquent installments and reasonable costs and fees as provided in subdivision (k) or extension or deferral agreement charges as provided in Section 2982.3.

(5) Notwithstanding any provision of a contract to the contrary, whenever the indebtedness created by any contract is satisfied prior to its maturity through surrender of the motor vehicle, repossession of the motor vehicle, redemption of the motor vehicle after repossession, or any judgment, the outstanding obligation of the buyer shall be determined as provided in paragraph (1) or (2). Notwithstanding, the buyer's outstanding obligation shall be computed by the holder as of the date the holder recovers the value of the motor vehicle through disposition thereof or judgment is entered or, if the holder elects to keep the motor vehicle in satisfaction of the buyer's indebtedness, as of the date the holder takes possession of the motor vehicle.

(m) Notwithstanding any other provision of this chapter to the contrary, any information required to be disclosed in a conditional sale contract under this chapter may be disclosed in any manner, method, or terminology required or permitted under Regulation Z, as in effect at the time that disclosure is made, except that permitted by paragraph (2) of subdivision (c) of Section 226.18 of Regulation Z, provided that all of the requirements and limitations set forth in subdivision (a) of this section are satisfied. This chapter does not prohibit the disclosure in that contract of additional information required or permitted under Regulation Z, as in effect at the time that disclosure is made.

(n) If the seller imposes a fee for document preparation, the contract shall contain a disclosure that the fee is not a governmental fee.

(o) A seller may not impose an application fee for a transaction governed by this chapter.

(p) The seller or holder may charge and collect a fee not to exceed fifteen dollars (\$15) for the return by a depository institution of a dishonored check, negotiated order of withdrawal, or share draft issued in connection with the contract, if the contract so provides or if the contract contains a generalized statement that the buyer may be liable for collection costs incurred in connection with the contract.

(q) The contract shall disclose on its face, by printing the word “new” or “used” within a box outlined in red, that is not smaller than one-half inch high and one-half inch wide, whether the vehicle is sold as a new vehicle, as defined in Section 430 of the Vehicle Code, or a used vehicle, as defined in Section 665 of the Vehicle Code.

(r) The contract shall contain a notice with a heading in at least 12-point bold type and the text in at least 10-point bold type, circumscribed by a line, immediately above the contract signature line, that reads as follows:

THERE IS NO COOLING OFF PERIOD

California law does not provide for a “cooling off” or other cancellation period for vehicle sales. Therefore, you cannot later cancel this contract simply because you change your mind, decide the vehicle costs too much, or wish you had acquired a different vehicle. After you sign below, you may only cancel this contract with the agreement of the seller or for legal cause, such as fraud.

SEC. 2. Section 2982.5 of the Civil Code is amended to read:

2982.5. (a) This chapter may not be deemed to affect a loan, or the security therefor, between a purchaser of a motor vehicle and a supervised financial organization, other than the seller of the motor vehicle, all or a portion of which loan is used in connection with the purchase of a motor vehicle. As used in this chapter, “supervised financial organization” means a person organized, chartered, or holding a license or authorization certificate under a law of this state or the United States to make loans and subject to supervision by an official or agency of this state or the United States.

(b) This chapter may not be deemed to prohibit the seller’s assisting the buyer in obtaining a loan upon any security from any third party to be used as a part or all of the downpayment or any other payment on a conditional sale contract or purchase order; provided that the conditional sale contract sets forth on its face the amount of the loan, the finance charge, the total thereof, the number of installments scheduled to repay

the loan and the amount of each installment, that the buyer may be required to pledge security for the loan, which security shall be mutually agreed to by the buyer and the lender and notice to the buyer in at least 8-point type that he or she is obligated for the installment payments on both the conditional sale contract and the loan. The seller may not provide any security or other guarantee of payment on the loan, nor shall the seller receive any commission or other remuneration for assisting the buyer to obtain the loan. If the buyer obligates himself or herself to purchase, or receives possession of, the motor vehicle prior to securing the loan, and if the buyer upon appropriate application for the loan is unable to secure the loan, on the conditions stated in the conditional sale contract, the conditional sale contract or purchase order shall be deemed rescinded and all consideration thereupon shall be returned by the respective parties without demand.

(c) The proceeds of any loan payable to the seller after the date of the contract but prior to the due date of the second payment otherwise scheduled thereunder may not be subject to a finance charge and the amount thereof shall be disclosed pursuant to subparagraph (D) of paragraph (6) of subdivision (a) of Section 2982.

(d) This chapter may not be deemed to prohibit the seller's assisting the buyer in obtaining a loan from any third party to be used to pay for the full purchase price, or any part thereof, of a motor vehicle, if each of the following provisions applies:

(1) The loan may be upon any security, but except as provided in paragraph (2), the loan may not be secured in whole or in part by a lien on real property. Any lien on real property taken in violation of this section shall be void and unenforceable.

(2) A lien on real property may be taken to secure a loan of seven thousand five hundred dollars (\$7,500) or more used to pay the full purchase price, or any part thereof, of a recreational vehicle, as defined in Section 18010 of the Health and Safety Code, which is not less than 20 feet in length.

(3) The provisions of Sections 2983.2, 2983.3, and 2984.4 shall apply to the loan, but may not authorize the lender or the lender's successor in interest to charge for any costs, fees, or expenses or to obtain any other benefit which the lender is prohibited from charging or obtaining under any regulatory law applicable to the lender. Notwithstanding this paragraph, the provisions of Sections 2983.2 and 2983.3 may not apply to a loan made by a lender licensed under Division 9 (commencing with Section 22000) or Division 10 (commencing with Section 24000) of the Financial Code.

(4) The lender or the lender's successor in interest shall be subject to all claims and defenses which the buyer could assert against the seller, but liability may not exceed the amount of the loan.

(5) If the buyer becomes obligated to purchase, or receives possession of, the motor vehicle prior to obtaining the loan, the agreement between the buyer and the seller shall set forth on its face the amount of the loan, the finance charge, the total thereof, the number of installments scheduled to repay the loan and the amount of each installment, that the buyer may be required to pledge security for the loan, which security must be mutually agreed to by the buyer and the lender, and notice to the buyer in at least 8-point type that the buyer is obligated for the installment payments on the loan and for any payments which may be due on the agreement between the buyer and the seller. The seller may not provide any security or other guarantee of payment on the loan, and the seller may not receive any commission or other remuneration for assisting the buyer to obtain the loan. If the buyer upon proper application for the loan is unable to obtain the loan, on the condition stated in the agreement between the buyer and the seller, the agreement shall be deemed rescinded and all consideration thereupon shall be returned by the respective parties without demand.

(6) Any waiver by the buyer of the provisions of this section shall be void and unenforceable.

This subdivision does not apply to state or federally chartered banks and savings and loan associations and may not be construed to affect existing law regarding a seller's assisting a buyer to obtain a loan from a bank or savings and loan association or any loan obtained by the buyer from those lenders.

SEC. 3. Section 2985.8 of the Civil Code is amended to read:

2985.8. (a) Every lease contract shall be in writing and the print portion of the contract shall be printed in at least 8-point type and shall contain in a single document all of the agreements of the lessor and lessee with respect to the obligations of each party.

(b) At the top of the lease contract, a title which contains the words "LEASE CONTRACT" or "LEASE AGREEMENT" shall appear in at least 12-point bold type.

(c) Every lease contract shall disclose all of the following:

(1) All of the information prescribed by Regulation M set forth in the manner required or permitted by Regulation M, whether or not Regulation M applies to the transaction.

(2) A separate statement labeled "Itemization of Gross Capitalized Cost" that shall appear immediately following or directly adjacent to the disclosures required to be segregated by Regulation M. The Itemization of Gross Capitalized Cost shall include all of the following and shall be circumscribed by a line:

(A) The agreed-upon value of the vehicle as equipped at the time of signing the lease.

(B) The agreed-upon value and a description of each accessory and item of optional equipment the lessor agrees to add to the vehicle after signing the lease.

(C) The premium for each policy of insurance.

(D) The amount charged for each service contract.

(E) Any charge for an optional debt cancellation agreement.

(F) Any outstanding prior credit or lease balance.

(H) An itemization by type and agreed-upon value of each good or service included in the gross capitalized cost other than those items included in the disclosures required in subparagraphs (A) to (G), inclusive.

(3) The vehicle identification number of the leased vehicle.

(4) A brief description of each vehicle or other property being traded in and the agreed-upon value thereof if the amount due at the time of signing the lease or upon delivery is paid in whole or in part with a net trade-in allowance or the "Itemization of Gross Capitalized Cost" includes any portion of the outstanding prior credit or lease balance from the trade-in property.

(5) The fee, if any, to be retained by the lessor for document preparation, which fee may not exceed forty-five dollars (\$45) and may not be represented as a governmental fee.

(6) The amount of any optional business partnership automation program fee to register or transfer the vehicle, which shall be labeled "Optional DMV Electronic Filing Fee."

(d) Every lease contract shall contain, in at least 8-point bold type, above the space provided for the lessee's signature and circumscribed by a line, the following notice: "(1) Do not sign this lease before you read it or if it contains any blank spaces to be filled in; (2) You are entitled to a completely filled in copy of this lease; (3) Warning—Unless a charge is included in this lease for public liability or property damage insurance, payment for that coverage is not provided by this lease."

(e) Every lease contract shall contain, in at least 8-point bold type, on the first page of the contract and circumscribed by a line, the following notice:

"THERE IS NO COOLING OFF PERIOD

California law does not provide for a "cooling off" or other cancellation period for vehicle leases. Therefore, you cannot later cancel this lease simply because you change your mind, decided the vehicle costs too much, or wish you had acquired a different vehicle. You may cancel this lease only with the agreement of the lessor or for legal cause, such as fraud."

(f) Every lease contract shall contain, in at least 8-point bold type, the following notice: “You have the right to return the vehicle, and receive a refund of any payments made if the credit application is not approved, unless nonapproval results from an incomplete application or from incorrect information provided by you.”

(g) The lease contract shall be signed by the lessor and lessee, or their authorized representatives, and an exact copy of the fully executed lease contract shall be provided to the lessee at the time of signing.

(h) No motor vehicle shall be delivered under a lease contract subject to this chapter until the lessor provides to the lessee a fully executed copy of the lease contract.

(i) The lessor may not obtain the signature of the lessee to a contract when it contains blank spaces to be filled in after it has been signed.

(j) If the lease contract contains a provision that holds the lessee liable for the difference between (1) the adjusted capitalized cost disclosed in the lease contract reduced by the amounts described in subparagraph (A) of paragraph (5) of subdivision (b) of Section 2987 and (2) the settlement proceeds of the lessee’s required insurance and deductible in the event of theft or damage to the vehicle that results in a total loss, the lease contract shall contain the following notice in at least eight-point boldface type on the first page of the contract:

“GAP LIABILITY NOTICE

In the event of theft or damage to the vehicle that results in a total loss, there may be a GAP between the amount due upon early termination and the proceeds of your insurance settlement and deductible. THIS LEASE PROVIDES THAT YOU ARE LIABLE FOR THE GAP AMOUNT. Optional coverage for the GAP amount may be offered for an additional price.”

CHAPTER 38

An act to amend Section 29404 of the Government Code, relating to the district attorney.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 29404 of the Government Code is amended to read:

29404. The district attorney shall only use the special appropriation to pay:

- (a) Expenses lawfully incurred in criminal cases arising in the county.
- (b) Expenses lawfully incurred in the detection of crime, other than those declared to be misdemeanors by the Vehicle Code.
- (c) Expenses lawfully incurred in civil actions or proceedings.

CHAPTER 39

An act to add Section 6529 to the Government Code, relating to joint powers agreements.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 6529 is added to the Government Code, to read:

6529. (a) The Elk Valley Rancheria Tribal Council, as the governing body of the Elk Valley Rancheria, California, a federally recognized Indian tribe, may enter into a joint powers agreement with the County of Del Norte and the City of Crescent City, or both, and shall be deemed to be a public agency for purposes of this chapter.

(b) On and after January 1, 2004, the joint powers authority created pursuant to subdivision (a) shall not have the power to authorize or issue bonds pursuant to the Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584)) unless the public improvements to be funded by the bonds will be owned and maintained by the authority or one or more of its public agency members, and the revenue streams pledged to repay the bonds derive from the authority or one or more of its public agency members.

SEC. 2. The Legislature finds and declares that, because of the unique circumstances applicable only to the County of Del Norte, a statute of general applicability cannot be enacted within the meaning of subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

CHAPTER 40

An act relating to education finance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Notwithstanding any other provision of law, the average daily attendance for the second principal apportionment of the 2001–02 fiscal year for the Oxnard Union High School District shall be calculated as 89.10 percent of the October 2001 California Basic Educational Data System (CBEDS) enrollment of 14,922, as approved by the Department of Finance, subject to revision by the State Department of Education if material findings are subsequently disclosed in the independent audit of the school district’s 2001–02 fiscal year.

SEC. 2. Notwithstanding any other provision of law, for purposes of apportionments based upon annual units of average daily attendance, the 2001-02 annual units of average daily attendance for the Oxnard Union High School District equals the annual units of average daily attendance for the 2000-01 fiscal year.

SEC. 3. The Legislature finds and declares that due to unique circumstances relating to the Oxnard Union High School District, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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 necessary funding adjustments for the Oxnard Union High School District as soon as possible and to ensure the timely processing of the reimbursement to the state, it is necessary that this act take effect immediately.

CHAPTER 41

An act to amend Section 1785.20.3 of the Civil Code, relating to consumer credit.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1785.20.3 of the Civil Code is amended to read:

1785.20.3. (a) Any person who uses a consumer credit report in connection with the approval of credit based on an application for an extension of credit, and who discovers that the consumer's first and last name, address, or social security number, on the credit application does not match, within a reasonable degree of certainty, the consumer's first and last name, address or addresses, or social security number listed, if any, on the consumer credit report, shall take reasonable steps to verify the accuracy of the consumer's first and last name, address, or social security number provided on the application to confirm that the extension of credit is not the result of identity theft, as defined in Section 1798.92.

(b) Any person who uses a consumer credit report in connection with the approval of credit based on an application for an extension of credit, and who has received notification pursuant to subdivision (k) of Section 1785.16 that the applicant has been a victim of identity theft, as defined in Section 1798.92, may not lend money or extend credit without taking reasonable steps to verify the consumer's identity and confirm that the application for an extension of credit is not the result of identity theft.

(c) Any consumer who suffers damages as a result of a violation of this section by any person may bring an action in a court of appropriate jurisdiction against that person to recover actual damages, court costs, attorney's fees, and punitive damages of not more than thirty thousand dollars (\$30,000) for each violation, as the court deems proper.

(d) As used in this section, "identity theft" has the meaning given in subdivision (b) of Section 1798.92.

(e) For the purposes of this section, "extension of credit" does not include an increase in an existing open-end credit plan, as defined in Regulation Z of the Federal Reserve System (12 C.F.R. 226.2), or any change to or review of an existing credit account.

(f) If a consumer provides initial written notice to a creditor that he or she is a victim of identity theft, as defined in subdivision (d) of Section 1798.92, the creditor shall provide written notice to the consumer of his or her rights under subdivision (k) of Section 1785.16.

(g) The provisions of subdivisions (k) and (l) of Section 1785.16 do not apply to a consumer credit reporting agency that acts only as a reseller of credit information by assembling and merging information contained in the database of another consumer credit reporting agency or the databases of multiple consumer credit reporting agencies, and does not maintain a permanent database of credit information from which new credit reports are produced.

(h) This section does not apply if one of the addresses at issue is a United States Army or Air Force post office address or a United States Fleet post office address.

CHAPTER 42

An act to amend Section 15399.15 of the Government Code, and to amend Sections 25150.1, 25281, 25288, 25290.1, 25292, 25292.5, 25293, 25295, 25295.5, 25298, 25299, 25299.4, and 33459 of, and to add Sections 25280.6 and 25290.2 to, the Health and Safety Code, relating to hazardous substances, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 7, 2003. Filed with
Secretary of State July 7, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 15399.15 of the Government Code is amended to read:

15399.15. (a) The agency shall make grant funds available from the Petroleum Underground Storage Tank Financing Account to eligible grant applicants who meet all of the following eligibility requirements:

(1) The grant applicant is a small business, pursuant to the following requirements:

(A) The grant applicant meets the conditions for a small business concern as defined in Section 632 of Title 15 of the United States Code, and in the federal regulations adopted to implement that section, as specified in Part 121 (commencing with Section 121.101) of Chapter I of Title 13 of the Code of Federal Regulations.

(B) The grant applicant employs fewer than 20 full-time and part-time employees, is independently owned and operated, and is not dominant in its field of operation.

(2) The principal office of the grant applicant is domiciled in the state, and the officers of the grant applicant are domiciled in this state.

(3) The grant applicant, the applicant's family, or an affiliated entity, has owned or operated the project tank since January 1, 1997.

(4) All tanks owned and operated by the grant applicant are subject to compliance with Chapter 6.7 (commencing with Section 25280) of Division 20 of the Health and Safety Code, and the regulations adopted pursuant to that chapter.

(5) The facility where the project tank is located has sold at retail less than 900,000 gallons of gasoline annually for each of the two years

preceding the submission of the grant application. The numbers of gallons sold shall be based upon taxable sales figures provided to the State Board of Equalization for that facility.

(6) The grant applicant owns or operates a tank that is in compliance with Section 25290.1, 25290.2, or 25291 of the Health and Safety Code, or subdivisions (d) and (e) of Section 25292 of the Health and Safety Code, and the regulations adopted to implement those sections.

(7) The facility where the project tank is located was legally in business retailing gasoline after January 1, 1999.

(b) Grant funds may only be used to pay the costs necessary to comply with the requirements of Section 25284.1, 25292.4, or 25292.5 of the Health and Safety Code.

(c) If the total amount of grant requests by eligible grant applicants to the agency pursuant to this section exceed, or are anticipated to exceed, the amount in the Petroleum Underground Storage Tank Financing Account, the agency may adopt a priority ranking list to award grants based upon the level of demonstrated financial hardship of the eligible grant applicant, or the relative impact upon the local community where the project tank is located if the claim is denied.

SEC. 2. Section 25150.1 of the Health and Safety Code is amended to read:

25150.1. The requirements in Sections 25290.1, 25290.2, 25291, and 25292 apply to the construction, operation, maintenance, monitoring, and testing of underground storage tanks, as defined in subdivision (y) of Section 25281, that are required to obtain hazardous waste facilities permits from the department. The department shall adopt regulations implementing the requirements of Sections 25290.1, 25290.2, 25291, and 25292, for regulating the construction, operation, maintenance, monitoring, and testing of underground storage tanks used for the storage of hazardous wastes that are necessary to protect against hazards to the public health, domestic livestock, wildlife, or the environment.

SEC. 3. Section 25280.6 is added to the Health and Safety Code, to read:

25280.6. Either the owner or operator of an underground storage tank may comply with the requirements of this chapter that apply to the owner or operator of an underground storage tank. Both the owner and the operator of an underground storage tank are responsible for complying with this chapter and if an underground storage tank is not in compliance with this chapter, both the owner and the operator of that underground storage tank are in violation of that requirement.

SEC. 4. Section 25281 of the Health and Safety Code is amended to read:

25281. For purposes of this chapter, the following definitions apply:

(a) "Automatic line leak detector" means any method of leak detection, as determined in regulations adopted by the board, that alerts the owner or operator of an underground storage tank to the presence of a leak. "Automatic line leak detector" includes, but is not limited to, any device or mechanism that alerts the owner or operator of an underground storage tank to the presence of a leak by restricting or shutting off the flow of a hazardous substance through piping, or by triggering an audible or visual alarm, and that detects leaks of three gallons or more per hour at 10 pounds per square inch line pressure within one hour.

(b) "Board" means the State Water Resources Control Board. "Regional board" means a California regional water quality control board.

(c) "Compatible" means the ability of two or more substances to maintain their respective physical and chemical properties upon contact with one another for the design life of the tank system under conditions likely to be encountered in the tank system.

(d) (1) "Certified Unified Program Agency" or "CUPA" means the agency certified by the Secretary for Environmental Protection to implement the unified program specified in Chapter 6.11 (commencing with Section 25404) within a jurisdiction.

(2) "Participating Agency" or "PA" means an agency that has a written agreement with the CUPA pursuant to subdivision (d) of Section 25404.3, and is approved by the secretary to implement or enforce the unified program element specified in paragraph (3) of subdivision (c) of Section 25404, in accordance with Sections 25404.1 and 25404.2.

(3) "Unified Program Agency" or "UPA" means the CUPA, or its participating agencies to the extent each PA has been designated by the CUPA, pursuant to a written agreement, to implement or enforce the unified program element specified in paragraph (3) of subdivision (c) of Section 25404. For purposes of this chapter, a UPA has the responsibility and authority, to the extent provided by this chapter and Sections 25404.1 and 25404.2, to implement and enforce only those requirements of this chapter listed in paragraph (3) of subdivision (c) of Section 25404 and the regulations adopted to implement those requirements. After a CUPA has been certified by the secretary, the UPA shall be the only local agency authorized to enforce the requirements of this chapter listed in paragraph (3) of subdivision (c) of Section 25404 within the jurisdiction of the CUPA. This paragraph shall not be construed to limit the authority or responsibility granted to the board and the regional boards by this chapter to implement and enforce this chapter and the regulations adopted pursuant to this chapter.

(e) "Department" means the Department of Toxic Substances Control.

(f) "Facility" means any one, or combination of, underground storage tanks used by a single business entity at a single location or site.

(g) "Federal act" means Subchapter IX (commencing with Section 6991) of Chapter 82 of Title 42 of the United States Code, as added by the Hazardous and Solid Waste Amendments of 1984 (P.L. 98-616), or as it may subsequently be amended or supplemented.

(h) "Hazardous substance" means either of the following:

(1) All of the following liquid and solid substances, unless the department, in consultation with the board, determines that the substance could not adversely affect the quality of the waters of the state:

(A) Substances on the list prepared by the Director of Industrial Relations pursuant to Section 6382 of the Labor Code.

(B) Hazardous substances, as defined in Section 25316.

(C) Any substance or material that is classified by the National Fire Protection Association (NFPA) as a flammable liquid, a class II combustible liquid, or a class III-A combustible liquid.

(2) Any regulated substance, as defined in subsection (2) of Section 6991 of Title 42 of the United States Code, as that section reads on January 1, 1989, or as it may subsequently be amended or supplemented.

(i) "Local agency" means the local agency authorized, pursuant to Section 25283, to implement this chapter.

(j) "Operator" means any person in control of, or having daily responsibility for, the daily operation of an underground storage tank system.

(k) "Owner" means the owner of an underground storage tank.

(l) "Person" means an individual, trust, firm, joint stock company, corporation, including a government corporation, partnership, limited liability company, or association. "Person" also includes any city, county, district, the state, another state of the United States, any department or agency of this state or another state, or the United States to the extent authorized by federal law.

(m) "Pipe" means any pipeline or system of pipelines that is used in connection with the storage of hazardous substances and that is not intended to transport hazardous substances in interstate or intrastate commerce or to transfer hazardous materials in bulk to or from a marine vessel.

(n) "Primary containment" means the first level of containment, such as the portion of a tank that comes into immediate contact on its inner surface with the hazardous substance being contained.

(o) "Product tight" means impervious to the substance that is contained, or is to be contained, so as to prevent the seepage of the substance from the containment.

(p) “Release” means any spilling, leaking, emitting, discharging, escaping, leaching, or disposing from an underground storage tank into or on the waters of the state, the land, or the subsurface soils.

(q) “Secondary containment” means the level of containment external to, and separate from, the primary containment.

(r) “Single walled” means construction with walls made of only one thickness of material. For the purposes of this chapter, laminated, coated, or clad materials are considered single walled.

(s) “Special inspector” means a professional engineer, registered pursuant to Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code, who is qualified to attest, at a minimum, to structural soundness, seismic safety, the compatibility of construction materials with contents, cathodic protection, and the mechanical compatibility of the structural elements of underground storage tanks.

(t) “Storage” or “store” means the containment, handling, or treatment of hazardous substances, either on a temporary basis or for a period of years. “Storage” or “store” does not include the storage of hazardous wastes in an underground storage tank if the person operating the tank has been issued a hazardous waste facilities permit by the department pursuant to Section 25200 or granted interim status under Section 25200.5.

(u) “Tank” means a stationary device designed to contain an accumulation of hazardous substances which is constructed primarily of nonearthen materials, including, but not limited to, wood, concrete, steel, or plastic that provides structural support.

(v) “Tank integrity test” means a test method capable of detecting an unauthorized release from an underground storage tank consistent with the minimum standards adopted by the board.

(w) “Tank tester” means an individual who performs tank integrity tests on underground storage tanks.

(x) “Unauthorized release” means any release of any hazardous substance that does not conform to this chapter, including an unauthorized release specified in Section 25295.5.

(y) (1) “Underground storage tank” means any one or combination of tanks, including pipes connected thereto, that is used for the storage of hazardous substances and that is substantially or totally beneath the surface of the ground. “Underground storage tank” does not include any of the following:

(A) A tank with a capacity of 1,100 gallons or less that is located on a farm and that stores motor vehicle fuel used primarily for agricultural purposes and not for resale.

(B) A tank that is located on a farm or at the residence of a person, that has a capacity of 1,100 gallons or less, and that stores home heating oil for consumptive use on the premises where stored.

(C) Structures, such as sumps, separators, storm drains, catch basins, oil field gathering lines, refinery pipelines, lagoons, evaporation ponds, well cellars, separation sumps, lined and unlined pits, sumps and lagoons. A sump that is a part of a monitoring system required under Section 25290.1, 25290.2, 25291, or 25292 and sumps or other structures defined as underground storage tanks under the federal act are not exempted by this subparagraph.

(D) A tank holding hydraulic fluid for a closed loop mechanical system that uses compressed air or hydraulic fluid to operate lifts, elevators, and other similar devices.

(2) Structures identified in subparagraphs (C) and (D) of paragraph (1) may be regulated by the board and any regional board pursuant to the Porter-Cologne Water Quality Control Act (Division 7 (commencing with Section 13000) of the Water Code) to ensure that they do not pose a threat to water quality.

(z) "Underground tank system" or "tank system" means an underground storage tank, connected piping, ancillary equipment, and containment system, if any.

(aa) (1) "Unified program facility" means all contiguous land and structures, other appurtenances, and improvements on the land that are subject to the requirements of paragraph (3) of subdivision (c) of Section 25404.

(2) "Unified program facility permit" means a permit issued pursuant to Chapter 6.11 (commencing with Section 25404), and that encompasses the permitting requirements of Section 25284.

(3) "Permit" means a permit issued pursuant to Section 25284 or a unified program facility permit as defined in paragraph (2).

SEC. 5. Section 25288 of the Health and Safety Code is amended to read:

25288. (a) The local agency shall inspect every underground tank system within its jurisdiction at least once every year. The purpose of the inspection is to determine whether the tank system complies with the applicable requirements of this chapter and the regulations adopted by the board pursuant to Section 25299.3, including the design and construction standards of Section 25290.1, 25290.2, 25291, or 25292, whichever is applicable, whether the owner or operator has monitored and tested the tank system as required by the permit, and whether the tank system is in a safe operating condition.

(b) After an inspection conducted pursuant to subdivision (a), the local agency shall prepare a compliance report detailing the inspection and shall send a copy of this report to the permit holder and the owner or

operator, if the owner or operator is not the permitholder. Any report prepared pursuant to this section shall be consolidated into any other inspection reports required pursuant to Chapter 6.11 (commencing with Section 25404), the requirements listed in subdivision (c) of Section 25404, and the regulations adopted to implement the requirements listed in subdivision (c) of Section 25404.

(c) In lieu of the annual local agency inspections, the local agency may require the permitholder to employ a special inspector to conduct the annual inspection. The local agency shall supply the permitholder with a list of at least three special inspectors that are qualified to conduct the inspection. The permitholder shall employ a special inspector from the list provided by the local agency. The special inspector's authority shall be the same as that of the local agency as set forth in subdivision (a).

(d) Within 60 days after receiving a compliance report or special inspection report prepared in accordance with subdivision (b) or (c), respectively, the permitholder shall file with the local agency a plan to implement all recommendations contained in the compliance report or shall demonstrate, to the satisfaction of the local agency, why these recommendations should not be implemented. Any corrective action conducted pursuant to the recommendations in the report shall be taken pursuant to Sections 25296.10 and 25299.36.

SEC. 6. Section 25290.1 of the Health and Safety Code is amended to read:

25290.1. (a) Notwithstanding subdivision (o) of Section 25281, for purposes of this section, "product tight" means impervious to the liquid and vapor of the substance that is contained, or is to be contained, so as to prevent the seepage of the substance from the containment.

(b) Notwithstanding Sections 25290.2 and 25291, every underground storage tank installed on or after July 1, 2004, shall meet the requirements of this section.

(c) The underground storage tank shall be designed and constructed to provide primary and secondary levels of containment of the hazardous substances stored in it in accordance with the following performance standards:

(1) Primary containment shall be product tight and compatible with stored product.

(2) Secondary containment shall be product tight and constructed to prevent structural weakening as a result of contact with any hazardous substances released from the primary containment, and also shall be capable of storing the hazardous substances for the maximum anticipated period of time necessary for the recovery of any released hazardous substance.

(3) Secondary containment shall be constructed to prevent any water intrusion into the system by precipitation, infiltration, or surface runoff.

(4) In the case of an installation with one primary tank, the secondary containment shall be large enough to contain at least 100 percent of the volume of the primary tank.

(5) In the case of multiple primary tanks, the secondary containment shall be large enough to contain 150 percent of the volume of the largest primary tank placed in it, or 10 percent of the aggregate internal volume of all primary tanks, whichever is greater.

(d) The underground tank system shall be designed and constructed with a continuous monitoring system capable of detecting the entry of the liquid- or vapor-phase of the hazardous substance stored in the primary containment into the secondary containment and capable of detecting water intrusion into the secondary containment.

(e) The interstitial space of the underground storage tank shall be maintained under constant vacuum or pressure such that a breach in the primary or secondary containment is detected before the liquid or vapor phase of the hazardous substance stored in the underground storage tank is released into the environment. The use of interstitial liquid level measurement methods satisfies the requirements of this subdivision.

(f) The underground storage tank shall be provided with equipment to prevent spills and overfills from the primary tank.

(g) If different substances are stored in the same tank and in combination may cause a fire or explosion, or the production of flammable, toxic, or poisonous gas, or the deterioration of a primary or secondary container, those substances shall be separated in both the primary and secondary containment so as to avoid potential intermixing.

(h) Underground pressurized piping that conveys a hazardous substance shall be equipped with an automatic line leak detector.

(i) Before the underground storage tank is covered, enclosed, or placed in use, the standard installation testing requirements for underground storage systems specified in Section 2.4 of the Flammable and Combustible Liquids Code, adopted by the National Fire Protection Association (NFPA 30), as amended and published in the respective edition of the Uniform Fire Code, shall be followed.

(j) Before the underground storage tank is placed in use, the underground storage tank shall be tested after installation using one of the following methods to demonstrate that the tank is product tight:

(1) Enhanced leak detection.

(2) An inert gas pressure test that has been certified by a third party and approved by the board.

(3) A test method deemed equivalent to enhanced leak detection or an inert gas pressure test by the board in regulations adopted pursuant to this chapter. An underground storage tank installed and tested in

accordance with this subdivision is exempt from the requirements of Section 25292.5.

(k) Notwithstanding Section 25281.5, for any system installed to meet the requirements of this section, those portions of vent lines, vapor recovery lines, and fill pipes that are beneath the surface of the ground are “pipe” as the term is defined in subdivision (m) of Section 25281, and therefore part of the underground storage tank system.

SEC. 7. Section 25290.2 is added to the Health and Safety Code, to read:

25290.2. (a) Notwithstanding subdivision (o) of Section 25281, for purposes of this section, “product tight” means impervious to the liquid and vapor of the substance that is contained, or is to be contained, so as to prevent the seepage of the substance from the containment.

(b) Notwithstanding Section 25291, every underground storage tank installed on or after July 1, 2003, and before July 1, 2004, shall meet the requirements of this section.

(c) The underground storage tank shall be designed and constructed to provide primary and secondary levels of containment of the hazardous substances stored in it in accordance with the following performance standards:

(1) Primary containment shall be product tight and compatible with stored product.

(2) Secondary containment shall be product tight and constructed to prevent structural weakening as a result of contact with any hazardous substances released from the primary containment, and also shall be capable of storing the hazardous substances for the maximum anticipated period of time necessary for the recovery of any released hazardous substance.

(3) Secondary containment shall be constructed to prevent any water intrusion into the system by precipitation, infiltration, or surface runoff.

(4) In the case of an installation with one primary tank, the secondary containment shall be large enough to contain at least 100 percent of the volume of the primary tank.

(5) In the case of multiple primary tanks, the secondary containment shall be large enough to contain 150 percent of the volume of the largest primary tank placed in it, or 10 percent of the aggregate internal volume of all primary tanks, whichever is greater.

(d) The underground tank system shall be designed and constructed with a continuous monitoring system capable of detecting the entry of the hazardous substance stored in the primary containment into the secondary containment and capable of detecting water intrusion into the secondary containment.

(e) The underground storage tank shall be provided with equipment to prevent spills and overfills from the primary tank.

(f) If different substances are stored in the same tank and in combination may cause a fire or explosion, or the production of flammable, toxic, or poisonous gas, or the deterioration of a primary or secondary container, those substances shall be separated in both the primary and secondary containment so as to avoid potential intermixing.

(g) Underground pressurized piping that conveys a hazardous substance shall be equipped with an automatic line leak detector and shall be tightness tested annually.

(h) Before the underground storage tank is covered, enclosed, or placed in use, the standard installation testing requirements for underground storage systems specified in Section 2.4 of the Flammable and Combustible Liquids Code, adopted by the National Fire Protection Association (NFPA 30), as amended and published in the respective edition of the Uniform Fire Code, shall be followed.

(i) Before the underground storage tank is placed in use, the underground storage tank shall be tested after installation using one of the following methods to demonstrate that the tank is product tight:

(1) Enhanced leak detection.

(2) An inert gas pressure test that has been certified by a third party and approved by the board.

(3) A test method deemed equivalent to enhanced leak detection or an inert gas pressure test by the board in regulations adopted pursuant to this chapter. An underground storage tank installed and tested in accordance with this subdivision is exempt from the requirements of Section 25292.5.

(j) Notwithstanding Section 25281.5, for any system installed to meet the requirements of this section, those portions of vent lines, vapor recovery lines, and fill pipes that are beneath the surface of the ground are "pipe" as the term is defined in subdivision (m) of Section 25281, and therefore part of the underground storage tank system.

SEC. 8. Section 25292 of the Health and Safety Code is amended to read:

25292. For every underground storage tank installed on or before January 1, 1984, and used for the storage of hazardous substances, the following actions shall be taken:

(a) On or before July 1, 1985, the owner or operator shall outfit the underground tank system with a monitoring system capable of detecting unauthorized releases of any hazardous substances stored in the tank system, and thereafter, the owner or operator shall monitor each tank system, based on materials stored and the type of monitoring installed.

(b) Provide a means for visual inspection of the tank system, wherever practical, for the purpose of the monitoring required by subdivision (a). Alternative methods of monitoring the tank system on

a monthly, or more frequent basis, may be required by the local agency, consistent with the regulations of the board.

The alternative monitoring methods include, but are not limited to, the following methods:

(1) Tank integrity testing for proving the integrity of an underground tank system at time intervals specified by the board.

(2) A groundwater monitoring well or wells that are downgradient and adjacent to the underground tank system, vapor analysis within a well where appropriate, and analysis of soil borings at the time of initial installation of the well.

(3) A continuous leak detection and alarm system that is located in monitoring wells adjacent to an underground tank system and which is approved by the local agency.

(4) For monitoring tanks containing motor vehicle fuels, daily gauging and inventory reconciliation by the owner or operator, if all of the following requirements are met:

(A) Inventory records are kept on file for one year and are reviewed quarterly.

(B) The tank system is tested, using the tank integrity test at time intervals specified by the board and whenever there is a shortage greater than the amount which the board shall specify by regulation.

(C) If a pressurized pump system is connected to the tank system, the system has a leak detection device to monitor for leaks in the piping. The leak detection device shall be installed in a manner designed to resist unauthorized tampering and to clearly show by visual inspection if tampering has occurred. The leak detection device shall be tested annually, at a minimum, and all devices found to be not performing in conformance with the manufacturer's leak detection specifications shall be promptly repaired or replaced.

(5) For monitoring underground tank systems that are located on farms and that store motor vehicle or heating fuels used primarily for agricultural purposes, alternative monitoring methods include the following:

(A) If the tank has a capacity of greater than 1,100 gallons but of 5,000 gallons or less, the tank shall be tested using the tank integrity test, at least once every three years, and the owner or operator shall utilize tank gauging on a monthly or more frequent basis, as required by the local agency, subject to the specifications provided in paragraph (7) of subdivision (c) of Section 2641 of Title 23 of the California Code of Regulations, as that section read on August 13, 1985.

(B) If the tank has a capacity of more than 5,000 gallons, the tank shall be monitored pursuant to the methods for all other tanks specified in this subdivision.

(c) The board shall develop regulations specifying monitoring alternatives. The local agency, or any other public agency specified by the local agency, shall approve the location and number of wells, the depth of wells, and the sampling frequency, pursuant to these regulations.

(d) On or before December 22, 1998, the underground storage tank shall be replaced or upgraded to prevent releases due to corrosion or spills or overfills for the underground storage tank's operating life.

(e) (1) All existing underground pressurized piping shall be equipped with an automatic line leak detector on or before December 22, 1990, and shall be retrofitted with secondary containment on or before December 22, 1998. Underground pressurized piping shall be tightness tested annually.

(2) Paragraph (1) does not apply to existing pressurized piping containing motor vehicle fuel, if the pipeline is constructed of glass fiber reinforced plastic, cathodically protected steel, or steel clad with glass fiber reinforced plastic, is equipped with an automatic line leak detector, and is tightness tested annually.

SEC. 9. Section 25292.5 of the Health and Safety Code is amended to read:

25292.5. (a) On or before January 1, 2005, the owner or operator of an underground storage tank system that is located within 1,000 feet of a public drinking water well, as identified pursuant to the state GIS mapping database, and that is not otherwise subject to subdivision (j) of Section 25290.1, subdivision (i) of Section 25290.2, or Section 25292.4, shall test the system once using an enhanced leak detection test. The enhanced leak detection test shall meet the requirements of subsection (e) of Section 2640 of, and Section 2644.1 of, Title 23 of the California Code of Regulations, as those regulations read on January 1, 2003, except that the requirement in those regulations to repeat the test every 36 months shall not apply.

(b) On or before June 1, 2003, the board shall notify the owner and operator of each underground storage tank system that is located within 1,000 feet of a public drinking water well, as identified pursuant to the state GIS mapping database, of the owner's and operators' responsibilities pursuant to this section. The board shall provide each local agency with a list of tank systems within the local agency's jurisdiction that are within 1,000 feet of a public drinking water well, as identified pursuant to the state GIS mapping database.

(c) Notwithstanding subdivision (a), if the results of the enhanced leak detection test indicate that any component of the underground storage tank system is leaking liquid or vapor, the owner or operator shall take appropriate actions to correct the leakage, and the owner or operator

shall retest the system using enhanced leak detection until the system is no longer leaking liquid or vapor.

SEC. 10. Section 25293 of the Health and Safety Code is amended to read:

25293. The owner or operator of the underground tank system shall monitor the tank system using the method specified on the permit for the tank system. Records of monitoring, testing, repairing, and closure shall be kept in sufficient detail to enable the local agency to determine whether the underground tank system is in compliance with the applicable provisions of this chapter, the regulations adopted by the board pursuant to Section 25299.3, and the permit issued for the operation of the tank system.

SEC. 11. Section 25295 of the Health and Safety Code is amended to read:

25295. (a) (1) Any unauthorized release which escapes from the secondary containment, or from the primary containment, if no secondary containment exists, increases the hazard of fire or explosion, or causes any deterioration of the secondary containment of the underground tank system shall be reported by the owner or operator to the local agency designated pursuant to Section 25283 within 24 hours after the release has been detected or should have been detected. A full written report shall be transmitted by the owner or operator of the underground tank system to the local agency within five working days of the occurrence of the release. The report shall describe the nature and volume of the unauthorized release, any corrective or remedial actions undertaken, and any further corrective or remedial actions, including investigative actions, which will be needed to clean up the unauthorized release and abate the effects of the release and a time schedule for implementing these actions.

(2) The local agency shall review the permit whenever there has been an unauthorized release or when it determines that the underground tank system is unsafe. In determining whether to modify or terminate the permit, the local agency shall consider the age of the tank, the methods of containment, the methods of monitoring, the feasibility of any required repairs, the concentration of the hazardous substances stored in the tank, the severity of potential unauthorized releases, and the suitability of any other long-term preventive measures which would meet the requirements of this chapter.

(b) In cooperation with the Office of Emergency Services, the board shall submit an annual statewide report by county, to the Legislature, of all unauthorized releases, indicating for each unauthorized release the operator, the hazardous substance, the quantity of the unauthorized release, and the actions taken to abate the problem.

(c) The reporting requirements imposed by this section are in addition to any requirements which may be imposed by Sections 13271 and 13272 of the Water Code.

SEC. 12. Section 25295.5 of the Health and Safety Code is amended to read:

25295.5. (a) For purposes of this chapter, an unauthorized release includes, but is not limited to, a spill or overflow of a hazardous substance that meets both of the following conditions:

(1) The spill or overflow occurs while the hazardous substance is being placed in an underground storage tank.

(2) The spill or overflow is due to the use of improper equipment, faulty equipment, operator error, or inattention or overfilling.

(b) A person who causes an unauthorized release of a hazardous substance specified in subdivision (a) shall immediately notify the owner or operator of the underground storage tank that a spill has occurred and the owner or operator shall comply with the requirements of Sections 25294 or 25295, whichever is applicable.

(c) A spill or overflow shall not qualify for funds provided pursuant to Section 25299.51.

SEC. 13. Section 25298 of the Health and Safety Code is amended to read:

25298. (a) No person shall abandon an underground tank system or close or temporarily cease operating an underground tank system, except as provided in this section.

(b) An underground tank system that is temporarily taken out of service, but which the owner or operator intends to return to use, shall continue to be subject to all the permit, inspection, and monitoring requirements of this chapter and all applicable regulations adopted by the board pursuant to Section 25299.3, unless the owner or operator complies with subdivision (c) for the period of time the underground tank system is not in use.

(c) No person shall close an underground tank system unless the person undertakes all of the following actions:

(1) Demonstrates to the local agency that all residual amounts of the hazardous substance or hazardous substances which were stored in the tank system prior to its closure have been removed, properly disposed of, and neutralized.

(2) Adequately seals the tank system to minimize any threat to the public safety and the possibility of water intrusion into, or runoff from, the tank system.

(3) Provides for, and carries out, the maintenance of the tank system as the local agency determines is necessary for the period of time the local agency requires.

(4) Demonstrates to the appropriate agency, which has jurisdiction over the site, that the site has been investigated to determine if there are any present, or were past, releases, and if so, that appropriate corrective or remedial actions have been taken.

SEC. 14. Section 25299 of the Health and Safety Code is amended to read:

25299. (a) Any operator of an underground tank system shall be liable for a civil penalty of not less than five hundred dollars (\$500) or more than five thousand dollars (\$5,000) for each underground storage tank for each day of violation for any of the following violations:

(1) Operating an underground tank system which has not been issued a permit, in violation of this chapter.

(2) Violation of any of the applicable requirements of the permit issued for the operation of the underground tank system.

(3) Failure to maintain records, as required by this chapter.

(4) Failure to report an unauthorized release, as required by Sections 25294 and 25295.

(5) Failure to properly close an underground tank system, as required by Section 25298.

(6) Violation of any applicable requirement of this chapter or any regulation adopted by the board pursuant to Section 25299.3.

(7) Failure to permit inspection or to perform any monitoring, testing, or reporting required pursuant to Section 25288 or 25289.

(8) Making any false statement, representation, or certification in any application, record, report, or other document submitted or required to be maintained pursuant to this chapter.

(9) Tampering with or otherwise disabling automatic leak detection devices or alarms.

(b) Any owner of an underground tank system shall be liable for a civil penalty of not less than five hundred dollars (\$500) or more than five thousand dollars (\$5,000) per day for each underground storage tank, for each day of violation, for any of the following violations:

(1) Failure to obtain a permit as specified by this chapter.

(2) Failure to repair or upgrade an underground tank system in accordance with this chapter.

(3) Abandonment or improper closure of any underground tank system subject to this chapter.

(4) Violation of any applicable requirement of the permit issued for operation of the underground tank system.

(5) Violation of any applicable requirement of this chapter or any regulation adopted by the board pursuant to Section 25299.3.

(6) Failure to permit inspection or to perform any monitoring, testing, or reporting required pursuant to Section 25288 or 25289.

(7) Making any false statement, representation, or certification in any application, record, report, or other document submitted or required to be maintained pursuant to this chapter.

(c) Any person who intentionally fails to notify the board or the local agency when required to do so by this chapter or who submits false information in a permit application, amendment, or renewal, pursuant to Section 25286, is liable for a civil penalty of not more than five thousand dollars (\$5,000) for each underground storage tank for which notification is not given or false information is submitted.

(d) (1) Any person who violates any corrective action requirement established by, or issued pursuant to, Section 25296.10 is liable for a civil penalty of not more than ten thousand dollars (\$10,000) for each underground storage tank for each day of violation.

(2) A civil penalty under this subdivision may be imposed in a civil action under this chapter, or may be administratively imposed by the board or a regional board pursuant to Article 2.5 (commencing with Section 13323) of Chapter 5 of Division 7 of the Water Code.

(e) Any person who violates Section 25292.3 is liable for a civil penalty of not more than five thousand dollars (\$5,000) for each underground storage tank for each day of violation.

(f) (1) Any person who falsifies any monitoring records required by this chapter, or knowingly fails to report an unauthorized release, shall, upon conviction, be punished by a fine of not less than five thousand dollars (\$5,000) or more than ten thousand dollars (\$10,000), by imprisonment in the county jail for not to exceed one year, or by both that fine and imprisonment.

(2) Any person who intentionally disables or tampers with an automatic leak detection system in a manner that would prevent the automatic leak detection system from detecting a leak or alerting the owner or operator of the leak, shall, upon conviction, be punished by a fine of not less than five thousand dollars (\$5,000) or more than ten thousand dollars (\$10,000), by imprisonment in the county jail for not more than one year, or by both the fine and imprisonment.

(g) In determining both the civil and criminal penalties imposed pursuant to this section, the board, a regional board or the court, as the case may be, shall consider all relevant circumstances, including, but not limited to, the extent of harm or potential harm caused by the violation, the nature of the violation and the period of time over which it occurred, the frequency of past violations, and the corrective action, if any, taken by the person who holds the permit.

(h) Each civil penalty or criminal fine imposed pursuant to this section for any separate violation shall be separate, and in addition to, any other civil penalty or criminal fine imposed pursuant to this section or any other provision of law, except that no civil penalty shall be

recovered under subdivision (d) for violations for which a civil penalty is recovered pursuant to Section 13268 or 13350 of the Water Code. The penalty or fine shall be paid to the treasury of the local agency or state, whichever is represented by the office of the city attorney, district attorney, or Attorney General bringing the action. All penalties or fines collected by the board or a regional board or collected on behalf of the board or a regional board by the Attorney General shall be deposited in the State Water Pollution Cleanup and Abatement Account in the State Water Quality Control Fund, and are available for expenditure by the board, upon appropriation, pursuant to Section 13441 of the Water Code.

(i) Paragraph (9) of subdivision (a) does not prohibit the owner or operator of an underground storage tank, or his or her designee, from maintaining, repairing, or replacing automatic leak detection devices or alarms associated with that tank.

SEC. 15. Section 25299.4 of the Health and Safety Code is amended to read:

25299.4. (a) (1) Any local agency may apply to the board for authority to implement design and construction standards for the containment of a hazardous substance in underground storage tanks which are in addition to those set forth in this chapter. The application shall include a description of the additional standards and a discussion of the need to implement them. The board shall approve the application if it finds, after an investigation and public hearing, that the local agency has demonstrated by clear and convincing evidence that the additional standards are necessary to adequately protect the soil and the beneficial uses of the waters of the state from unauthorized releases.

(2) The board shall make its determination within six months of the date of application for authority to implement additional standards. If the board's determination upholds the application for authority to implement additional standards, the standards shall be effective as of the date of the determination. If the board's determination does not uphold the application, the additional standards shall not go into effect.

(b) (1) Any permitholder or permit applicant may apply to the regional board having jurisdiction over the location of the permitholder's or applicant's facility for a site-specific variance from Section 25290.1, 25290.2, 25291, or 25292. A site-specific variance is an alternative procedure which is applicable in one local agency jurisdiction. Prior to applying to the regional board, the permitholder shall first contact the local agency pursuant to paragraph (5).

(2) The regional board shall hold a public hearing 60 days after the completion of any documents required by the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(3) The regional board shall consider the local agency's and the city's, county's, or city and county's recommendations in rendering its decision. Failure of the local agency or city, county, or city and county to join in the variance application pursuant to paragraph (5) shall not affect the request of the applicant to proceed with the variance application.

(4) The regional board shall approve the variance if it finds, after investigation and public hearing, that the applicant has demonstrated by clear and convincing evidence either of the following:

(A) Because of the facility's special circumstances, not generally applicable to other facilities' property, including size, shape, design, topography, location, or surroundings, the strict application of Sections 25290.1, 25290.2, 25291, and 25292 is unnecessary to adequately protect the soil and beneficial uses of the waters of the state from an unauthorized release.

(B) Strict application of the standards of Sections 25290.1, 25290.2, 25291, and 25292 would create practical difficulties not generally applicable to other facilities or property and that the proposed alternative will adequately protect the soil and beneficial uses of the waters of the state from an unauthorized release.

(5) Before applying for a variance, the applicant shall contact the local agency to determine if a site-specific variance is required. If the local agency determines that a site-specific variance is required or does not act within 60 days, the applicant may proceed with the variance procedure in subdivision (a).

(6) At least 30 days before applying to the appropriate regional board, the applicant shall notify and request the city, county, or city and county to join the applicant in the variance application before the regional board.

(A) The city, county, or city and county shall provide notice of the receipt of that request to any person who has requested the notice.

(B) The local agency within the city, county, or city and county which has the jurisdiction for land use decisions shall have 30 days from completion of any documents required by the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) to act on the applicant's request to join the applicant.

(c) Applicants requesting a variance pursuant to subdivision (b) shall pay a fee determined by the board to be necessary to recover the reasonable cost of administering subdivision (b).

(d) The permit issued for any underground storage tank issued a variance pursuant to subdivision (b) shall require compliance with any conditions prescribed by the board or a regional board in issuing the variance. The conditions prescribed by the board or regional board in the

permit shall include any conditions necessary to assure compliance with any applicable requirements of the federal act.

(e) This section does not apply to or within any city or county that was exempt from implementing this chapter as of December 31, 1984.

SEC. 16. Section 33459 of the Health and Safety Code is amended to read:

33459. For purposes of this article, the following terms shall have the following meanings:

(a) "Department" means the Department of Toxic Substances Control.

(b) "Director" means the Director of Toxic Substances Control.

(c) "Hazardous substance" means any hazardous substance as defined in subdivision (h) of Section 25281, and any reference to hazardous substance in the definitions referenced in this section shall be deemed to refer to hazardous substance, as defined in this subdivision.

(d) "Local agency" means a single local agency that is one of the following:

(1) A local agency authorized pursuant to Section 25283 to implement Chapter 6.7 (commencing with Section 25280) of, and Chapter 6.75 (commencing with Section 25299.10) of, Division 20.

(2) A local officer who is authorized pursuant to Section 101087 to supervise a remedial action.

(e) "Qualified independent contractor" means an independent contractor who is any of the following:

(1) An engineering geologist who is certified pursuant to Section 7842 of the Business and Professions Code.

(2) A geologist who is registered pursuant to Section 7850 of the Business and Professions Code.

(3) A civil engineer who is registered pursuant to Section 6762 of the Business and Professions Code.

(f) "Release" means any release, as defined in Section 25320.

(g) "Remedy" or "remove" means any action to assess, evaluate, investigate, monitor, remove, correct, clean up, or abate a release of a hazardous substance or to develop plans for those actions. "Remedy" includes any action set forth in Section 25322 and "remove" includes any action set forth in Section 25323.

(h) "Responsible party" means any person described in subdivision (a) of Section 25323.5 of this code or subdivision (a) of Section 13304 of the Water Code.

SEC. 17. 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. 18. 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 protect the waters of the state from releases of hazardous substances posed by leaking underground storage tanks and to clarify provision authorizing the redevelopment of hazardous substances release sites, thereby protecting public health and safety and the environment, it is necessary that this act take effect immediately.

CHAPTER 43

An act to make an appropriation in augmentation of the Budget Act of 2002, relating to health services, to take effect immediately as an appropriation for the usual current expenses of the state.

[Approved by Governor July 8, 2003. Filed with
Secretary of State July 8, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The sum of seven hundred twenty-seven million two hundred twenty-five thousand dollars (\$727,225,000) is hereby appropriated for expenditure for the 2002–03 fiscal year in augmentation of and for the purposes provided in Items 4260-101-0001, 4260-102-0001, and 4260-113-0001 of Section 2.00 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002) in accordance with the following schedule:

(a) The sum of seven hundred twenty-five million nine hundred fifty-seven thousand dollars (\$725,957,000) is hereby appropriated from the General Fund for expenditure for the 2002–03 fiscal year in augmentation of Item 4260-101-0001.

(b) The sum of seven hundred nineteen thousand dollars (\$719,000) is hereby appropriated from the General Fund for expenditure for the 2002–03 fiscal year in augmentation of Item 4260-102-0001.

(c) The sum of five hundred forty-nine thousand dollars (\$549,000) is hereby appropriated from the General Fund for expenditure for the 2002–03 fiscal year in augmentation of Item 4260-113-0001.

SEC. 2. This act makes an appropriation for the usual current expenses of the state within the meaning of subdivision (c) of Section

8 of Article IV of the California Constitution and shall go into immediate effect.

CHAPTER 44

An act to add Section 51221.4 to the Education Code, relating to curriculum.

[Approved by Governor July 10, 2003. Filed with
Secretary of State July 10, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 51221.4 is added to the Education Code, to read:

51221.4. (a) The Legislature encourages instruction in the area of social sciences, as required pursuant to subdivision (b) of Section 51220, which may include instruction on the Vietnam war including the “Secret War” in Laos and the role of Southeast Asians in that war. The Legislature encourages that this instruction include, but not be limited to, a component drawn from personal testimony, especially in the form of oral or video history of Southeast Asians who were involved in the Vietnam war and those men and women who contributed to the war effort on the homefront. The oral histories used as a part of the instruction regarding the role of Southeast Asians in the Vietnam war and the “Secret War” in Laos shall exemplify the personal sacrifice and courage of the wide range of ordinary citizens who were called upon to participate and provide intelligence for the United States. The oral histories shall contain the views and comments of their subjects regarding the reasons for their participation in the war. These oral histories shall also solicit comments from their subjects regarding the aftermath of the war and the immigration of Southeast Asians to the United States.

(b) This section shall be carried out in a manner that does not result in any new duties or programs being imposed on the school district. In that regard, the Legislature finds and declares that this section does not mandate costs to local agencies or school districts and materials used to comply with this section shall be part of normal curriculum materials purchased by school districts in their normal course of business and purchasing cycles.

CHAPTER 45

An act to amend Section 52056 of the Education Code, relating to academic achievement.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 52056 of the Education Code is amended to read:

52056. (a) The High Achieving/Improving Schools Program is hereby established. Commencing in June 2000, and every June thereafter, the Superintendent of Public Instruction, with approval of the State Board of Education, shall rank all public schools based on the Academic Performance Index established pursuant to Section 52052. The schools shall be ranked by the value of the API in decile categories by grade level of instruction provided and shall include three categories: elementary, middle, and high school. The schools shall also be ranked by the value of the API when compared to schools with similar characteristics. Commencing in June 2001, the Superintendent of Public Instruction shall also report the target annual growth rates of schools and the actual growth rates attained by the schools. For purposes of this section, similar characteristics include, but are not limited to, the following characteristics, insofar as data is available from the State Department of Education's data: pupil mobility, pupil ethnicity, pupil socioeconomic status, percentage of teachers who are fully credentialed, percentage of teachers who hold emergency credentials, percentage of pupils who are English language learners, average class size per grade level, and whether the schools operate multitrack year-round educational programs. The Superintendent of Public Instruction shall annually publish these rankings on the Internet.

(b) All schools shall report their ranking, including a description of the components of the API, in their annual school accountability report card pursuant to Sections 33126 and 35256.

(c) Following the annual publication of the API and school rankings by the Superintendent of Public Instruction, the governing board of each school district shall discuss the results of the annual ranking at the next regularly scheduled meeting. The governing board is strongly encouraged to include in the discussion an examination by school, grade, and subgroup enumerated by and in accordance with subclause (II) of clause (v) of subparagraph (C) of paragraph (2) of subsection (b) of Section 6311 of Title 20 of the United States Code, of scores on the tests administered pursuant to the Standardized Testing and Reporting

(STAR) Program set forth in Article 4 (commencing with Section 60640) of Chapter 5 of Part 33.

(d) If the average STAR test score of the school is below the 50th percentile, or if the test scores of more than 25 percent of the pupils of a school are below the 50th percentile, the school district governing board may do both of the following:

(1) Conduct an assessment of the reasons for the performance results of the school, by grade.

(2) Adopt an improved performance plan that includes methods determined by the district to have been used by schools with similar pupil populations elsewhere in the district or state and significantly higher pupil scores. If it is deemed not feasible to adopt those methods, the plan shall explain why an alternate approach is preferable. If a school district governing board adopts an improved performance plan, it shall reevaluate the plan at each future annual meeting described by subdivision (c), until STAR test scores reach a level above those specified in this subdivision.

CHAPTER 46

An act to amend Section 27388 of the Government Code, relating to law enforcement.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 27388 of the Government Code is amended to read:

27388. (a) In addition to any other recording fees specified in this code, upon the adoption of a resolution by the county board of supervisors, a fee of up to two dollars (\$2) shall be paid at the time of recording of every real estate instrument, paper, or notice required or permitted by law to be recorded within that county, except those expressly exempted from payment of recording fees. "Real estate instrument" is defined for the purpose of this section as a deed of trust, an assignment of deed of trust, a reconveyance, a request for notice, and a notice of default. "Real estate instrument" does not include any deed, instrument, or writing subject to the imposition of a documentary transfer tax as defined in Section 11911 of the Revenue and Taxation Code, nor any document required to facilitate the transfer subject to the documentary transfer tax. The fees, after deduction of any actual and

necessary administrative costs incurred by the county in carrying out this section, shall be paid quarterly to the county auditor or director of finance, to be placed in the Real Estate Fraud Prosecution Trust Fund. The amount deducted for administrative costs shall not exceed 10 percent of the fees paid pursuant to this section.

(b) Money placed in the Real Estate Fraud Prosecution Trust Fund shall be expended to fund programs to enhance the capacity of local police and prosecutors to deter, investigate, and prosecute real estate fraud crimes. After deduction of the actual and necessary administrative costs referred to in subdivision (a), 60 percent of the funds shall be distributed to district attorneys subject to review pursuant to subdivision (d), and 40 percent of the funds shall be distributed to local law enforcement agencies within the county in accordance with subdivision (c). In those counties where the investigation of real estate fraud is done exclusively by the district attorney, after deduction of the actual and necessary administrative costs referred to in subdivision (a), 100 percent of the funds shall be distributed to the district attorney, subject to review pursuant to subdivision (d). The funds so distributed shall be expended for the exclusive purpose of deterring, investigating, and prosecuting real estate fraud crimes.

(c) The county auditor or director of finance shall distribute funds in the Real Estate Fraud Prosecution Trust Fund to eligible law enforcement agencies within the county pursuant to subdivision (b), as determined by a Real Estate Fraud Prosecution Trust Fund Committee composed of the district attorney, the county chief administrative officer, the chief officer responsible for consumer protection within the county, and the chief law enforcement officer of one law enforcement agency receiving funding from the Real Estate Fraud Prosecution Trust Fund, the latter being selected by a majority of the other three members of the committee. The chief law enforcement officer shall be a nonvoting member of the committee and shall serve a one-year term, which may be renewed. Members may appoint representatives of their offices to serve on the committee. If a county lacks a chief officer responsible for consumer protection, the county board of supervisors may appoint an appropriate representative to serve on the committee. The committee shall establish and publish deadlines and written procedures for local law enforcement agencies within the county to apply for the use of funds and shall review applications and make determinations by majority vote as to the award of funds using the following criteria:

(1) Each law enforcement agency that seeks funds shall submit a written application to the committee setting forth in detail the agency's proposed use of the funds.

(2) In order to qualify for receipt of funds, each law enforcement agency submitting an application shall provide written evidence that the agency either:

(A) Has a unit, division, or section devoted to the investigation or prosecution of real estate fraud, or both, and the unit, division, or section has been in existence for at least one year prior to the application date.

(B) Has on a regular basis, during the three years immediately preceding the application date, accepted for investigation or prosecution, or both, and assigned to specific persons employed by the agency, cases of suspected real estate fraud, and actively investigated and prosecuted those cases.

(3) The committee's determination to award funds to a law enforcement agency shall be based on, but not be limited to, (A) the number of real estate fraud cases filed in the prior year; (B) the number of real estate fraud cases investigated in the prior year; (C) the number of victims involved in the cases filed; and (D) the total aggregated monetary loss suffered by victims, including individuals, associations, institutions, or corporations, as a result of the real estate fraud cases filed, and those under active investigation by that law enforcement agency.

(4) Each law enforcement agency that, pursuant to this section, has been awarded funds in the previous year, upon reapplication for funds to the committee in each successive year, in addition to any information the committee may require in paragraph (3), shall be required to submit a detailed accounting of funds received and expended in the prior year. The accounting shall include (A) the amount of funds received and expended; (B) the uses to which those funds were put, including payment of salaries and expenses, purchase of equipment and supplies, and other expenditures by type; (C) the number of filed complaints, investigations, arrests, and convictions that resulted from the expenditure of the funds; and (D) other relevant information the committee may reasonably require.

(d) The county board of supervisors shall annually review the effectiveness of the district attorney in deterring, investigating, and prosecuting real estate fraud crimes based upon information provided by the district attorney in an annual report submitted to the board detailing both:

(1) Facts, based upon, but not limited to, (A) the number of real estate fraud cases filed in the prior year; (B) the number of real estate fraud cases investigated in the prior year; (C) the number of victims involved in the cases filed; (D) the number of convictions obtained in the prior year; and (E) the total aggregated monetary loss suffered by victims, including individuals, associations, institutions, corporations, and other relevant public entities, according to the number of cases filed, investigations, prosecutions, and convictions obtained.

(2) An accounting of funds received and expended in the prior year, which shall include (A) the amount of funds received and expended; (B) the uses to which those funds were put, including payment of salaries and expenses, purchase of equipment and supplies, and other expenditures by type; (C) the number of filed complaints, investigations, prosecutions, and convictions that resulted from the expenditure of funds; and (D) other relevant information provided at the discretion of the district attorney.

(e) The intent of the Legislature in enacting this section is to have an impact on real estate fraud involving the largest number of victims. To the extent possible, an emphasis should be placed on fraud against individuals whose residences are in danger of, or are in, foreclosure as defined under subdivision (b) of Section 1695.1 of the Civil Code. Case filing decisions continue to be in the discretion of the prosecutor.

(f) A district attorney's office or a local enforcement agency that has undertaken investigations and prosecutions that will continue into a subsequent program year may receive nonexpended funds from the previous fiscal year subsequent to the annual submission of information detailing the accounting of funds received and expended in the prior year.

(g) No money collected pursuant to this section shall be expended to offset a reduction in any other source of funds. Funds from the Real Estate Fraud Prosecution Trust Fund shall be used only in connection with criminal investigations or prosecutions involving recorded real estate documents.

CHAPTER 47

An act to amend Section 830.1 of the Penal Code, relating to peace officers.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 830.1 of the Penal Code is amended to read:
830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police,

or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or port police officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent, if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs, deputy chiefs, chiefs, deputy directors, and division directors designated as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Siskiyou, Sonoma, Sutter, and Tehama who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

SEC. 1.1. Section 830.1 of the Penal Code is amended to read:

830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety

agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police, or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or port police officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent, if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs, deputy chiefs, chiefs, deputy directors, and division directors designated as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Siskiyou, Solano, Sonoma, Sutter, and Tehama who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

SEC. 1.2. Section 830.1 of the Penal Code is amended to read:

830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police, or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or port police officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent, if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs, deputy chiefs, chiefs, deputy directors, and division directors designated as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Siskiyou, Shasta, Sonoma, Sutter, and Tehama who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of

carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

SEC. 1.3. Section 830.1 of the Penal Code is amended to read:

830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police, or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or port police officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent, if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs, deputy chiefs, chiefs, deputy directors, and division directors designated as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Siskiyou, Shasta, Solano, Sonoma, Sutter, and Tehama who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial

facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

SEC. 2. (a) Section 1.1 of this bill incorporates amendments to Section 830.1 of the Penal Code proposed by both this bill and SB 570. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2004, (2) each bill amends Section 830.1 of the Penal Code, and (3) AB 1254 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 570, in which case Sections 1, 1.2, and 1.3 of this bill shall not become operative.

(b) Section 1.2 of this bill incorporates amendments to Section 830.1 of the Penal Code proposed by both this bill and AB 1254. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2004, (2) each bill amends Section 830.1 of the Penal Code, (3) SB 570 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 1254, in which case Sections 1, 1.1, and 1.3 of this bill shall not become operative.

(c) Section 1.3 of this bill incorporates amendments to Section 830.1 of the Penal Code proposed by this bill, AB 570, and AB 1254. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2004, (2) all three bills amend Section 830.1 of the Penal Code, and (3) this bill is enacted after SB 570, and AB 1254, in which case Sections 1, 1.1, and 1.2 of this bill shall not become operative.

CHAPTER 48

An act to amend Section 3365.6 of the Business and Professions Code, relating to hearing aids.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 3365.6 of the Business and Professions Code is amended to read:

3365.6. No hearing aid shall be sold by an individual licensed under this chapter, to a person 16 years of age or younger, unless within the preceding six months a recommendation for a hearing aid has been made by both a board-certified, or a board-eligible physician specializing in otolaryngology, and by a state licensed audiologist. A replacement of an identical hearing aid within one year shall be an exception to this requirement.

CHAPTER 49

An act to amend Section 1203.4 of the Penal Code, relating to firearms.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1203.4 of the Penal Code is amended to read:
1203.4. (a) In any case in which a defendant has fulfilled the conditions of probation for the entire period of probation, or has been discharged prior to the termination of the period of probation, or in any other case in which a court, in its discretion and the interests of justice, determines that a defendant should be granted the relief available under this section, the defendant shall, at any time after the termination of the period of probation, if he or she is not then serving a sentence for any offense, on probation for any offense, or charged with the commission of any offense, be permitted by the court to withdraw his or her plea of guilty or plea of nolo contendere and enter a plea of not guilty; or, if he or she has been convicted after a plea of not guilty, the court shall set aside the verdict of guilty; and, in either case, the court shall thereupon dismiss the accusations or information against the defendant and except as noted below, he or she shall thereafter be released from all penalties and disabilities resulting from the offense of which he or she has been convicted, except as provided in Section 13555 of the Vehicle Code. The probationer shall be informed, in his or her probation papers, of this right and privilege and his or her right, if any, to petition for a certificate of rehabilitation and pardon. The probationer may make the application and change of plea in person or by attorney, or by the probation officer authorized in writing. However, in any subsequent prosecution of the defendant for any other offense, the prior conviction may be pleaded and proved and shall have the same effect as if probation had not been granted or the accusation or information dismissed. The order shall state,

and the probationer shall be informed, that the order does not relieve him or her of the obligation to disclose the conviction in response to any direct question contained in any questionnaire or application for public office, for licensure by any state or local agency, or for contracting with the California State Lottery.

Dismissal of an accusation or information pursuant to this section does not permit a person to own, possess, or have in his or her custody or control any firearm or prevent his or her conviction under Section 12021.

This subdivision shall apply to all applications for relief under this section which are filed on or after November 23, 1970.

(b) Subdivision (a) of this section does not apply to any misdemeanor that is within the provisions of subdivision (b) of Section 42001 of the Vehicle Code, to any violation of subdivision (c) of Section 286, Section 288, subdivision (c) of Section 288a, Section 288.5, or subdivision (j) of Section 289, any felony conviction pursuant to subdivision (d) of Section 261.5, or to any infraction.

(c) A person who petitions for a change of plea or setting aside of a verdict under this section may be required to reimburse the county for the actual cost of services rendered, whether or not the petition is granted and the records are sealed or expunged, at a rate to be determined by the county board of supervisors not to exceed one hundred twenty dollars (\$120), and to reimburse any city for the actual cost of services rendered, whether or not the petition is granted and the records are sealed or expunged, at a rate to be determined by the city council not to exceed one hundred twenty dollars (\$120). Ability to make this reimbursement shall be determined by the court using the standards set forth in paragraph (2) of subdivision (g) of Section 987.8 and shall not be a prerequisite to a person's eligibility under this section. The court may order reimbursement in any case in which the petitioner appears to have the ability to pay, without undue hardship, all or any portion of the cost for services established pursuant to this subdivision.

(d) No relief shall be granted under this section unless the prosecuting attorney has been given 15 days' notice of the petition for relief. The probation officer shall notify the prosecuting attorney when a petition is filed, pursuant to this section.

It shall be presumed that the prosecuting attorney has received notice if proof of service is filed with the court.

(e) If, after receiving notice pursuant to subdivision (d), the prosecuting attorney fails to appear and object to a petition for dismissal, the prosecuting attorney may not move to set aside or otherwise appeal the grant of that petition.

(f) Notwithstanding the above provisions or any other provision of law, the Governor shall have the right to pardon a person convicted of a violation of subdivision (c) of Section 286, Section 288, subdivision

(c) of Section 288a, Section 288.5, or subdivision (j) of Section 289, if there are extraordinary circumstances.

CHAPTER 50

An act to add Section 65850.3 to the Government Code, relating to zoning.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 65850.3 is added to the Government Code, to read:

65850.3. Any ordinance adopted by the legislative body of a city or county that regulates amateur radio station antenna structures shall allow those structures to be erected at heights and dimensions sufficient to accommodate amateur radio service communications, shall not preclude amateur radio service communications, shall reasonably accommodate amateur radio service communications, and shall constitute the minimum practicable regulation to accomplish the city's or county's legitimate purpose.

It is the intent of the Legislature in adding this section to the Government Code, to codify in state law the provisions of Section 97.15 of Title 47 of the Code of Federal Regulations, which expresses the Federal Communications Commission's limited preemption of local regulations governing amateur radio station facilities.

CHAPTER 51

An act to amend Section 3003 of the Penal Code, relating to parole placement.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. 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, as determined by the parole consideration panel, 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 database. 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 or reside, for the duration of his or her period of parole, within one-quarter mile of any public or private school including any or all of kindergarten and grades 1 to 8, inclusive.

(h) Notwithstanding any other law, an inmate who is released on parole for an offense involving stalking shall not be returned to a location within 35 miles of the victim's actual residence or place of employment 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 the victim.

(i) 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.

(j) An inmate may be paroled to another state pursuant to any other law.

(k) (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.

CHAPTER 52

An act to amend Section 3048 of the Family Code, relating to child custody, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 3048 of the Family Code is amended to read:

3048. (a) Notwithstanding any other provision of law, in any proceeding to determine child custody or visitation with a child, every custody or visitation order shall contain all of the following:

- (1) The basis for the court's exercise of jurisdiction.
- (2) The manner in which notice and opportunity to be heard were given.
- (3) A clear description of the custody and visitation rights of each party.
- (4) A provision stating that a violation of the order may subject the party in violation to civil or criminal penalties, or both.
- (5) Identification of the country of habitual residence of the child or children.

(b) (1) In cases in which the court becomes aware of facts which may indicate that there is a risk of abduction of a child, the court shall, either on its own motion or at the request of a party, determine whether measures are needed to prevent the abduction of the child by one parent. To make that determination, the court shall consider the risk of abduction of the child, obstacles to location, recovery, and return if the child is abducted, and potential harm to the child if he or she is abducted. To determine whether there is a risk of abduction, the court shall consider the following factors:

(A) Whether a party has previously taken, enticed away, kept, withheld, or concealed a child in violation of the right of custody or of visitation of a person.

(B) Whether a party has previously threatened to take, entice away, keep, withhold, or conceal a child in violation of the right of custody or of visitation of a person.

(C) Whether a party lacks strong ties to this state.

(D) Whether a party has strong familial, emotional, or cultural ties to another state or country, including foreign citizenship. This factor shall be considered only if evidence exists in support of another factor specified in this section.

(E) Whether a party has no financial reason to stay in this state, including whether the party is unemployed, is able to work anywhere, or is financially independent.

(F) Whether a party has engaged in planning activities that would facilitate the removal of a child from the state, including quitting a job, selling his or her primary residence, terminating a lease, closing a bank account, liquidating other assets, hiding or destroying documents, applying for a passport, applying to obtain a birth certificate or school or medical records, or purchasing airplane or other travel tickets, with consideration given to whether a party is carrying out a safety plan to flee from domestic violence.

(G) Whether a party has a history of a lack of parental cooperation or child abuse, or there is substantiated evidence that a party has perpetrated domestic violence.

(H) Whether a party has a criminal record.

(2) If the court makes a finding that there is a need for preventative measures after considering the factors listed in paragraph (1), the court shall consider taking one or more of the following measures to prevent the abduction of the child:

(A) Ordering supervised visitation.

(B) Requiring a parent to post a bond in an amount sufficient to serve as a financial deterrent to abduction, the proceeds of which may be used to offset the cost of recovery of the child in the event there is an abduction.

(C) Restricting the right of the custodial or noncustodial parent to remove the child from the county, the state, or the country.

(D) Restricting the right of the custodial parent to relocate with the child, unless the custodial parent provides advance notice to, and obtains the written agreement of, the noncustodial parent, or obtains the approval of the court, before relocating with the child.

(E) Requiring the surrender of passports and other travel documents.

(F) Prohibiting a parent from applying for a new or replacement passport for the child.

(G) Requiring a parent to notify a relevant foreign consulate or embassy of passport restrictions and to provide the court with proof of that notification.

(H) Requiring a party to register a California order in another state as a prerequisite to allowing a child to travel to that state for visits, or to obtain an order from another country containing terms identical to the custody and visitation order issued in the United States (recognizing that these orders may be modified or enforced pursuant to the laws of the other country), as a prerequisite to allowing a child to travel to that county for visits.

(I) Obtaining assurances that a party will return from foreign visits by requiring the traveling parent to provide the court or the other parent or guardian with any of the following:

(i) The travel itinerary of the child.

(ii) Copies of round trip airline tickets.

(iii) A list of addresses and telephone numbers where the child can be reached at all times.

(iv) An open airline ticket for the left-behind parent in case the child is not returned.

(J) Including provisions in the custody order to facilitate use of the Uniform Child Custody Jurisdiction and Enforcement Act (Part 3 (commencing with Section 3400)) and the Hague Convention on the

Civil Aspects of International Child Abduction (implemented pursuant to 42 U.S.C. Sec. 11601 et seq.), such as identifying California as the home state of the child or otherwise defining the basis for the California court's exercise of jurisdiction under Part 3 (commencing with Section 3400), identifying the United States as the country of habitual residence of the child pursuant to the Hague Convention, defining custody rights pursuant to the Hague Convention, obtaining the express agreement of the parents that the United States is the country of habitual residence of the child, or that California or the United States is the most appropriate forum for addressing custody and visitation orders.

(K) Authorizing the assistance of law enforcement.

(3) If the court imposes any or all of the conditions listed in paragraph (2), those conditions shall be specifically noted on the minute order of the court proceedings.

(4) If the court determines there is a risk of abduction that is sufficient to warrant the application of one or more of the prevention measures authorized by this section, the court shall inform the parties of the telephone number and address of the Child Abduction Unit in the office of the district attorney in the county where the custody or visitation order is being entered.

(c) The Judicial Council shall make the changes to its child custody order forms that are necessary for the implementation of subdivision (b). This subdivision shall become operative on July 1, 2003.

(d) Nothing in this section affects the applicability of Section 278.7 of the Penal Code.

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:

There has been some confusion regarding Chapter 856 of the Statutes of 2002, which added the "Synclair-Cannon Child Abduction Prevention Act" to the Family Code. It is vital to clarify that this act does not affect the applicability of Section 278.7 of the Penal Code, which protects victims of domestic violence and their children. This act is necessary to ensure that the original spirit of the abduction prevention act is preserved, which is to prevent the illegal abduction of children, without otherwise compromising the ability of domestic violence victims to escape abusive situations. This act is deemed urgent and should take effect immediately in order to prevent any unintended legal consequences that may result in penalizing innocent victims of domestic violence.

CHAPTER 53

An act to amend Section 17250.35 of the Education Code, relating to school construction.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 17250.35 of the Education Code is amended to read:

17250.35. (a) The minimum performance criteria and design standards established pursuant to this chapter by a school district for quality, durability, longevity, and life-cycle costs, and other criteria deemed appropriate by the school district shall be adhered to by the design-build entity. Any deviations from those standards may only be allowed by written consent of the school district. The governing board may, and is strongly encouraged to, retain the services of an architect or structural engineer throughout the course of the project in order to ensure compliance with this chapter. Any architect or structural engineer retained pursuant to this subdivision shall be duly licensed and registered in California.

(b) The school district governing board shall be the employer of the project inspector. The project inspector shall be fully independent from any member of the design-build entity and may not have any affiliation with any member of the design-build entity or any of the project subcontractors. The project inspector shall act under the direction of either the Director of the Department of General Services or a competent, qualified agent of the school district.

(c) The total price of the project shall be determined either upon receipt of the lump-sum bids as set forth in paragraph (1) of subdivision (c) of Section 17250.25, or by completion of the process pursuant to paragraph (2) of subdivision (c) of Section 17250.25.

(d) Each contract with a design-build entity shall provide that no construction or alteration of any school building pursuant to this section shall commence prior to the receipt of the written approval of the plans, as to the safety of design and construction, from the Department of General Services. Compliance with this provision shall be deemed to be in compliance with Sections 17267 and 17297.

(e) The design-build entity shall be liable for building the facility to specifications set forth in the design-build contract in the absence of contractual language to the contrary.

CHAPTER 54

An act to amend Section 3097 of, and to add Section 3259.5 to, the Civil Code, relating to private works of improvement.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 3097 of the Civil Code is amended to read:
3097. “Preliminary 20-day notice (private work)” means a written notice from a claimant that is given prior to the recording of a mechanic’s lien, prior to the filing of a stop notice, and prior to asserting a claim against a payment bond, and is required to be given under the following circumstances:

(a) Except one under direct contract with the owner or one performing actual labor for wages as described in subdivision (a) of Section 3089, or a person or entity to whom a portion of a laborer’s compensation is paid as described in subdivision (b) of Section 3089, every person who furnishes labor, service, equipment, or material for which a lien or payment bond otherwise can be claimed under this title, or for which a notice to withhold can otherwise be given under this title, shall, as a necessary prerequisite to the validity of any claim of lien, payment bond, and of a notice to withhold, cause to be given to the owner or reputed owner, to the original contractor, or reputed contractor, and to the construction lender, if any, or to the reputed construction lender, if any, a written preliminary notice as prescribed by this section.

(b) Except the contractor, or one performing actual labor for wages as described in subdivision (a) of Section 3089, or a person or entity to whom a portion of a laborer’s compensation is paid as described in subdivision (b) of Section 3089, all persons who have a direct contract with the owner and who furnish labor, service, equipment, or material for which a lien or payment bond otherwise can be claimed under this title, or for which a notice to withhold can otherwise be given under this title, shall, as a necessary prerequisite to the validity of any claim of lien, claim on a payment bond, and of a notice to withhold, cause to be given to the construction lender, if any, or to the reputed construction lender, if any, a written preliminary notice as prescribed by this section.

(c) The preliminary notice referred to in subdivisions (a) and (b) shall contain the following information:

(1) A general description of the labor, service, equipment, or materials furnished, or to be furnished, and an estimate of the total price thereof.

- (2) The name and address of the person furnishing that labor, service, equipment, or materials.
- (3) The name of the person who contracted for purchase of that labor, service, equipment, or materials.
- (4) A description of the jobsite sufficient for identification.
- (5) The following statement in boldface type:

NOTICE TO PROPERTY OWNER

If bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceedings, of all or part of your property being so improved may be placed against the property even though you have paid your contractor in full. You may wish to protect yourself against this consequence by (1) requiring your contractor to furnish a signed release by the person or firm giving you this notice before making payment to your contractor, or (2) any other method or device that is appropriate under the circumstances. Other than residential homeowners of dwellings containing fewer than five units, private project owners must notify the original contractor and any lien claimant who has provided the owner with a preliminary 20-day lien notice in accordance with Section 3097 of the Civil Code that a notice of completion or notice of cessation has been recorded within 10 days of its recordation. Notice shall be by registered mail, certified mail, or first-class mail, evidenced by a certificate of mailing. Failure to notify will extend the deadlines to record a lien.

(6) If the notice is given by a subcontractor who has failed to pay all compensation due to his or her laborers on the job, the notice shall also contain the identity and address of any laborer and any express trust fund to whom employer payments are due.

If an invoice for materials or certified payroll contains the information required by this section, a copy of the invoice, transmitted in the manner prescribed by this section shall be sufficient notice.

A certificated architect, registered engineer, or licensed land surveyor who has furnished services for the design of the work of improvement and who gives a preliminary notice as provided in this section not later than 20 days after the work of improvement has commenced shall be deemed to have complied with subdivisions (a) and (b) with respect to architectural, engineering, or surveying services furnished, or to be furnished.

(d) The preliminary notice referred to in subdivisions (a) and (b) shall be given not later than 20 days after the claimant has first furnished labor, service, equipment, or materials to the jobsite. If labor, service, equipment, or materials have been furnished to a jobsite by a claimant

who did not give a preliminary notice, that claimant shall not be precluded from giving a preliminary notice at any time thereafter. The claimant shall, however, be entitled to record a lien, file a stop notice, and assert a claim against a payment bond only for labor, service, equipment, or material furnished within 20 days prior to the service of the preliminary notice, and at any time thereafter.

(e) Any agreement made or entered into by an owner, whereby the owner agrees to waive the rights or privileges conferred upon the owner by this section shall be void and of no effect.

(f) The notice required under this section may be served as follows:

(1) If the person to be notified resides in this state, by delivering the notice personally, or by leaving it at his or her address of residence or place of business with some person in charge, or by first-class registered or certified mail, postage prepaid, addressed to the person to whom notice is to be given at his or her residence or place of business address or at the address shown by the building permit on file with the authority issuing a building permit for the work, or at an address recorded pursuant to subdivision (j).

(2) If the person to be notified does not reside in this state, by any method enumerated in paragraph (1) of this subdivision. If the person cannot be served by any of these methods, then notice may be given by first-class certified or registered mail, addressed to the construction lender or to the original contractor.

(3) If service is made by first-class certified or registered mail, service is complete at the time of the deposit of that registered or certified mail.

(g) A person required by this section to give notice to the owner, to an original contractor, and to a person to whom a notice to withhold may be given, need give only one notice to the owner, to the original contractor, and to the person to whom a notice to withhold may be given with respect to all materials, services, labor, or equipment he or she furnishes for a work of improvement, that means the entire structure or scheme of improvements as a whole, unless the same is furnished under contracts with more than one subcontractor, in which event, the notice requirements shall be met with respect to materials, services, labor, or equipment furnished to each contractor.

If a notice contains a general description required by subdivision (a) or (b) of the materials, services, labor, or equipment furnished to the date of notice, it is not defective because, after that date, the person giving notice furnishes materials, services, labor, or equipment not within the scope of this general description.

(h) If the contract price to be paid to any subcontractor on a particular work of improvement exceeds four hundred dollars (\$400), the failure of that contractor, licensed under Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, to give the

notice provided for in this section, constitutes grounds for disciplinary action by the Registrar of Contractors.

If the notice is required to contain the information set forth in paragraph (6) of subdivision (c), a failure to give the notice, including that information, that results in the filing of a lien, claim on a payment bond, or the delivery of a stop notice by the express trust fund to which the obligation is owing constitutes grounds for disciplinary action by the Registrar of Contractors against the subcontractor if the amount due the trust fund is not paid.

(i) Every city, county, city and county, or other governmental authority issuing building permits shall, in its application form for a building permit, provide space and a designation for the applicant to enter the name, branch, designation, if any, and address of the construction lender and shall keep the information on file open for public inspection during the regular business hours of the authority.

If there is no known construction lender, that fact shall be noted in the designated space. Any failure to indicate the name and address of the construction lender on the application, however, shall not relieve any person from the obligation to give to the construction lender the notice required by this section.

(j) A mortgage, deed of trust, or other instrument securing a loan, any of the proceeds of which may be used for the purpose of constructing improvements on real property, shall bear the designation "Construction Trust Deed" prominently on its face and shall state all of the following: (1) the name and address of the lender, and the name and address of the owner of the real property described in the instrument, and (2) a legal description of the real property that secures the loan and, if known, the street address of the property. The failure to be so designated or to state any of the information required by this subdivision shall not affect the validity of the mortgage, deed of trust, or other instrument.

Failure to provide this information on this instrument when recorded shall not relieve persons required to give preliminary notice under this section from that duty.

The county recorder of the county in which the instrument is recorded shall indicate in the general index of the official records of the county that the instrument secures a construction loan.

(k) Every contractor and subcontractor employing laborers as described in subdivision (a) of Section 3089 who has failed to pay those laborers their full compensation when it became due, including any employer payments described in Section 1773.1 of the Labor Code and regulations adopted thereunder shall, without regard to whether the work was performed on a public or private work, cause to be given to those laborers, their bargaining representatives, if any, and to the construction lender, if any, or to the reputed construction lender, if any, not later than

the date the compensation became delinquent, a written notice containing all of the following:

- (1) The name of the owner and the contractor.
- (2) A description of the jobsite sufficient for identification.
- (3) The identity and address of any express trust fund described in Section 3111 to which employer payments are due.
- (4) The total number of straight time and overtime hours on each job.
- (5) The amount then past due and owing.

Failure to give this notice shall constitute grounds for disciplinary action by the Registrar of Contractors.

(l) Every written contract entered into between a property owner and an original contractor shall provide space for the owner to enter his or her name, residence address, and place of business if any. The original contractor shall make available the name and address of residence of the owner to any person seeking to serve the notice specified in subdivision (c).

(m) Every written contract entered into between a property owner and an original contractor, except home improvement contracts and swimming pool contracts subject to Article 10 (commencing with Section 7150) of Chapter 9 of Division 3 of the Business and Professions Code, shall provide space for the owner to enter the name and address of the construction lender or lenders. The original contractor shall make available the name and address of the construction lender or lenders to any person seeking to serve the notice specified in subdivision (c). Every contract entered into between an original contractor and subcontractor, and between subcontractors, shall provide a space for the name and address of the owner, original contractor, and any construction lender.

(n) If one or more construction loans are obtained after commencement of construction, the property owner shall provide the name and address of the construction lender or lenders to each person who has given the property owner the notice specified in subdivision (c).

(o) (1) Each person who has served a preliminary 20-day notice pursuant to subdivision (f) may file the preliminary 20-day notice with the county recorder in the county in which any portion of the property is located. A preliminary 20-day notice filed pursuant to this section shall contain all of the following:

(A) The name and address of the person furnishing the labor, service, equipment, or materials.

(B) The name of the person who contracted for purchase of the labor, services, equipment, or materials.

(C) The common street address of the jobsite.

(2) Upon the acceptance for recording of a notice of completion or notice of cessation the county recorder shall mail to those persons who have filed a preliminary 20-day notice, notification that a notice of

completion or notice of cessation has been recorded on the property, and shall affix the date that the notice of completion or notice of cessation was recorded with the county recorder.

(3) The failure of the county recorder to mail the notification to the person who filed a preliminary 20-day notice, or the failure of those persons to receive the notification or to receive complete notification, shall not affect the period within which a claim of lien is required to be recorded. However, the county recorder shall make a good faith effort to mail notification to those persons who have filed the preliminary 20-day notice under this section and to do so within five days after the recording of a notice of completion or notice of cessation.

(4) This new function of the county recorder shall not become operative until July 1, 1988. The county recorder may cause to be destroyed all documents filed pursuant to this section, two years after the date of filing.

(5) The preliminary 20-day notice that a person may file pursuant to this subdivision is for the limited purpose of facilitating the mailing of notice by the county recorder of recorded notices of completion and notices of cessation. The notice that is filed is not a recordable document and shall not be entered into those official records of the county which by law impart constructive notice. Notwithstanding any other provision of law, the index maintained by the recorder of filed preliminary 20-day notices shall be separate and distinct from those indexes maintained by the county recorder of those official records of the county which by law impart constructive notice. The filing of a preliminary 20-day notice with the county recorder does not give rise to any actual or constructive notice with respect to any party of the existence or contents of a filed preliminary 20-day notice nor to any duty of inquiry on the part of any party as to the existence or contents of that notice.

(p) (1) The change made to the statement described in subdivision (c) by Chapter 974 of the Statutes of 1994 shall have no effect upon the validity of any notice that otherwise meets the requirements of this section. The failure to provide, pursuant to Chapter 974 of the Statutes of 1994, a written preliminary notice to a subcontractor with whom the claimant has contracted shall not affect the validity of any preliminary notice provided pursuant to this section.

(2) (A) The inclusion of the language added to paragraph (5) of subdivision (c) by Chapter 795 of the Statutes of 1999, shall not affect the validity of any preliminary notice given on or after January 1, 2000, and prior to the operative date of the amendments to this section enacted at the 2000 portion of the 1999–2000 Regular Session, that otherwise meets the requirements of that subdivision.

(B) A preliminary notice given on or after January 1, 2000, and prior to the operative date of the amendments to this section enacted at the

2000 portion of the 1999–2000 Regular Session, shall not be invalid because of the failure to include the language added to paragraph (5) of subdivision (c) by Chapter 795 of the Statutes of 1999, if the notice otherwise complies with that subdivision.

(C) The failure to provide an affidavit form or notice of rights, or both, pursuant to the requirements of Chapter 795 of the Statutes of 1999, shall not affect the validity of any preliminary notice pursuant to this section.

SEC. 2. Section 3259.5 is added to the Civil Code, to read:

3259.5. (a) The owner of a private work of improvement shall notify the original contractor, and any claimant other than the original contractor who has provided a preliminary 20-day notice in accordance with Section 3097, that a notice of completion or notice of cessation has been recorded. The notice shall be sent within 10 days after recordation of the notice of completion or notice of cessation. Notification shall be sent by registered or certified mail, or by first-class mail, evidenced by a certificate of mailing. Failure to give notice to a contractor or claimant within 10 days of recording the notice of completion or notice of cessation shall extend the period of time in which that contractor or claimant may file a mechanic's lien or stop notice to 90 days beyond the date that a notice of completion or notice of cessation has been recorded. The sole liability for failing to give notice shall be the extension of the period of time in which that contractor or claimant may file a mechanic's lien or stop notice.

(b) For purposes of this section, "owner" means a person who has an interest in real property, or the person's successor in interest on the date a notice of completion or notice of cessation from labor is filed for record, who causes a building, improvement, or structure, to be constructed, altered, or repaired on the property. If the property is owned by two or more persons as joint tenants or tenants in common, any one or more of the cotenants may be deemed to be the "owner" within the meaning of this section. However, "owner" does not include a person who occupies the real property as a personal residence and the dwelling contains not more than four residential units, nor does it include a person who has a security interest in the property or obtains an interest pursuant to a transfer described in subdivision (b), (c), or (d) of Section 1102.2.

CHAPTER 55

An act to amend Section 17075.15 of the Education Code, and to amend Sections 53321 and 53345.8 of, and to add Section 53313.51 to, the Government Code, relating to local agency facilities.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 17075.15 of the Education Code is amended to read:

17075.15. (a) From funds available from any bond act for the purpose of funding facilities for school districts with a financial hardship, the board may provide other construction, modernization, or relocation assistance as set forth in this chapter or Chapter 14 (commencing with Section 17085) to the extent that severe circumstances may require, and may adjust or defer the local financial participation, as pupil health and safety considerations require to the extent that bond act funds are provided for this purpose.

(b) The board shall adopt regulations for determining the amount of funding that may be provided to a district, and the eligibility and prioritization of funding, under this article.

(c) The regulations shall define the amount, and sources, of financing that the school district could reasonably provide for school facilities as follows:

(1) Unencumbered funds available in all facility accounts in the school district including, but not limited to, fees on development, redevelopment funds, sale proceeds from surplus property, funds generated by certificates of participation for facility purposes, bond funds, federal grants, and other funds available for school facilities, as the board may determine.

(2) The board may exclude from consideration all funds encumbered for a specific capital outlay purpose, a reasonable amount for interim housing, and other funds that the board may find are not reasonably available for the project.

(d) Further, the regulations shall also specify a method for determining required levels of local effort to obtain matching funds. The regulations shall include consideration of at least all of the following factors:

(1) Whether the school district has passed a bond measure within the two-year period immediately preceding the application for funding under this article, the proceeds of which are substantially available for use in the project to be funded under this chapter, but remains unable to provide the necessary matching share requirement.

(2) Whether the principal amount of the current outstanding bonded indebtedness issued for the purpose of constructing school facilities for the school district and secured by property within the school district or by revenues of, or available to, the school district, which shall include

general obligation bonds, Mello-Roos bonds, school facility improvement district bonds, certificates of participation, and other debt instruments issued for the purpose of constructing school facilities for the school district and for which owners of property within the school district or the school district are paying debt service is at least 60 percent of the school district's total bonding capacity, as determined by the board.

(3) Whether the total bonding capacity, as defined in Section 15102 or 15106, as applicable, is five million dollars (\$5,000,000) or less, in which case, the school district shall be deemed eligible for financial hardship.

(4) Whether the application for funding under this article is from a county superintendent of schools.

(5) Whether the school district submits other evidence of substantial local effort acceptable to the board.

(6) The value of any unused local general obligation debt capacity, and developer fees added to the needs analysis to reflect the district's financial hardship, available for the purposes of school facilities financing.

SEC. 2. Section 53313.51 is added to the Government Code, to read:

53313.51. The legislative body may enter into an agreement for the construction of discrete portions or phases of facilities to be constructed and purchased consistent with Section 53313.5. The agreement may include any provisions that the legislative body determines are necessary or convenient, but shall do all of the following:

(a) Identify the specific facilities or discrete portions or phases of facilities to be constructed and purchased. The legislative body may agree to purchase discrete portions or phases of facilities if the portions or phases are capable of serviceable use as determined by the legislative body.

(b) Notwithstanding subdivision (a), when the purchase value of a facility exceeds one million dollars (\$1,000,000), the legislative body may agree to purchase discrete portions or phases of the partially completed project.

(c) Identify procedures to ensure that the facilities are constructed pursuant to plans, standards, specifications, and other requirements as determined by the legislative body.

(d) Specify a price or a method to determine a price for each facility or discrete portion or phase of a facility. The price may include an amount reflecting the interim cost of financing cash payments that must be made during construction of the project, at the discretion of the legislative body.

(e) Specify procedures for final inspection and approval of facilities or discrete portions of facilities, for approval of payment, and for

acceptance and conveyance or dedication of the facilities to the local agency.

SEC. 3. Section 53321 of the Government Code is amended to read:

53321. Proceedings for the establishment of a community facilities district shall be instituted by the adoption of a resolution of intention to establish the district which shall do all of the following:

(a) State that a community facilities district is proposed to be established under the terms of this chapter and describe the boundaries of the territory proposed for inclusion in the district, which may be accomplished by reference to a map on file in the office of the clerk, showing the proposed community facilities district. The boundaries of the territory proposed for inclusion in the district shall include the entirety of any parcel subject to taxation by the proposed district.

(b) State the name proposed for the district in substantially the following form: "Community Facilities District No. ____."

(c) Describe the public facilities and services proposed to be financed by the district pursuant to this chapter. The description may be general and may include alternatives and options, but it shall be sufficiently informative to allow a taxpayer within the district to understand what the funds of the district may be used to finance. If the purchase of completed public facilities or the incurring of incidental expenses is proposed, the resolution shall identify those facilities or expenses. If facilities are proposed to be financed through any financing plan, including, but not limited to, any lease, lease-purchase, or installment-purchase arrangement, the resolution shall briefly describe the proposed arrangement.

(d) State that, except where funds are otherwise available, a special tax sufficient to pay for all facilities and services, secured by recordation of a continuing lien against all nonexempt real property in the district, will be annually levied within the area. The resolution shall specify the rate, method of apportionment, and manner of collection of the special tax in sufficient detail to allow each landowner or resident within the proposed district to estimate the maximum amount that he or she will have to pay. The legislative body may specify conditions under which the obligation to pay the specified special tax may be prepaid and permanently satisfied. The legislative body may specify conditions under which the rate of the special tax may be permanently reduced in compliance with the provisions of Section 53313.9.

In the case of any special tax to pay for public facilities and to be levied against any parcel used for private residential purposes, (1) the maximum special tax shall be specified as a dollar amount which shall be calculated and thereby established not later than the date on which the parcel is first subject to the tax because of its use for private residential purposes, which amount shall not be increased over time except that it

may be increased by an amount not to exceed 2 percent per year, (2) the resolution shall specify a tax year after which no further special tax subject to this sentence shall be levied or collected, except that a special tax that was lawfully levied in or before the final tax year and that remains delinquent may be collected in subsequent years, and (3) the resolution shall specify that under no circumstances will the special tax levied against any parcel subject to this sentence be increased as a consequence of delinquency or default by the owner of any other parcel or parcels within the district by more than 10 percent. For purposes of this paragraph, a parcel shall be considered “used for private residential purposes” not later than the date on which an occupancy permit for private residential use is issued. Nothing in this paragraph is intended to prohibit the legislative body from establishing different tax rates for different categories of residential property, or from changing the dollar amount of the special tax for the parcel if the size of the residence is increased or if the size or use of the parcel is changed.

(e) Fix a time and place for a public hearing on the establishment of the district which shall be not less than 30 or more than 60 days after the adoption of the resolution.

(f) Describe any adjustment in property taxation to pay prior indebtedness pursuant to Sections 53313.6 and 53313.7.

(g) Describe the proposed voting procedure.

The changes made to this section by Senate Bill 1464 of the 1991–92 Regular Session of the Legislature shall not apply to special taxes levied by districts for which a resolution of formation was adopted before January 1, 1993.

SEC. 4. Section 53345.8 of the Government Code is amended to read:

53345.8. (a) The legislative body may sell bonds pursuant to this chapter only if it determines prior to the award of sale of bonds that the value of the real property that would be subject to the special tax to pay debt service on the bonds will be at least three times the principal amount of the sum of the following:

(1) The principal amount of the bonds to be sold.

(2) The principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to this chapter on property within the community facilities district or a special assessment levied on property within the community facilities district. The legislative body shall estimate the principal amount of these other bonds that are secured by property within the district by assuming that the maximum allowable tax or assessment applicable to each parcel of property within the district will be levied until the date of maximum maturity of the bonds. Any determination made pursuant to this subdivision shall be based upon the full cash value as shown on the ad valorem assessment roll or upon an

appraisal of the subject property made in a manner consistent with the policies adopted pursuant to paragraph (5) of subdivision (a) of Section 53312.7 by a state certified real estate appraiser, as defined in subdivision (c) of Section 11340 of the Business and Professions Code. The Treasurer may recommend definitions, standards, and assumptions to be used for these appraisals. These definitions, standards, and assumptions are advisory only, and the definitions, standards, and assumptions to be applied to appraisals will be those adopted by the local agency pursuant to paragraph (5) of subdivision (a) of Section 53312.7.

(b) Notwithstanding the provisions of subdivision (a), if the legislative body selling the bonds finds and determines that the proposed bonds do not present any unusual credit risk due to the availability of credit enhancements, or because a sufficient portion of the principal amount of a bond issue has been deposited in a self-financing and self-liquidating escrow account under conditions such that it cannot be withdrawn until the value of real property subject to special taxes has increased sufficiently so that the requirements of subdivision (a) will be met or for other reasons specified by the legislative body, the provisions of subdivision (a) may be disregarded.

(c) Notwithstanding the provisions of subdivision (a), if the legislative body selling the bonds finds and determines by a vote of not less than four-fifths of all of its members that the proposed bond issue should proceed for specified public policy reasons, the provisions of subdivision (a) may be disregarded.

A finding and determination by the legislative body pursuant to this subdivision shall be final and conclusive upon all persons in the absence of actual fraud, and neither the legislative body nor the district shall have any liability of any kind whatsoever out of, or in connection with, any finding and determination.

SEC. 5. In enacting this act, the Legislature finds and declares the following:

(a) The Mello-Roos Community Facilities Act (Chapter 2.5 (commencing with Section 53311) of Division 2 of Title 5 of the Government Code) authorizes local agencies to acquire facilities and implicitly authorizes them to acquire portions or phases of those facilities.

(b) Under that act, local agencies use many ways to acquire facilities and to recognize the portions or phases of those facilities.

(c) The failure to authorize and make payments for the portions or phases of those facilities may increase the cost of constructing housing, the facilities that are needed to serve housing, nonhousing developments, and other job-creating projects. As a result, the cost of housing and other development may become more expensive.

(d) Section 53313.5 of the Government Code protects the public interest by requiring that any work accepted pursuant to that section shall be performed or constructed as if the work had been performed or constructed under the direction and supervision, or under the authority, of the local agency.

(e) When local agencies comply with the requirements of Section 53313.5 of the Government Code, there are valid reasons to encourage those local agencies to make purchase payments for discrete portions or phases of facilities.

CHAPTER 56

An act to amend Sections 11580.2 and 11580.23 of the Insurance Code, relating to automobile insurance.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 11580.2 of the Insurance Code is amended to read:

11580.2. (a) (1) No policy of bodily injury liability insurance covering liability arising out of the ownership, maintenance, or use of any motor vehicle, except for policies that provide insurance in the Republic of Mexico issued or delivered in this state by nonadmitted Mexican insurers, shall be issued or delivered in this state to the owner or operator of a motor vehicle, or shall be issued or delivered by any insurer licensed in this state upon any motor vehicle then principally used or principally garaged in this state, unless the policy contains, or has added to it by endorsement, a provision with coverage limits at least equal to the limits specified in subdivision (m) and in no case less than the financial responsibility requirements specified in Section 16056 of the Vehicle Code insuring the insured, the insured's heirs or legal representative for all sums within the limits that he, she, or they, as the case may be, shall be legally entitled to recover as damages for bodily injury or wrongful death from the owner or operator of an uninsured motor vehicle. The insurer and any named insured, prior to or subsequent to the issuance or renewal of a policy, may, by agreement in writing, in the form specified in paragraph (2) or paragraph (3), (1) delete the provision covering damage caused by an uninsured motor vehicle completely, or (2) delete the coverage when a motor vehicle is operated by a natural person or persons designated by name, or (3) agree to

provide the coverage in an amount less than that required by subdivision (m) but not less than the financial responsibility requirements specified in Section 16056 of the Vehicle Code. Any of these agreements by any named insured or agreement for the amount of coverage shall be binding upon every insured to whom the policy or endorsement provisions apply while the policy is in force, and shall continue to be so binding with respect to any continuation or renewal of the policy or with respect to any other policy that extends, changes, supersedes, or replaces the policy issued to the named insured by the same insurer, or with respect to reinstatement of the policy within 30 days of any lapse thereof. A policy shall be excluded from the application of this section if the automobile liability coverage is provided only on an excess or umbrella basis. Nothing in this section shall require that uninsured motorist coverage be offered or provided in any homeowner policy, personal and residents' liability policy, comprehensive personal liability policy, manufacturers' and contractors' policy, premises liability policy, special multiperil policy, or any other policy or endorsement where automobile liability coverage is offered as incidental to some other basic coverage, notwithstanding that the policy may provide automobile or motor vehicle liability coverage on insured premises or the ways immediately adjoining.

(2) The agreement specified in paragraph (1) to delete the provision covering damage caused by an uninsured motor vehicle completely or delete the coverage when a motor vehicle is operated by a natural person or persons designated by name shall be in the following form:

“The California Insurance Code requires an insurer to provide uninsured motorists coverage in each bodily injury liability insurance policy it issues covering liability arising out of the ownership, maintenance, or use of a motor vehicle. Those provisions also permit the insurer and the applicant to delete the coverage completely or to delete the coverage when a motor vehicle is operated by a natural person or persons designated by name. Uninsured motorists coverage insures the insured, his or her heirs, or legal representatives for all sums within the limits established by law, that the person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease, or death, to the insured from the owner or operator of an uninsured motor vehicle not owned or operated by the insured or a resident of the same household. An uninsured motor vehicle includes an underinsured motor vehicle as defined in subdivision (p) of Section 11580.2 of the Insurance Code.”

The agreement may contain additional statements not in derogation of or in conflict with the foregoing. The execution of the agreement shall relieve the insurer of liability under this section while the agreement remains in effect.

(3) The agreement specified in paragraph (1) to provide coverage in an amount less than that required by subdivision (m) shall be in the following form:

“The California Insurance Code requires an insurer to provide uninsured motorists coverage in each bodily injury liability insurance policy it issues covering liability arising out of the ownership, maintenance, or use of a motor vehicle. Those provisions also permit the insurer and the applicant to agree to provide the coverage in an amount less than that required by subdivision (m) of Section 11580.2 of the Insurance Code but not less than the financial responsibility requirements. Uninsured motorists coverage insures the insured, his or her heirs, or legal representatives for all sums within the limits established by law, that the person or persons are legally entitled to recover as damages for bodily injury, including any resulting sickness, disease, or death, to the insured from the owner or operator of an uninsured motor vehicle not owned or operated by the insured or a resident of the same household. An uninsured motor vehicle includes an underinsured motor vehicle as defined in subdivision (p) of Section 11580.2 of the Insurance Code.”

The agreement may contain additional statements not in derogation of or in conflict with this paragraph. However, it shall be presumed that an application for a policy of bodily injury liability insurance containing uninsured motorist coverage in an amount less than that required by subdivision (m), signed by the named insured and approved by the insurer, with a policy effective date after January 1, 1985, shall be a valid agreement as to the amount of uninsured motorist coverage to be provided.

(b) As used in subdivision (a), “bodily injury” includes sickness or disease, including death, resulting therefrom; “named insured” means only the individual or organization named in the declarations of the policy of motor vehicle bodily injury liability insurance referred to in subdivision (a); as used in subdivision (a) if the named insured is an individual “insured” means the named insured and the spouse of the named insured and, while residents of the same household, relatives of either while occupants of a motor vehicle or otherwise, heirs and any other person while in or upon or entering into or alighting from an insured motor vehicle and any person with respect to damages he or she is entitled to recover for care or loss of services because of bodily injury to which the policy provisions or endorsement apply; as used in subdivision (a), if the named insured is an entity other than an individual, “insured” means any person while in or upon or entering into or alighting from an insured motor vehicle and any person with respect to damages he or she is entitled to recover for care or loss of services because of bodily injury to which the policy provisions or endorsement

apply. As used in this subdivision, "individual" shall not include persons doing business as corporations, partnerships, or associations. As used in this subdivision, "insured motor vehicle" means the motor vehicle described in the underlying insurance policy of which the uninsured motorist endorsement or coverage is a part, a temporary substitute automobile for which liability coverage is provided in the policy or a newly acquired automobile for which liability coverage is provided in the policy if the motor vehicle is used by the named insured or with his or her permission or consent, express or implied, and any other automobile not owned by or furnished for the regular use of the named insured or any resident of the same household, or by a natural person or persons for whom coverage has been deleted in accordance with subdivision (a) while being operated by the named insured or his or her spouse if a resident of the same household, but "insured motor vehicle" shall not include any automobile while used as a public or livery conveyance. As used in this section, "uninsured motor vehicle" means a motor vehicle with respect to the ownership, maintenance or use of which there is no bodily injury liability insurance or bond applicable at the time of the accident, or there is the applicable insurance or bond but the company writing the insurance or bond denies coverage thereunder or refuses to admit coverage thereunder except conditionally or with reservation, or an "underinsured motor vehicle" as defined in subdivision (p), or a motor vehicle used without the permission of the owner thereof if there is no bodily injury liability insurance or bond applicable at the time of the accident with respect to the owner or operator thereof, or the owner or operator thereof be unknown, provided that, with respect to an "uninsured motor vehicle" whose owner or operator is unknown:

(1) The bodily injury has arisen out of physical contact of the automobile with the insured or with an automobile that the insured is occupying.

(2) The insured or someone on his or her behalf has reported the accident within 24 hours to the police department of the city where the accident occurred or, if the accident occurred in unincorporated territory then either to the sheriff of the county where the accident occurred or to the local headquarters of the California Highway Patrol, and has filed with the insurer within 30 days thereafter a statement under oath that the insured or his or her legal representative has or the insured's heirs have a cause of action arising out of the accident for damages against a person or persons whose identity is unascertainable and set forth facts in support thereof. As used in this section, "uninsured motor vehicle" shall not include a motor vehicle owned or operated by the named insured or any resident of the same household or self-insured within the meaning of the Financial Responsibility Law of the state in which the motor vehicle is

registered or that is owned by the United States of America, Canada, a state or political subdivision of any such government or an agency of any of the foregoing, or a land motor vehicle or trailer while located for use as a residence or premises and not as a vehicle, or any equipment or vehicle designed or modified for use primarily off public roads, except while actually upon public roads.

As used in this section, “uninsured motor vehicle” also means an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency. An insurer’s solvency protection shall be applicable only to accidents occurring during a policy period in which its insured’s motor vehicle coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one year of the accident. In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of the coverage, the insurer making the payment, shall to the extent thereof, be entitled to any proceeds that may be recoverable from the assets of the insolvent insurer through any settlement or judgment of the person against the insolvent insurer.

Nothing in this section is intended to exclude from the definition of an uninsured motor vehicle any motorcycle or private passenger-type four-wheel drive motor vehicle if that vehicle was subject to and failed to comply with the Financial Responsibility Law of this state.

(c) The insurance coverage provided for in this section does not apply either as primary or as excess coverage:

- (1) To property damage sustained by the insured.
- (2) To bodily injury of the insured while in or upon or while entering into or alighting from a motor vehicle other than the described motor vehicle if the owner thereof has insurance similar to that provided in this section.
- (3) To bodily injury of the insured with respect to which the insured or his or her representative shall, without the written consent of the insurer, make any settlement with or prosecute to judgment any action against any person who may be legally liable therefor.
- (4) In any instance where it would inure directly or indirectly to the benefit of any workers’ compensation carrier or to any person qualified as a self-insurer under any workers’ compensation law, or directly to the benefit of the United States, or any state or any political subdivision thereof.
- (5) To establish proof of financial responsibility as provided in subdivisions (a), (b), and (c) of Section 16054 of the Vehicle Code.
- (6) To bodily injury of the insured while occupying a motor vehicle owned by an insured or leased to an insured under a written contract for a period of six months or longer, unless the occupied vehicle is an insured

motor vehicle. "Motor vehicle" as used in this paragraph means any self-propelled vehicle.

(7) To bodily injury of the insured when struck by a vehicle owned by an insured, except when the injured insured's vehicle is being operated, or caused to be operated, by a person without the injured insured's consent in connection with criminal activity that has been documented in a police report and that the injured insured is not a party to.

(8) To bodily injury of the insured while occupying a motor vehicle rented or leased to the insured for public or livery purposes.

(d) Subject to paragraph (2) of subdivision (c), the policy or endorsement may provide that if the insured has insurance available to the insured under more than one uninsured motorist coverage provision, any damages shall not be deemed to exceed the higher of the applicable limits of the respective coverages, and the damages shall be prorated between the applicable coverages as the limits of each coverage bear to the total of the limits.

(e) The policy or endorsement added thereto may provide that if the insured has valid and collectible automobile medical payment insurance available to him or her, the damages that the insured shall be entitled to recover from the owner or operator of an uninsured motor vehicle shall be reduced for purposes of uninsured motorist coverage by the amounts paid or due to be paid under the automobile medical payment insurance.

(f) The policy or an endorsement added thereto shall provide that the determination as to whether the insured shall be legally entitled to recover damages, and if so entitled, the amount thereof, shall be made by agreement between the insured and the insurer or, in the event of disagreement, by arbitration. The arbitration shall be conducted by a single neutral arbitrator. An award or a judgment confirming an award shall not be conclusive on any party in any action or proceeding between (i) the insured, his or her insurer, his or her legal representative, or his or her heirs and (ii) the uninsured motorist to recover damages arising out of the accident upon which the award is based. If the insured has or may have rights to benefits, other than nonoccupational disability benefits, under any workers' compensation law, the arbitrator shall not proceed with the arbitration until the insured's physical condition is stationary and ratable. In those cases in which the insured claims a permanent disability, the claims shall, unless good cause be shown, be adjudicated by award or settled by compromise and release before the arbitration may proceed. Any demand or petition for arbitration shall contain a declaration, under penalty of perjury, stating whether (i) the insured has a workers' compensation claim; (ii) the claim has proceeded to findings and award or settlement on all issues reasonably contemplated to be determined in that claim; and (iii) if not, what reasons

amounting to good cause are grounds for the arbitration to proceed immediately. The arbitration shall be deemed to be a proceeding and the hearing before the arbitrator shall be deemed to be the trial of an issue therein for purposes of issuance of a subpoena by an attorney of a party to the arbitration under Section 1985 of the Code of Civil Procedure. Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4 of the Code of Civil Procedure shall be applicable to these determinations, and all rights, remedies, obligations, liabilities and procedures set forth in Article 3 shall be available to both the insured and the insurer at any time after the accident, both before and after the commencement of arbitration, if any, with the following limitations:

(1) Whenever in Article 3, reference is made to the court in which the action is pending, or provision is made for application to the court or obtaining leave of court or approval by the court, the court that shall have jurisdiction for the purposes of this section shall be the superior court of the State of California, in and for any county that is a proper county for the filing of a suit for bodily injury arising out of the accident, against the uninsured motorist, or any county specified in the policy or an endorsement added thereto as a proper county for arbitration or action thereon.

(2) Any proper court to which application is first made by either the insured or the insurer under Article 3 for any discovery or other relief or remedy, shall thereafter be the only court to which either of the parties shall make any applications under Article 3 with respect to the same accident, subject, however, to the right of the court to grant a change of venue after a hearing upon notice, upon any of the grounds upon which change of venue might be granted in an action filed in the superior court.

(3) A deposition pursuant to Section 2016 of the Code of Civil Procedure may be taken without leave of court, except that leave of court, granted with or without notice and for good cause shown, must be obtained if the notice of the taking of the deposition is served by either party within 20 days after the accident.

(4) Paragraph (4) of subdivision (a) of Section 2019 of the Code of Civil Procedure is not applicable to discovery under this section.

(5) For the purposes of discovery under this section, the insured and the insurer shall each be deemed to be "a party to the record of any civil action or proceedings," where that phrase is used in paragraph (2) of subdivision (b) of Section 2019 of the Code of Civil Procedure.

(6) Interrogatories under Section 2030 of the Code of Civil Procedure and requests for admission under Section 2033 of the Code of Civil Procedure may be served by either the insured or the insurer upon the other at any time more than 20 days after the accident without leave of court.

(7) Nothing in this section limits the rights of any party to discovery in any action pending or that may hereafter be pending in any court.

(g) The insurer paying a claim under an uninsured motorist endorsement or coverage shall be entitled to be subrogated to the rights of the insured to whom the claim was paid against any person legally liable for the injury or death to the extent that payment was made. The action may be brought within three years from the date that payment was made hereunder.

(h) An insured entitled to recovery under the uninsured motorist endorsement or coverage shall be reimbursed within the conditions stated herein without being required to sign any release or waiver of rights to which he or she may be entitled under any other insurance coverage applicable; nor shall payment under this section to the insured be delayed or made contingent upon the decisions as to liability or distribution of loss costs under other bodily injury liability insurance or any bond applicable to the accident. Any loss payable under the terms of the uninsured motorist endorsement or coverage to or for any person may be reduced:

(1) By the amount paid and the present value of all amounts payable to him or her, his or her executor, administrator, heirs, or legal representative under any workers' compensation law, exclusive of nonoccupational disability benefits.

(2) By the amount the insured is entitled to recover from any other person insured under the underlying liability insurance policy of which the uninsured motorist endorsement or coverage is a part, including any amounts tendered to the insured as advance payment on behalf of the other person by the insurer providing the underlying liability insurance.

(i) (1) No cause of action shall accrue to the insured under any policy or endorsement provision issued pursuant to this section unless one of the following actions have been taken within two years from the date of the accident:

(A) Suit for bodily injury has been filed against the uninsured motorist, in a court of competent jurisdiction.

(B) Agreement as to the amount due under the policy has been concluded.

(C) The insured has formally instituted arbitration proceedings by notifying the insurer in writing sent by certified mail, return receipt requested. Notice shall be sent to the insurer or to the agent for process designated by the insurer filed with the department.

(2) Any arbitration instituted pursuant to this section shall be concluded either:

(A) Within five years from the institution of the arbitration proceeding.

(B) If the insured has a workers' compensation claim arising from the same accident, within three years of the date the claim is concluded, or within the five-year period set forth in subparagraph (A), whichever occurs later.

(3) The doctrines of estoppel, waiver, impossibility, impracticality, and futility apply to excuse a party's noncompliance with the statutory timeframe, as determined by the court.

(4) Parties to the insurance contract may stipulate in writing to extending the time to conclude arbitration.

(j) Notwithstanding subdivisions (b) and (i), in the event the accident occurs in any other state or foreign jurisdiction to which coverage is extended under the policy and the insurer of the tortfeasor becomes insolvent, any action authorized pursuant to this section may be maintained within three months of the insolvency of the tortfeasor's insurer, but in no event later than the pertinent period of limitation of the jurisdiction in which the accident occurred.

(k) Notwithstanding subdivision (i), any insurer whose insured has made a claim under his or her uninsured motorist coverage, and the claim is pending, shall, at least 30 days before the expiration of the applicable statute of limitation, notify its insured in writing of the statute of limitation applicable to the injury or death. Failure of the insurer to provide the written notice shall operate to toll any applicable statute of limitation or other time limitation for a period of 30 days from the date the written notice is actually given. The notice shall not be required if the insurer has received notice that the insured is represented by an attorney.

(l) As used in subdivision (b), "public or livery conveyance," or terms of similar import, shall not include the operation or use of a motor vehicle by the named insured in the performance of volunteer services for a nonprofit charitable organization or governmental agency by providing social service transportation as defined in subdivision (f) of Section 11580.1. This subdivision shall apply only to policies of insurance issued, amended, or renewed on or after January 1, 1976.

(m) Coverage provided under an uninsured motorist endorsement or coverage shall be offered with coverage limits equal to the limits of liability for bodily injury in the underlying policy of insurance, but shall not be required to be offered with limits in excess of the following amounts:

(1) A limit of thirty thousand dollars (\$30,000) because of bodily injury to or death of one person in any one accident.

(2) Subject to the limit for one person set forth in paragraph (1), a limit of sixty thousand dollars (\$60,000) because of bodily injury to or death of two or more persons in any one accident.

(n) Underinsured motorist coverage shall be offered with limits equal to the limits of liability for the insured's uninsured motorist limits in the underlying policy, and may be offered with limits in excess of the uninsured motorist coverage. For the purposes of this section, uninsured and underinsured motorist coverage shall be offered as a single coverage. However, an insurer may offer coverage for damages for bodily injury or wrongful death from the owner or operator of an underinsured motor vehicle at greater limits than an uninsured motor vehicle.

(o) If an insured has failed to provide an insurer with wage loss information or medical treatment record releases within 15 days of the insurer's request or has failed to submit to a medical examination arranged by the insurer within 20 days of the insurer's request, the insurer may, at any time prior to 30 days before the actual arbitration proceedings commence, request, and the insured shall furnish, wage loss information or medical treatment record releases, and the insurer may require the insured, except during periods of hospitalization, to make himself or herself available for a medical examination. The wage loss information or medical treatment record releases shall be submitted by the insured within 10 days of request and the medical examination shall be arranged by the insurer no sooner than 10 days after request, unless the insured agrees to an earlier examination date, and not later than 20 days after the request. If the insured fails to comply with the requirements of this subdivision, the actual arbitration proceedings shall be stayed for at least 30 days following compliance by the insured. The proceedings shall be scheduled as soon as practicable following expiration of the 30-day period.

(p) This subdivision applies only when bodily injury, as defined in subdivision (b), is caused by an underinsured motor vehicle. If the provisions of this subdivision conflict with subdivisions (a) through (o), the provisions of this subdivision shall prevail.

(1) As used in this subdivision, "an insured motor vehicle" is one that is insured under a motor vehicle liability policy, or automobile liability insurance policy, self-insured, or for which a cash deposit or bond has been posted to satisfy a financial responsibility law.

(2) "Underinsured motor vehicle" means a motor vehicle that is an insured motor vehicle but insured for an amount that is less than the uninsured motorist limits carried on the motor vehicle of the injured person.

(3) This coverage does not apply to any bodily injury until the limits of bodily injury liability policies applicable to all insured motor vehicles causing the injury have been exhausted by payment of judgments or settlements, and proof of the payment is submitted to the insurer providing the underinsured motorist coverage.

(4) When bodily injury is caused by one or more motor vehicles, whether insured, underinsured, or uninsured, the maximum liability of the insurer providing the underinsured motorist coverage shall not exceed the insured's underinsured motorist coverage limits, less the amount paid to the insured by or for any person or organization that may be held legally liable for the injury.

(5) The insurer paying a claim under this subdivision shall, to the extent of the payment, be entitled to reimbursement or credit in the amount received by the insured from the owner or operator of the underinsured motor vehicle or the insurer of the owner or operator.

(6) If the insured brings an action against the owner or operator of an underinsured motor vehicle, he or she shall forthwith give to the insurer providing the underinsured motorist coverage a copy of the complaint by personal service or certified mail. All pleadings and depositions shall be made available for copying or copies furnished the insurer, at the insurer's expense, within a reasonable time.

(7) Underinsured motorist coverage shall be included in all policies of bodily injury liability insurance providing uninsured motorist coverage issued or renewed on or after July 1, 1985. Notwithstanding this section, an agreement to delete uninsured motorist coverage completely, or with respect to a person or persons designated by name, executed prior to July 1, 1985, shall remain in full force and effect.

(q) Regardless of the number of vehicles involved whether insured or not, persons covered, claims made, premiums paid or the number of premiums shown on the policy, in no event shall the limit of liability for two or more motor vehicles or two or more policies be added together, combined, or stacked to determine the limit of insurance coverage available to injured persons.

SEC. 2. Section 11580.23 of the Insurance Code is amended to read:

11580.23. (a) If a suit for bodily injury has been filed against an uninsured motorist in a court of competent jurisdiction, notice in writing of the suit shall be provided the insurer of the insured plaintiff within a reasonable time after the insured knew or should have known of the uninsured status of the motorist, but in no event shall that notice be required before two years from the date of the accrual of the cause of action on which the claim is based. Failure of the insured or his or her representative to give notice shall not be a basis for denial of the uninsured motorist benefits in the absence of proof of prejudice by the insurer.

(b) The Legislature hereby finds that this section is declarative of existing law. It is the intent of the Legislature to abrogate the holdings in cases such as *State Farm Mutual Auto. Ins. Co. v. Patton*, 194 Cal. App. 3d 626, to the extent that they are inconsistent with this section.

Those decisions are abrogated and shall not apply to any matters not final.

CHAPTER 57

An act to amend Sections 25210.4a, 53961, and 56036 of the Government Code, and to amend Section 8136 of, to add Part 4 (commencing with Section 9000) to Division 8 of, and to repeal Part 4 (commencing with Section 8890) of Division 8 of, the Health and Safety Code, relating to cemeteries.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 25210.4a of the Government Code is amended to read:

25210.4a. "Miscellaneous extended services," as used in this chapter includes, but is not limited to, all of the following:

(1) Water service, including the acquisition, construction, operation, replacement, maintenance, and repair of water supply and distribution systems, including land, easements, rights-of-way, and water rights.

(2) Sewer service, including the acquisition, construction, operation, replacement, maintenance, and repair of sewage collection, transportation, and disposal systems, including land, easements, and rights-of-way.

(3) Pest or rodent control.

(4) Street and highway sweeping.

(5) Street and highway lighting, including the acquisition, construction, replacement, maintenance, and repair of a street or highway lighting system, including land, easements, and rights-of-way.

(6) Refuse collection.

(7) Garbage collection.

(8) Ambulance service.

(9) Planning for a part of the county by a planning agency established pursuant to Article 1 (commencing with Section 65100) of Chapter 3 of Title 7.

(10) Soil conservation and drainage control.

(11) Animal control.

(12) Services provided by a municipal advisory council established pursuant to Section 31010.

(13) Transportation services.

(14) Geologic hazard abatement on public or private property or structures where the board of supervisors determines that it is in the public interest to abate geologic hazards. "Geologic hazard," for purposes of this subdivision, means an actual or threatened landslide, land subsidence, soil erosion, earthquake, or any other natural or unnatural movement of land or earth.

(15) Road maintenance. Street, highway, and bridge construction, improvement and maintenance, including related drainage facilities and structures, necessary design and engineering services, and the acquisition of land, easements, and rights-of-way needed for the work. Article 3.5 (commencing with Section 20120) of Chapter 1 of Part 3 of Division 2 of the Public Contract Code is applicable to the furnishing of extended services pursuant to this paragraph.

(16) Interments pursuant to the Public Cemetery District Law, Part 4 (commencing with Section 9000) of Division 8 of the Health and Safety Code.

SEC. 2. Section 53961 of the Government Code is amended to read:

53961. The governing board of a public cemetery district organized pursuant to the Public Cemetery District Law, Part 4 (commencing with Section 9000) of Division 8 of the Health and Safety Code or the governing board of a mosquito abatement district or a vector control district organized pursuant to the Mosquito Abatement and Vector Control District Law, Chapter 1 (commencing with Section 2000) of Division 8 of the Health and Safety Code, may by resolution provide for the establishment of a revolving fund in an amount not to exceed 110 percent of one-twelfth of the district's adopted budget for that fiscal year. This fund, which shall replace the fund authorized in Section 53952, may be used to pay any authorized expenditures of the district. The resolution that established the district revolving fund shall conform with the designations required in Section 53952.

SEC. 3. Section 56036 of the Government Code is amended to read:

56036. (a) "District" or "special district" means an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries. "District" or "special district" includes a county service area, but excludes all of the following:

- (1) The state.
- (2) A county.
- (3) A city.
- (4) A school district or a community college district.
- (5) A special assessment district.
- (6) An improvement district.

(7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5.

(8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.

(9) An air pollution control district or an air quality maintenance district.

(10) A zone of a fire protection district, a mosquito abatement and vector control district, a public cemetery district, or a recreation and park district.

(b) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a "district" or a "special district" for the purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a "district" or a "special district:"

- (A) A unified or union high school library district.
- (B) A bridge and highway district.
- (C) A joint highway district.
- (D) A transit or rapid transit district.
- (E) A metropolitan water district.
- (F) A separation of grade district.

(2) Any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving an entity described in paragraph (1) shall be conducted pursuant to the principal act authorizing the establishment of that entity.

(c) Except as otherwise provided in paragraph (1), each of the entities listed in paragraph (1) is a "district" or "special district" for purposes of this division.

(1) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57175), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a "district" or "special district" if the commission of the principal county determines, in accordance with Sections 56127 and 56128, that the entity is not a "district" or "special district."

- (A) A flood control district.
- (B) A flood control and floodwater conservation district.
- (C) A flood control and water conservation district.
- (D) A conservation district.
- (E) A water conservation district.
- (F) A water replenishment district.
- (G) The Orange County Water District.

(H) A California water storage district.

(I) A water agency.

(J) A county water authority or a water authority.

(2) If the commission determines that an entity described in paragraph (1) is not a “district” or “special district,” any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving the entity shall be conducted pursuant to the principal act authorizing the establishment of that entity.

SEC. 3.5. Section 8136 of the Health and Safety Code is amended to read:

8136. Any city, including a chartered city, that owns and operates a cemetery may maintain a proceeding in the superior court of the county in which the cemetery is located to have any plot in the cemetery declared abandoned if the present owner of the plot is unknown to the city and a period of at least 50 years has passed since any portion of the plot has been used for interment purposes. The proceeding shall be initiated and conducted in the same manner as prescribed by Section 9069, except that any reference in that section to a public cemetery district shall be deemed to be a reference to the city for purposes of this section.

SEC. 4. Part 4 (commencing with Section 8890) of Division 8 of the Health and Safety Code is repealed.

SEC. 5. Part 4 (commencing with Section 9000) is added to Division 8 of the Health and Safety Code, to read:

PART 4. PUBLIC CEMETERY DISTRICTS

Chapter 1. General Provisions

9000. This part shall be known and may be cited as the Public Cemetery District Law.

9001. (a) The Legislature finds and declares all of the following:

(1) There is a continuing need to provide for the respectful and cost-effective interment of human remains to meet the cultural, economic, religious, and social needs of California’s diverse communities.

(2) The Legislature authorized the creation of public cemetery districts in 1909 to assume responsibility for the ownership, improvement, expansion, and operation of cemeteries and the provision of interment services from fraternal, pioneer, religious, social, and other organizations that were unable to provide for those cemeteries.

(3) For nearly a century, public cemetery districts have provided communities with the means to publicly finance the ownership, improvement, expansion, and operation of public cemeteries and the

provision of interment services, particularly in rural and formerly rural communities.

(4) Interment customs and practices have changed since the creation of the public cemetery districts but communities continue to need the means to own, improve, expand, and operate public cemeteries that provide respectful and cost-effective interments.

(b) In enacting this part, it is the intent of the Legislature to create and continue a broad statutory authority for a class of special districts that can own, improve, expand, and operate public cemeteries that provide respectful and cost-effective interments.

(c) It is also the intent of the Legislature that local officials adapt the powers and procedures provided by this part to meet the diversity of local conditions and circumstances.

9002. The definitions in Chapter 1 (commencing with Section 7000) of Part 1 of Division 7 apply to this part. Further, as used in this part, the following terms have the following meanings:

(a) "Active militia" means the active militia as defined by Section 120 of the Military and Veterans Code.

(b) "Armed services" means the armed services as defined by Section 18540 of the Government Code.

(c) "Board of trustees" means the legislative body of a district.

(d) "District" means a public cemetery district created pursuant to this part or any of its statutory predecessors.

(e) "Family member" means any spouse, by marriage or otherwise, child or stepchild, by natural birth or adoption, parent, brother, sister, half-brother, half-sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, first cousin, or any person denoted by the prefix "grand" or "great," or the spouse of any of these persons.

(f) "Firefighter" means a firefighter as defined by Section 1797.182.

(g) "Nonresident" means a person who does not reside within a district or does not pay property taxes on property located in a district.

(h) "Peace officer" means a peace officer as defined by Section 830 of the Penal Code.

(i) "Principal county" means the county having all or the greater portion of the entire assessed value, as shown on the last equalized assessment roll of the county or counties, of all taxable property within a district.

(j) "Voter" means a voter as defined by Section 359 of the Elections Code.

9003. (a) This part provides the authority for the organization and powers of public cemetery districts. This part succeeds the former Part 4 (commencing with Section 8890), as added by Chapter 60 of the Statutes of 1939, as subsequently amended, and any of its statutory predecessors.

(b) Any public cemetery district formed pursuant to the former Part 4 or any of its statutory predecessors that was in existence on January 1, 2004, shall remain in existence as if it has been organized pursuant to this part.

(c) Any indebtedness, special tax, benefit assessment, fee, election, ordinance, resolution, regulation, rule, or any other action of a district taken pursuant to the former Part 4 or of any of its statutory predecessors which was taken before January 1, 2004, shall not be voided solely because of any error, omission, informality, misnomer, or failure to comply strictly with this part.

9004. This part is necessary to protect the public health, safety, and welfare, and shall be liberally construed to effectuate its purposes.

9005. If any provision of this part or the application of any provision of this part in any circumstance or to any person, city, county, special district, school district, the state, or any agency or subdivision of the state is held invalid, that invalidity shall not affect other provisions or applications of this part that can be given effect without the invalid provision or application of the invalid provision, and to this end the provisions of this part are severable.

9006. (a) Any action brought to determine the validity of the organization or of any action of a district shall be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

(b) Any judicial review of an action taken pursuant to this part shall be conducted pursuant to Chapter 2 (commencing with Section 1084) of Title 1 of Part 3 of the Code of Civil Procedure.

9007. (a) Except as provided in this section, territory, whether incorporated or unincorporated, whether contiguous or noncontiguous, may be included in a district. Territory that is already within a public cemetery district or another type of special district that provides cemetery facilities and services shall not be included within a public cemetery district.

(b) Except as provided in this part, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, Division 3 (commencing with Section 56000) of Title 5 of the Government Code, shall govern any change of organization or reorganization of a district. In the case of any conflict between that division and this part, the provisions of this part shall prevail.

(c) A district shall be deemed an "independent special district," as defined by Section 56044 of the Government Code, except when a county board of supervisors has appointed itself as the board of trustees.

CHAPTER 2. FORMATION

9010. A new district may be formed pursuant to this chapter.

9011. (a) A proposal to form a new district may be made by petition. The petition shall do all of the things required by Section 56700 of the Government Code. In addition, the petition shall:

(1) Set forth the methods by which the district will be financed, including but not limited to special taxes, special benefit assessments, and fees.

(2) Propose a name for the district.

(3) Specify the size of the initial board of trustees and the method of their appointment.

(b) The petitions, the proponents, and the procedures for certifying the sufficiency of the petitions shall comply with Chapter 2 (commencing with Section 56700) of Part 3 of Division 3 of Title 5 of the Government Code. In the case of any conflict between that chapter and this chapter, the provisions of this chapter shall prevail.

(c) The petition shall be signed by not less than 25 percent of the registered voters residing in the area to be included in the district, as determined by the local agency formation commission.

9012. (a) Before circulating any petition, the proponents shall publish a notice of intention which shall include a written statement not to exceed 500 words in length, setting forth the reasons for forming the district and the methods by which the district will be financed. The notice shall be published pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation within the territory proposed to be included in the district. If the territory proposed to be included in the district is located in more than one county, publication of the notice shall be made in at least one newspaper of general circulation in each of the counties.

(b) The following shall be signed by a representative of the proponent, and shall be in substantially the following form:

“Notice of Intent to Circulate Petition

“Notice is hereby given of the intention to circulate a petition proposing to form the _____ [name of the district]. The reasons for forming the proposed district are: _____. The method(s) by which the proposed district will be financed are: _____.”

(c) Within five days after the date of publication, the proponents shall file with the executive officer of the local agency formation commission of the principal county a copy of the notice together with an affidavit

made by a representative of the newspaper in which the notice was published certifying to the fact of the publication.

(d) After the filing required pursuant to subdivision (c), the petition may be circulated for signatures.

9013. (a) A proposal to form a new district may also be made by the adoption of a resolution of application by the legislative body of any county or city that contains the territory proposed to be included in the district. Except for the provisions regarding the signers, signatures, and the proponents, a resolution of application shall contain all of the matters specified for a petition in Section 9011.

(b) Before adopting a resolution of application, the legislative body shall hold a public hearing on the resolution. Notice of the hearing shall be published pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation within the county or city. At least 20 days before the hearing, the legislative body shall give mailed notice of its hearing to the executive officer of the local agency formation commission of the principal county. The notice shall generally describe the proposed formation of the district and the territory proposed to be included in the district.

(c) At the hearing, the legislative body shall give any person an opportunity to present his or her views on the resolution.

(d) The clerk of the legislative body shall file a certified copy of the resolution of application with the executive officer of the local agency formation commission of the principal county.

9014. (a) Once the proponents have filed a sufficient petition or a legislative body has filed a resolution of application, the local agency formation commission shall proceed pursuant to Part 3 (commencing with Section 56650) of Division 3 of Title 5 of the Government Code.

(b) Notwithstanding any other provision of law, a local agency formation commission shall not approve a proposal that includes the formation of a district unless the commission determines both of the following:

(1) That the public interest requires the formation of the proposed district.

(2) That the proposed district will have sufficient revenues to carry out its purposes.

(c) Notwithstanding paragraph (2) of subdivision (b), a local agency formation commission may approve a proposal that includes the formation of a district where the commission has determined that the proposed district will not have sufficient revenue, provided that the commission conditions the approval on the approval by the voters of special taxes or approval by the property owners of special benefit assessments that will generate those sufficient revenues. The commission shall provide that if the voters do not approve the special

taxes or if the property owners do not approve the special benefit assessments, the proposed district shall not be formed.

(d) If the local agency formation commission approves the proposal for the formation of a district, then, notwithstanding Section 57007 of the Government Code, the commission shall proceed pursuant to Part 4 (commencing with Section 57000) of Division 3 of Title 5 of the Government Code.

(e) Notwithstanding Section 57075 of the Government Code, the local agency formation commission shall take one of the following actions:

(1) If a majority protest exists in accordance with Section 57078 of the Government Code, the commission shall terminate proceedings.

(2) If no majority protest exists, the commission shall either:

(A) Order the formation subject to the approval by the voters.

(B) Order the formation subject to the approval by the voters of a special tax or the approval by the property owners of a special benefit assessment, pursuant to subdivision (c).

(f) If the local agency formation commission orders the formation of a district pursuant to paragraph (2) of subdivision (e), the commission shall direct the board of supervisors to direct county officials to conduct the necessary elections on behalf of the proposed district.

CHAPTER 3. BOARD OF TRUSTEES

9020. A legislative body of at least three members known as the board of trustees shall govern every district. The board of trustees shall establish policies for the operation of the district. The board of trustees shall provide for the faithful implementation of those policies which is the responsibility of the employees of the district.

9021. Within 30 days after the effective date of the formation of a district, a board of trustees shall be appointed as follows:

(a) In the case of a district that contains territory in a single county, the board of supervisors shall appoint three or five persons to the board of trustees.

(b) In the case of a district that contains territory in more than one county, the board of supervisors of the principal county shall appoint three or five persons from any county in which the district is located to the board of trustees.

9022. (a) Each person appointed by a board of supervisors to be a member of a board of trustees shall be a voter in the district.

(b) All trustees shall exercise their independent judgment on behalf of the interests of the residents, property owners, and the public as a whole in furthering the purposes and intent of this part. The trustees shall

represent the interests of the public as a whole and not solely the interests of the board of supervisors that appointed them.

9023. (a) The initial board of trustees of a district formed on or after January 1, 2004, shall be determined pursuant to this section.

(b) The persons appointed to the initial board of trustees shall meet on the first Monday after 45 days after the effective date of the formation of the district.

(c) At the first meeting of the initial board of trustees, the trustees shall classify themselves by lot into two classes, as nearly equal as possible. The term of office of the class having the greater number shall expire at noon on the first Monday in January that is closest to the fourth year from the appointments made pursuant to Section 9021. The term of office of the class having the lesser number shall expire at noon on the first Monday in January that is closest to the second year from the appointments made pursuant to Section 9021.

9024. (a) Except as provided in subdivision (b) of this section, subdivision (c) of Section 9023, and subdivision (d) of Section 9026, the term of office for a member of the board of trustees shall be for a term of four years and until the appointment and qualification of the successor. Terms of office commence at noon on the first Monday in January.

(b) For districts formed before January 1, 2004, where the members of the board of trustees are not serving staggered terms, the board of supervisors shall stagger the terms of the trustees and to accomplish this purpose shall appoint trustees, on or after January 1, 2004, for terms of less than four years. However, a board of supervisors shall not reduce the term of office of a trustee once the trustee has been appointed to that term, whether the appointment was made before, on, or after January 1, 2004.

(c) Any vacancy in the office of a member appointed to a board of trustees shall be filled promptly pursuant to Section 1779 of the Government Code. Any person appointed to fill a vacant office shall fill the balance of the unexpired term.

9025. (a) A board of trustees may adopt a resolution requesting the board of supervisors of the principal county to increase or decrease the number of members of the board of trustees. The resolution shall specify the number of members for which the board of trustees requests the increase or decrease.

(b) Within 60 days of receiving a resolution adopted pursuant to subdivision (a), the board of supervisors shall consider the resolution at a public hearing. The board of supervisors shall give notice of its hearing by publishing a notice pursuant to Section 6061 of the Government Code in at least one newspaper of general circulation within the jurisdiction of the district at least 10 days before the hearing. In addition, the board of supervisors shall mail the notice at least 10 days before the hearing

to the district and any other person who has filed written request for notice with the clerk of the board of supervisors.

(c) At its hearing, the board of supervisors shall receive and consider any written or oral comments regarding the resolution. After receiving and considering those comments, the board of supervisors may adopt a resolution that orders the increase or decrease in the number of members of the board of trustees.

(d) If the board of supervisors adopts a resolution that orders an increase in the number of members of the board of trustees, the board of supervisors shall promptly appoint a person or persons to the board of trustees and specify their term of office, consistent with the requirements of this part. If the board of supervisors adopts a resolution that orders a decrease in the number of members of the board of trustees, the board of supervisors shall designate the trustee or trustees whose office shall be eliminated at the termination of the trustee's current term of office. Any trustee whose office is designated to be eliminated shall continue to serve until his or her term expires.

9026. (a) The board of supervisors of the principal county may appoint itself to be the board of trustees of a district and the board of supervisors may divest itself of that authority, pursuant to this section.

(b) In the case of a district that has a board of trustees appointed by the board of supervisors, the board of supervisors may adopt a resolution declaring its intention to appoint itself to be the board of trustees of the district. In the case of a district where the board of supervisors has appointed itself to be the board of trustees, the board of supervisors may adopt a resolution declaring its intention to divest itself of that authority.

(c) Within 60 days of adopting a resolution adopted pursuant to subdivision (b), the board of supervisors shall hold a public hearing on the question whether the board of supervisors should govern the district. The board of supervisors shall give notice of its hearing by publishing a notice pursuant to Section 6061 of the Government Code in at least one newspaper of general circulation within the jurisdiction of the district at least 10 days before the hearing. In addition, the board of supervisors shall mail the notice at least 10 days before the hearing to the district and any other person who has filed written request for notice with the clerk of the board of supervisors.

(d) At its hearing, the board of supervisors shall receive and consider any written or oral comments regarding a resolution adopted pursuant to subdivision (b). At the conclusion of the hearing, the board of supervisors shall make a finding regarding the value of written protests filed and not withdrawn and take one of the following actions:

(1) In the case of a district that has a board of trustees appointed by the board of supervisors:

(A) If the written protests filed and not withdrawn are less than 10 percent of the registered voters of the district, the board of supervisors may by a majority vote adopt a resolution terminating the appointed board of trustees and appointing itself as the board of trustees of the district. In that case, the terms of any trustees appointed by the board of supervisors shall terminate immediately.

(B) If the written protests filed and not withdrawn are 10 percent or more of the registered voters of the district, the board of supervisors may determine that the proposed change in governance is necessary to protect the public health, safety, and welfare. If the board of supervisors makes that determination, the board of supervisors may override those protests and by a four-fifths vote adopt a resolution terminating the appointed board of trustees and appointing itself as the board of trustees of the district. In that case, the terms of any trustees appointed by the board of supervisors shall terminate immediately.

(C) If the written protests filed and not withdrawn are 10 percent or more of the registered voters of the district and if the board of supervisors does not adopt a resolution pursuant to paragraph (B), the board of supervisors shall adopt a resolution that terminates the proceedings to change the governance of the district.

(2) In the case of a district where the board of supervisors has appointed itself to be the board of trustees:

(A) If the written protests filed and not withdrawn are less than 10 percent of the registered voters of the district, the board of supervisors may by a majority vote adopt a resolution divesting itself of that authority. In that case, the board of supervisors shall promptly appoint persons as members of the board of trustees pursuant to this part.

(B) If the written protests filed and not withdrawn are 10 percent or more of the registered voters of the district, the board of supervisors may determine that the proposed change in governance is necessary to protect the public health, safety, and welfare. If the board of supervisors makes that determination, the board of supervisors may override those protests and by a four-fifths vote adopt a resolution divesting itself of that authority. In that case, the board of supervisors shall promptly appoint persons as members of the board of trustees pursuant to this part.

(C) If the written protests filed and not withdrawn are 10 percent or more of the registered voters of the district and if the board of supervisors does not adopt a resolution pursuant to paragraph (B), the board of supervisors shall adopt a resolution that terminates the proceedings to change the governance of the district.

9027. (a) A local agency formation commission, in approving either a consolidation of districts or the reorganization of two or more districts into a single district, may, pursuant to subdivisions (k) and (n) of Section 56886 of the Government Code, change the number of

members on the board of trustees of the consolidated or reorganized district, provided that the resulting number of trustees shall be an odd number but not less than five.

(b) Upon the expiration of the terms of the members of the board of trustees of the consolidated or reorganized district whose terms first expire following the effective date of the consolidation or reorganization, the total number of members on the board of trustees shall be reduced until the number equals the number of members determined by the local agency formation commission.

(c) Notwithstanding subdivision (c) of Section 9024, in the event of a vacancy on the board of trustees of the consolidated or reorganized district at a time when the number of members of the board of trustees is greater than the number determined by the local agency formation commission, the vacancy shall not be filled and the membership of the board of trustees shall be reduced by one member.

9028. (a) At the first meeting of the initial board of trustees of a newly formed district, and in the case of an existing district not later than the first meeting of every calendar year, the board of trustees shall elect its officers.

(b) The officers of a board of trustees are a chairperson, vice chairperson, and a secretary. The chairperson and vice chairperson shall be trustees. The secretary may be either a trustee or a district employee. A board of trustees may create additional officers and elect members to those positions. No trustee shall hold more than one office.

(c) Except as provided in Section 9077, the county treasurer of the principal county shall act as the district treasurer. The county treasurer shall receive no compensation for the receipt and disbursement of money of the district.

9029. A board of trustees shall meet at least once every three months. Meetings of the board of trustees are subject to the provisions of the Ralph M. Brown Act, Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code.

9030. (a) A majority of the board of trustees shall constitute a quorum for the transaction of business.

(b) Except as otherwise specifically provided to the contrary in this part, a recorded vote of a majority of the total membership of the board of trustees is required on each action.

(c) The board of trustees shall act only by ordinance, resolution, or motion.

(d) The board of trustees shall keep a record of all of its acts, including financial transactions.

(e) The board of trustees shall adopt rules for its proceedings.

9031. (a) The board of trustees may provide, by ordinance or resolution, that each of its members may receive compensation in an

amount not to exceed one hundred dollars (\$100) for attending each meeting of the board. A member of the board of trustees shall not receive compensation for more than four meetings of the board in a month.

(b) The board of trustees, by ordinance adopted pursuant to Chapter 2 (commencing with Section 20200) of Division 10 of the Water Code, may increase the amount of compensation received for attending meetings of the board.

(c) In addition, members of the board of trustees may receive their actual and necessary traveling and incidental expenses incurred while on official business other than a meeting of the board.

(d) A member of the board of trustees may waive any or all of the payments permitted by this section.

(e) For the purposes of this section, a meeting of the board of trustees includes, but is not limited to, regular meetings, special meetings, closed sessions, emergency meetings, board field trips, district public hearings, or meetings of a committee of the board.

CHAPTER 4. POWERS

9040. (a) A district may own, operate, improve, and maintain cemeteries and provide interment services within its boundaries.

(b) A district shall maintain the cemeteries owned by the district.

(c) The district that owns a cemetery shall have exclusive jurisdiction and control over its maintenance and management.

9041. A district shall have and may exercise all rights and powers, expressed or implied, necessary to carry out the purposes and intent of this part, including, but not limited to, all of the following powers:

(a) To sue and be sued.

(b) To acquire by purchase, eminent domain, grant, gift, lease, or other lawful means, any real property within the district or any personal property that may be necessary or proper to carry out the purposes and intent of this part.

(c) To sell, lease, or otherwise dispose of any real or personal property. A board of trustees may exchange equivalent properties if the board determines that the exchange is in the best interests of the district.

(d) To donate any surplus real or personal property to any public agency or nonprofit organizations.

(e) To engage necessary employees, to define their qualifications and duties, and to provide a schedule of compensation for performance of their duties.

(f) To engage counsel and other professional services.

(g) To enter into and perform all necessary contracts.

(h) To borrow money, give security therefore, and purchase on contract, as provided in this part.

- (i) To adopt a seal and alter it at pleasure.
 - (j) To adopt ordinances following the procedures of Article 7 (commencing with Section 25120) of Chapter 1 of Part 2 of Division 2 of Title 3 of the Government Code.
 - (k) To adopt and enforce rules and regulations for the administration, maintenance, operation, and use of cemeteries.
 - (l) To enter joint powers agreements pursuant to the Joint Exercise of Powers Act, Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.
 - (m) To provide insurance pursuant to Part 6 (commencing with Section 989) of Division 3.6 of Title 1 of the Government Code.
 - (n) To provide training to trustees that will assist in the governance of the district.
 - (o) To appoint one or more advisory committees to make recommendations for the ownership, improvement, expansion, and the operation of cemeteries owned by the district and the provision of interment services.
 - (p) To take any and all actions necessary for, or incidental to, the powers expressed or implied by this part.
9042. (a) When acquiring, improving, or using any real property, a district shall comply with Article 5 (commencing with Section 53090) of Chapter 1 of Part 1 of Division 2 of Title 5 and Article 7 (commencing with Section 65400) of Chapter 1 of Division 1 of Title 7 of the Government Code.
- (b) When disposing of surplus land, a district shall comply with Article 8 (commencing with Section 54220) of Chapter 5 of Part 1 of Division 2 of Title 5 of the Government Code.
9043. (a) A district shall have perpetual succession.
- (b) A board of trustees may, by a two-thirds vote of its total membership, adopt a resolution to change the name of the district. The name shall contain the words "public cemetery district" or "cemetery district." The resolution shall comply with the requirements of Chapter 23 (commencing with Section 7530) of Division 7 of Title 2 of the Government Code. Within 10 days of its adoption, the board of trustees shall file a copy of its resolution with the Secretary of State, the county clerk, the board of supervisors, and the local agency formation commission of each county in which the district is located.
- (c) A district may destroy a record, paper, or document pursuant to Chapter 7 (commencing with Section 60200) of Division 1 of Title 6 of the Government Code, unless the board of trustees determines that there is a need for its retention. In determining whether there is a need for retaining a document, the board of trustees shall consider future public need, the effect on statutes of limitation, and historical significance. This

subdivision does not apply to records of interments that are governed by Section 9064.

9044. (a) Each district shall adopt policies and procedures, including bidding regulations, governing the purchase of supplies and equipment. Each district shall adopt these policies and procedures by rule or regulation pursuant to Article 7 (commencing with Section 54201) of Chapter 5 of Division 2 of Title 5 of the Government Code.

(b) A district may request the Department of General Services to make purchases of materials, equipment, or supplies on its behalf pursuant to Section 10298 of the Public Contract Code.

(c) A district may request the purchasing agent of the principal county to make purchases of materials, equipment, or supplies on its behalf pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3 of the Government Code.

(d) A district may request the purchasing agent of the principal county to contract with persons to provide projects, services, and programs authorized by this part pursuant to Article 7 (commencing with Section 25500) of Chapter 5 of Division 2 of Title 3 of the Government Code.

9045. (a) The Myers-Milias-Brown Act, Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code applies to all districts.

(b) A board of trustees may adopt an ordinance establishing an employee relations system that may include, but is not limited to, a civil service system or a merit system.

9046. A board of trustees may require any employee or officer to be bonded. The district shall pay the cost of the bonds.

9047. A board of trustees may provide for any programs for the benefit of its employees and members of the board of trustees pursuant to Chapter 2 (commencing with Section 53200) of Part 1 of Division 2 of Title 5 of the Government Code.

9048. A district may authorize the members of its board of trustees and its employees to attend professional, educational, or vocational meetings, and pay their actual and necessary traveling and incidental expenses while on official business. The payment of expenses pursuant to this section may be in addition to the payments made pursuant to Section 9031.

9049. A district may sell interment rights in its cemeteries, columbariums, and mausoleums, subject to the limitations of this part.

9050. (a) A district may acquire, construct, improve, maintain, or repair a columbarium for the placement of cremated remains.

(b) A district shall comply with the Mausoleum and Columbarium Law, Part 5 (commencing with Section 9501).

(c) A district that sells interment rights in a columbarium shall require a deposit to be made in the endowment care fund pursuant to Section 9065.

9051. (a) A district may acquire, maintain, or repair a mausoleum for crypt entombment that was completed on or before May 1, 1937. A district may construct additions to the mausoleum.

(b) Notwithstanding subdivision (a), the Visalia Public Cemetery District may acquire and manage the mausoleum originally constructed by the City of Visalia in 1965.

(c) Notwithstanding subdivision (a), the Arroyo Grande Cemetery District may allow a private mausoleum, as defined by Section 9504.5. The cost of construction and maintenance shall be completely borne by the person or persons for whom the private mausoleum is constructed. That person or persons shall contribute to a special care trust fund an amount of money that, when invested, will provide a return sufficient to assure adequate maintenance of the private mausoleum. The district shall not use public funds to construct, maintain, or repair a private mausoleum.

(d) Notwithstanding subdivision (a), a district may allow a private mausoleum, as defined by Section 9504.5, if the mausoleum was completed on or before January 1, 2003.

(e) A district shall comply with the Mausoleum and Columbarium Law, Part 5 (commencing with Section 9501).

9052. (a) A district may require that monuments or markers shall be placed at interment plots.

(b) A district may adopt minimum requirements for the permanency of monuments or markers.

(c) A district may cause to be purchased and placed suitable permanent monuments or markers at the interment plots of indigents, persons whose estates are insufficient to pay for the monuments or markers, or persons who have no responsible survivors to pay for the monuments or markers. A district may accept gifts or donations for the exclusive purpose of purchasing and placing these monuments or markers.

(d) A district, a member of the board of trustees, a district officer, or a district employee shall not engage in the business of selling monuments or markers.

9053. A district may sell accessory and replacement objects that are necessary or convenient to interments, including but not limited to burial vaults, liners, and flower vases, but excluding monuments or markers.

9054. (a) A district may use or lease land acquired for a future cemetery for an enterprise if all of the following conditions apply:

(1) The district has filed with the county recorder a declaration of intention to use the land for a cemetery.

(2) The amount of land is reasonably necessary for the district's future requirements.

(3) The enterprise is consistent with the applicable regulations of the city or county in which the land is located.

(4) The enterprise does not permit the conduct of funeral or cemetery functions not authorized by this part.

(5) The enterprise does not prevent the future use of the land as a cemetery.

(b) A district may lease land acquired for future cemetery use to a public agency for recreational use, provided that the district has filed with the county recorder a declaration of intention to use the land for a cemetery.

(c) Nothing in this part authorizes a district to acquire or retain real property that is not reasonably necessary for the district's future requirements.

9055. (a) A district may convey a cemetery owned by the district to any cemetery authority, pursuant to this section.

(b) The board of trustees of a district that proposes to convey a cemetery owned by the district to a cemetery authority shall adopt a resolution of intention that contains:

(1) A description of the cemetery that the district proposes to convey.

(2) The name of the cemetery authority to which the district proposes to convey the cemetery.

(3) An appendix that reports the cemetery's current assets and current liabilities and contains a reasonable projection of the district's ability to finance the ownership, improvement, expansion, and operation of the cemetery in the future.

(4) The terms and conditions of the proposed conveyance. The terms and conditions shall require all of the following:

(A) The cemetery authority maintain the cemetery as a endowment care cemetery pursuant to Sections 8738 and 8738.1.

(B) Appropriate consideration, as determined by the board of trustees.

(C) A restriction in the deed that conveys the cemetery to the cemetery authority that will permit the district or another public agency as the district's successor in interest to enter the cemetery and perform any repairs, restoration, or maintenance that the district or its successor deems necessary to protect the public interest, and will require the cemetery authority to reimburse the district or its successor for those costs.

(D) Any other terms and conditions that the board of trustees determines to be necessary to protect the public interest in the cemetery.

(5) A declaration that the proposed conveyance is in the public interest and in the best interests of the district.

(c) The board of trustees shall send its resolution of intention to the board of supervisors of the principal county.

(d) Within 60 days of receiving a resolution of intention adopted pursuant to subdivision (b), the board of supervisors shall hold a public hearing on the proposed conveyance. The board of supervisors shall give notice of its hearing by publishing a notice pursuant to Section 6064 of the Government Code in at least one newspaper of general circulation within the jurisdiction of the district with the first day of publication at least 30 days before the hearing. The board of supervisors shall post the public notice in at least three public places within the jurisdiction of the district, at least 30 days before the hearing. One of the public places shall be at the cemetery that the district proposes to convey, and one of the public places shall be at the offices of the district. In addition, the board of supervisors shall mail the notice at least 30 days before the hearing to the district, the cemetery authority, and any other person who has filed written request for notice with the clerk of the board of supervisors.

(e) At its hearing, the board of supervisors shall receive and consider any written or oral comments regarding the proposed conveyance of the cemetery. At the conclusion of the hearing, the board of supervisors shall make a finding regarding the value of written protests filed and not withdrawn and take one of the following actions:

(1) If the written protests filed and not withdrawn are at least 50 percent of the registered voters of the district or property owners owning at least 50 percent of the assessed value of the land within the district, the board of supervisors shall adopt a resolution that terminates the proceedings to convey the cemetery.

(2) If the written protests filed and not withdrawn are less than 50 percent of the registered voters of the district or property owners owning less than 50 percent of the assessed value of the land within the district, the board of supervisors may by a four-fifths vote adopt a resolution that concurs in the conveyance of the cemetery to the cemetery authority.

(f) The board of supervisors shall send copies of its resolution adopted pursuant to subdivision (e) to the district and the cemetery authority.

(g) If the board of supervisors adopts a resolution that concurs in the proposed conveyance of the cemetery, the board of trustees may order the conveyance of the cemetery to the cemetery authority, subject to the terms and conditions set by the board of trustees and concurred in by the board of supervisors.

9056. (a) A district may dedicate real property or an interest in real property owned by the district to another public agency for use as roads or utility rights-of-way, including but not limited to water, sewer, drainage, gas or electricity transmission, or communications purposes, pursuant to this section.

(b) The board of trustees of a district that proposes to dedicate real property or an interest in real property owned by the district to another public agency shall adopt a resolution of intention that contains:

- (1) A description of the real property or interest in real property.
- (2) The name of the public agency to which the district proposes to dedicate the property.
- (3) The terms and conditions, including any consideration, of the proposed dedication.
- (4) Findings, based on substantial evidence in the record:
 - (A) That the real property has never been used for interments.
 - (B) That no interment rights have been sold or leased for the real property.
 - (C) That the district does not need the property for cemetery purposes.
- (5) A statement of the reason or reasons for the proposed dedication.
- (6) A declaration that the proposed dedication is in the public interest and in the best interests of the district.

(c) Within 60 days of adopting a resolution of intention pursuant to subdivision (b), the board of trustees shall hold a public hearing on the proposed dedication. The board of trustees shall give notice of its hearing by publishing a notice pursuant to Section 6061 of the Government Code in at least one newspaper of general circulation within the jurisdiction of the district at least 10 days before the hearing. The board of trustees shall post the public notice in at least three public places within the jurisdiction of the district, at least 10 days before the hearing. One of the public places shall be at the real property that the district proposes to dedicate, and one of the public places shall be at the offices of the district. In addition, the board of trustees shall mail the notice at least 10 days before the hearing to the other public agency and any other person who has filed written request for notice with the board of trustees.

(d) If the board of trustees adopts a resolution that dedicates the real property to another public agency, the board of trustees shall promptly execute a deed of dedication and send the deed to the other public agency. The dedication is effective when the other public agency records the deed of dedication with the county recorder of the county in which the real property is located.

CHAPTER 5. INTERMENTS

9060. (a) A district shall limit interment in a cemetery owned by the district to interment in the ground, in columbariums, and in mausoleums, as provided in this part.

(b) A district shall limit interments to:

- (1) Persons who are residents of the district.

(2) Persons who are former residents of the district and who acquired interment rights while they were residents of the district.

(3) Persons who pay property taxes on property located in the district.

(4) Persons who formerly paid property taxes on property located in the district and who acquired interment rights while they paid those property taxes.

(5) Eligible nonresidents of the district, as provided in this chapter.

(6) Persons who are family members of any person described in this subdivision.

9061. (a) A district may inter a person who is not a resident of the district or a person who does not pay property taxes on property located in the district in a cemetery owned by the district if all of the following apply:

(1) The district has an endowment care fund that requires at least the minimum payment set pursuant to Section 9065.

(2) The district requires the payment of a nonresident fee set pursuant to Section 9068. A board of trustees may adopt a written policy that permits waiving the payment of the nonresident fee for a nonresident who had purchased an interment right while a resident or a taxpayer.

(3) The person meets the conditions listed in one or more of subdivisions (b) through (e).

(b) A person is an eligible nonresident pursuant to paragraph (5) of subdivision (b) of Section 9060 if the person is a family member of a person who is already interred in a cemetery owned by the district or is a family member of a person who has acquired interment rights in a cemetery owned by a district.

(c) A person is an eligible nonresident pursuant to paragraph (5) of subdivision (b) of Section 9060 if all of the following apply:

(1) The person was a resident of the district or paid property taxes on property located in the district for continuous period of at least five years, a portion of which time period shall have occurred within the 10 years immediately before the person's death.

(2) The district receives a written request for the interment of the person from a person who is a resident of the district or who pays property taxes on property located within the district, and the person submitting the written request is not a trustee, officer, or employee of the district and is not a funeral director or an employee of a funeral director.

(3) The board of trustees determines that the cemetery has adequate space for the foreseeable future.

(d) A person is an eligible nonresident pursuant to paragraph (5) of subdivision (b) of Section 9060 if all of the following apply:

(1) The person was a resident of this state at the time of death.

(2) There is no private cemetery within a straight-line radius of 15 miles of the person's residence.

(3) There is no private cemetery nearer to the person's residence than the nearest cemetery owned by the district.

(4) The distances shall be measured in a straight line from the person's residence to the nearest private cemetery and the nearest cemetery owned by the district.

(e) A person is an eligible nonresident pursuant to paragraph (5) of subdivision (b) of Section 9060 if all of the following apply:

(1) The person died while either:

(A) Serving in the Armed Forces or the active militia, or

(B) In the line of duty as a peace officer or firefighter.

(2) The board of trustees determines that the cemetery has adequate space for the foreseeable future.

9062. Notwithstanding Section 9060, the board of trustees may contract with any county in which the district is located to inter persons for whose interment the county is responsible pursuant to Chapter 10 (commencing with Section 27460) of Division 2 of Title 3 of the Government Code or Chapter 3 (commencing with Section 7100) of Part 1 of Division 7 of this code, if all of the following apply:

(a) The board of trustees determines that the cemetery has adequate space for the foreseeable future.

(b) The district has an endowment care fund that requires at least the minimum payment set pursuant to Section 9065.

(c) The contract requires the county to pay the costs of the interment, including a payment to the district's endowment care fund.

9063. Notwithstanding Section 9060, the Oroville Cemetery District may use its cemetery on Feather River Boulevard, north of Oro Dam Boulevard for up to a total of 100 interments, for interment in the ground of any person who is not a resident of the district if all of the following apply:

(a) The board of trustees determines that the cemetery has adequate space for the foreseeable future.

(b) The district has an endowment care fund that requires at least the minimum payment set pursuant to Section 9065.

(c) The district requires the payment of a nonresident fee set pursuant to Section 9068.

9064. (a) The board of trustees shall cause to be prepared and maintained accurate and current records of:

(1) The cemeteries owned by the district, showing the location of the sites where persons have acquired interment rights, including the names and addresses of the persons who have acquired these interment rights, and the location of plots where interment rights are available for acquisition.

(2) All remains interred in cemeteries owned by the district, including the name of each person, his or her age at the time of death, place of

death, date of interment, the interment plot, and the name and address of the funeral director.

(b) A district may keep the records required by this section in their original form or by any other method that can produce an accurate reproduction of the original record.

9065. (a) The board of trustees shall create an endowment care fund.

(b) The board of trustees shall require a payment into the endowment care fund for each interment right sold. The amount of the payment shall be not less than the minimum amounts set by Section 8738.

(c) The board of trustees may require a payment into the endowment care fund for each interment where no payment has previously been made. The amount of the payment shall be not less than the minimum amounts set by Section 8738.

(d) The board of trustees may pay into the endowment care fund any money from the district's general fund and from any other sources which is necessary or expedient to provide for the endowment care of the cemeteries owned by the district.

(e) The board of trustees shall not spend the principal of the endowment care fund.

(f) The board of trustees shall cause the income from the endowment care fund to be deposited in an endowment income fund and spent solely for the care of the cemeteries owned by the district.

9066. The board of trustees shall cause the principal of the endowment care fund to be invested and reinvested in:

(a) Securities and obligations designated by Section 53601 of the Government Code.

(b) Obligations of the United States or obligations for which the faith and credit of the United States are pledged for the payment of principal and interest. These shall not be limited to maturity dates of one year or less.

(c) Obligations issued under authority of law by any county, municipality, or school district in this state for which are pledged the faith and credit of that county, municipality, or school district for the payment of principal and interest, if within 10 years immediately preceding the investment that county, municipality, or school district was not in default for more than 90 days in the payment of principal or interest upon any legally authorized obligations issued by it.

(d) Obligations of the State of California or those for which the faith and credit of the State of California are pledged for the payment of principal and interest.

(e) Interest-bearing obligations issued by a corporation organized under the laws of any state, or of the United States, provided that they

bear a Standard and Poor's financial rating of AAA at the time of the investment.

(f) Certificates of deposit or other interest-bearing accounts in any bank in this state insured by the Federal Deposit Insurance Corporation.

(g) Investment certificates or shares in any state or federally chartered savings and loan association insured by the Federal Savings and Loan Insurance Corporation.

9067. The board of trustees may cause the funds deposited in the endowment income fund pursuant to subdivision (f) of Section 9065 that are not required for the immediate care of the cemeteries owned by the district to be invested in the securities and obligations designated by Section 53601 of the Government Code.

9068. (a) The board of trustees shall adopt a schedule of fees for interments in cemeteries owned by the district and for other necessary and convenient services.

(b) The board of trustees shall also adopt a schedule of fees for nonresidents. The board of trustees shall set these fees at an amount that at least equals the amount of fees charged to residents or taxpayers and shall include a nonresident fee of at least 15 percent of that amount.

9069. (a) A district may seek the abandonment of an interment plot in a cemetery owned by the district pursuant to this section.

(b) The board of trustees shall file a petition with the superior court of the principal county which contains all of the following:

(1) An identification of the interment plot that the district desires to be declared abandoned.

(2) A statement that the district has made a diligent search to locate the present owner of the interment plot.

(3) A statement that the present owner of the interment plot is unknown to the district.

(4) A statement that, to the best knowledge of the district, at least 50 years have passed since any portion of the interment plot has been used for interment purposes.

(5) A statement that, after a reasonable physical investigation of the interment plot, the interment plot has not been used for the interment of human remains.

(6) A request that the court declare the interment plot abandoned.

(c) Upon the filing of a petition pursuant to subdivision (b), the clerk of the superior court shall set a time for a hearing on the petition.

(d) After the clerk of the superior court has set the hearing, the district shall give notice of the court's hearing. The notice shall identify the interment plot that the district desires to be declared abandoned, state the name and address of the last known owner of the interment plot, state that the court will hold a hearing to determine whether to declare the interment plot abandoned, and state the time and place of the court's

hearing. The district shall give notice of the court's hearing by publishing a notice pursuant to Section 6061 of the Government Code in at least one newspaper of general circulation within the jurisdiction of the district at least 10 days before the hearing. The district shall post the public notice in at least three public places within the jurisdiction of the district, at least 10 days before the hearing. One of the public places shall be at the interment plot that the district desires to be declared abandoned, and one of the public places shall be at the offices of the district. In addition, the district shall mail the notice by certified mail, return receipt requested, at least 10 days before the hearing to the last known owner of the interment plot.

(e) At the time set for the hearing, the superior court shall hear and consider any evidence that is introduced in favor or, and any objections to, the abandonment of the interment plot. The court may continue its hearing from time to time. The court shall determine from the evidence presented whether the facts stated in the district's petition are true. The court shall dismiss any portion of the district's petition if the court determines that any of the facts stated in that portion of the petition are not true, or if the court determines the identity of the present owner of the interment plot. If the court determines that the facts stated in the district's petition are true, the court may order that the interment plot shall be deemed abandoned and full title shall revert to the district. The superior court's order shall not become final until one year after the date on which the court made its order.

(f) Within 30 days after the date on which the superior court made its order, the district shall give notice of the court's order. The notice shall identify the interment plot that the district desires to be declared abandoned, state the name and address of the last known owner of the interment plot, and state the date on which the court's order will be final. The district shall give notice of the court's order by publishing a notice pursuant to Section 6061 of the Government Code in at least one newspaper of general circulation within the jurisdiction of the district. The district shall post the public notice in at least three public places within the jurisdiction of the district. One of the public places shall be at the interment plot that the district desires to be declared abandoned, and one of the public places shall be at the offices of the district. In addition, the district shall mail the notice by certified mail, return receipt requested, to the last known owner of the interment site.

(g) At any time before the superior court's order becomes final, any person may petition the court to reopen the proceeding. Upon receiving a petition and after giving notice to the district, the court may reopen the proceeding. The court may hear and consider any additional evidence regarding the facts in the district's petition. The court may amend its previous order. If the court determines that any of the facts stated in any

portion of the district's petition are not true, or if the court determines the identify of the present owner of the interment plot, the court shall dismiss that portion of the district's petition.

(h) The interment plot shall be deemed abandoned on the date on which the superior court's order becomes final. The district shall record the court's order in the office of the county recorder of the county in which the interment plot is located. Upon recordation of the court's order, the district is the owner of the interment plot and the district may resell the interment rights.

(i) If, after the proceedings taken pursuant to this section, the district discovers the presence of human remains in the interment plot, the district shall make reasonable efforts to identify the remains. The district shall close and appropriately mark the interment plot. The district shall offer the new owner of the interment rights in that interment plot comparable interment rights in another interment plot. The district shall not be liable for any claims for damages if the district has proceeded pursuant to this section.

CHAPTER 6. FINANCES

9070. (a) On or before August 30 of each year, the board of trustees shall adopt a final budget, which shall conform to the accounting and budgeting procedures for special districts contained in Subchapter 3 (commencing with Section 1031.1) of, and Article 1 (commencing with Section 1121) of Subchapter 4 of Division 2 of Title 2 of the California Code of Regulations.

(b) The board of trustees may divide the annual budget into categories, including, but not limited to:

- (1) Maintenance and operation.
- (2) Employee compensation.
- (3) Interest and redemption for indebtedness.
- (4) Restricted reserves for the following categories:
 - (A) Endowment income fund.
 - (B) Capital outlay.
 - (C) Pre-need.
 - (D) Contingencies.
- (5) Unallocated general reserve.

(c) The board of trustees shall forward a copy of the final budget to the auditor of each county in which the district is located.

9071. (a) In its annual budget, the board of trustees may establish one or more restricted reserves. When the board of trustees establishes a restricted reserve, it shall declare the exclusive purposes for which the funds in the reserve may be spent. The funds in the restricted reserve shall be spent only for the exclusive purposes for which the board of

trustees established the restricted reserve. The reserves shall be maintained according to generally accepted principles.

(b) Any time after the establishment of a restricted reserve, the board of trustees may transfer any funds to that restricted reserve.

(c) If the board of trustees finds that the funds in a restricted reserve are no longer required for the purpose for which the restricted reserve was established, the board of trustees may, by a four-fifths vote of the total membership of the board of trustees, discontinue the restricted reserve or transfer the funds that are no longer required from the restricted reserve to the district's general fund.

9072. (a) On or before July 1 of each year, the board of trustees shall adopt a resolution establishing its appropriations limit and make other necessary determinations for the following fiscal year pursuant to Article XIII B of California Constitution and Division 9 (commencing with Section 7900) of the Government Code.

(b) Pursuant to subdivision (c) of Section 9 of Article XIII B of the California Constitution, this section shall not apply to a district that existed on January 1, 1978, and that did not, as of the 1977-78 fiscal year, levy an ad valorem tax on property in excess of twelve and one-half cents (\$.125) per one hundred dollars (\$100) of assessed value.

9073. The auditor of each county in which a district is located shall allocate to the district its share of property tax revenue pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code.

9074. (a) A district may accept any grants, goods, money, property, revenue, or services from any federal, state, regional, or local agency or from any person for any lawful purpose of the district.

(b) In addition to any other existing authority, a district may borrow money and incur indebtedness pursuant to Article 7 (commencing with Section 53820), Article 7.5 (commencing with Section 53840), Article 7.6 (commencing with Section 53850), and Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

9075. All claims for money or damages against a district are governed by Part 3 (commencing with Section 900) and Part 4 (commencing with Section 940) of Division 3.6 of Title 1 of the Government Code.

9076. (a) All claims against a district shall be audited, allowed, and paid by the board of trustees by warrants drawn on the county treasurer.

(b) As an alternative to subdivision (a), the board of trustees may instruct the county treasurer to audit, allow, and draw his or her warrant on the county treasury for all legal claims presented to him or her and authorized by the board of trustees.

(c) The county treasurer shall pay the warrants in the order in which they are presented.

(d) If a warrant is presented for payment and the county treasurer cannot pay it for want of funds in the account on which it is drawn, the treasurer shall endorse the warrant, "NOT PAID BECAUSE OF INSUFFICIENT FUNDS" and sign his or her name and the date and time the warrant was presented. From that time until it is paid, the warrant bears interest at the maximum rate permitted pursuant to Article 7 (commencing with Section 53530) of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code.

9077. (a) Notwithstanding Section 9076, a district that has total annual revenues greater than five hundred thousand dollars (\$500,000) may withdraw its funds from the control of the county treasurer pursuant to this section.

(b) The board of trustees shall adopt a resolution that does each of the following:

(1) States its intent to withdraw its funds from the county treasury.

(2) Adopts a procedure for the appointment of a district treasurer. The board of trustees may appoint the district treasurer. The board of trustees may appoint the district treasurer, or the board of trustees may delegate the appointment of the district to the district's general manager. The district treasurer may be a member of the board of trustees, the secretary of the board of trustees, the general manager, or a district employee.

(3) Fixes the amount of the bond for the district treasurer and other district employees who will be responsible for handling the district's finances.

(4) Adopts a system of accounting and auditing that shall completely and at all times show the district's financial condition. The system of accounting and auditing shall adhere to generally accepted accounting principles.

(5) Adopts a procedure for drawing and signing warrants, provided that the procedure adheres to generally accepted accounting principles. The procedures shall provide that bond principal and salaries shall be paid when due. The procedure may provide that warrants to pay claims and demands need not be approved by the board of trustees before payment if the district treasurer determines that the claims and demands conform to the district's approved budget.

(6) Designates a bank or a savings and loan association as the depository of the district's funds. A bank or savings and loan association may act as a depository, paying agent, or fiscal agency for the holding or handling of the district's funds, notwithstanding the fact that a member of the board of trustees whose funds are on deposit in that bank or savings and loan association is an officer, employee, or stockholder

of that bank or saving and loan association, or of a holding company that owns any of the stock of that bank or savings and loan association.

(c) The board of trustees and the board of supervisors of the principal county shall determine a mutually acceptable date for the withdrawal of the district's funds from the county treasury, not to exceed 15 months from the date on which the board of trustees adopts its resolution.

(d) In implementing this section, the district shall comply with Article 1 (commencing with Section 53600) and Article 2 (commencing with Section 5360) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code. Nothing in this section shall include the district treasurer from depositing the district's funds in the county treasury of the principal county or the State Treasury pursuant to Article 11 (commencing with Section 16429.1) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.

(e) The district treasurer shall make annual or more frequent written reports to the board of trustees, as the board of trustees shall determine, regarding the receipts and disbursements and balances in the accounts controlled by the district treasurer. The district treasurer shall sign the reports and file them with the secretary.

9078. A district may establish a revolving fund to pay any authorized expenditures of the district, pursuant to Article 15 (commencing with Section 53950) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

9079. (a) The board of trustees shall provide for regular audits of the district's accounts and records and the district's endowment care fund pursuant to Section 26909 of the Government Code.

(b) The board of trustees shall provide for the annual financial reports to the Controller pursuant to Article 9 (commencing with Section 53890) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

CHAPTER 7. ALTERNATIVE REVENUES

9080. Whenever a board of trustees determines that the amount of revenues available to the district or any of its zones is inadequate to meet the costs of providing facilities, programs, projects, and services, the board of trustees may raise revenues pursuant to this chapter or any other provision of law.

9081. A district may levy special taxes pursuant to either of the following:

(a) Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code. The special taxes shall be applied uniformly to all taxpayers or all real property within the district, except that unimproved property may be taxed at a lower rate than improved property.

(b) The Mello-Roos Community Facilities Act of 1982, Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code.

9082. (a) Whenever a board of trustees determines that it is necessary to incur a general obligation bond indebtedness for the acquisition or improvement of real property, the board of trustees may proceed pursuant to Article 11 (commencing with Section 5790) of Chapter 4 of Division 5 of the Public Resources Code. For the purposes of that article, the board of trustees shall be considered the board of directors of the district.

(b) Notwithstanding subdivision (a), a district shall not incur indebtedness that exceeds 2 percent of the assessed value of all taxable property in the district at the time the bonds are issued.

9083. (a) In addition to the other fees authorized by this part, a board of trustees may charge a fee to cover the cost of any other service that a district provides or the cost of enforcing any regulation for which the fee is charged. No fee charged pursuant to this section shall exceed the costs reasonably borne by the district in providing the service or enforcing the regulation for which the fee is charged.

(b) Notwithstanding Section 6103 of the Government Code, a board of trustees may charge a fee authorized by this section to other public agencies.

(c) A board of trustees may charge residents or persons who pay property taxes on property located in the district a fee authorized by this section that is less than the fee that it charges to nonresidents or nontaxpayers.

(d) A board of trustees may authorize district employees to waive the payment, in whole or part, of a fee authorized by this section when the board of trustees determines that payment would not be in the public interest. Before authorizing any waiver, the board of trustees shall adopt a resolution that specifies the policies and procedures governing waivers.

CHAPTER 8. ZONES

9090. (a) Whenever a board of trustees determines that it is in the public interest to provide different services, to provide different levels of services, or to raise additional revenues within specific areas of the district, it may form one or more zones pursuant to this chapter.

(b) The board of trustees shall initiate proceedings for the formation of a new zone by adopting a resolution that does all of the following:

- (1) States that the proposal is made pursuant to this chapter.
- (2) Sets forth a description of the boundaries of the territory to be included in the zone.

(3) States the different services, the different levels of services, or the additional revenues that the district will provide.

(4) Sets forth the methods by which those services or level of service will be financed.

(5) States the reasons for forming the zone.

(6) Proposes a name or number for the zone.

(c) A proposal to form a new zone may also be initiated by a petition signed by not less than 10 percent of the registered voters residing within the proposed zone. The petition shall contain all of the matters required by subdivision (b).

(d) Upon the adoption of a resolution or the receipt of a valid petition, the board of trustees shall fix the date, time, and place for the public hearing on the formation of the zone. The district shall publish notice of the hearing, including the information required by subdivision (b), pursuant to Section 6061 of the Government Code in one or more newspapers of general circulation in the district. The district shall mail the notice at least 45 days before the date of the hearing to all owners of property within the proposed zone. The district shall post the notice in at least three public places within the territory of the proposed zone.

9091. (a) At the hearing, the board of trustees shall hear and consider any protests to the formation of a zone pursuant to this chapter. The board of trustees shall terminate the proceedings, if at the conclusion of the hearing, it determines either of the following:

(1) More than 50 percent of the total number of voters residing within the proposed zone have filed and not withdrawn written objections to the formation.

(2) Property owners who own more than 50 percent of the assessed value of all taxable property within the proposed zone have filed written and not withdrawn objections to the formation.

(b) If the board of trustees determines that the written objections have been filed and not withdrawn by 50 percent or less of those voters or property owners, then the board of trustees may proceed to form the zone.

(c) If the resolution or petition for formation of a zone proposes that the zone use special taxes, special benefit assessments, fees for property-related services, or general obligation bonds to finance its purposes, the board of trustees shall proceed according to law. If the voters or property owners do not approve those funding methods, the zone shall not be formed.

9092. (a) A board of trustees may change the boundaries of a zone or dissolve a zone by following the procedures in Sections 9090 and 9091.

(b) Except as provided in Section 56886 of the Government Code, a local agency formation commission shall have no power or duty to

review and approve or disapprove a proposal to form a zone, a proposal to change the boundaries of a zone, or a proposal to dissolve a zone.

9093. (a) As determined by the board of trustees and pursuant to the requirements of this part, a zone may provide any service at any level or levels within its boundaries that the district may provide.

(b) As determined by the board of trustees and pursuant to the requirements of this part, a zone may exercise any fiscal powers within its boundaries that the district may exercise.

(c) Any special taxes, special benefit assessments, fees, or general obligation bonds which are intended solely for the support of projects, services, or programs within a zone shall be levied, assessed, and charged within the boundaries of that zone.

SEC. 6. The Legislature hereby declares that this act is based on the recommendations of the Working Group on Revising the Public Cemetery District Law convened by the Senate Committee on Local Government.

CHAPTER 58

An act to amend Section 65588 of the Government Code, relating to housing, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 65588 of the Government Code is amended to read:

65588. (a) Each local government shall review its housing element as frequently as appropriate to evaluate all of the following:

(1) The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal.

(2) The effectiveness of the housing element in attainment of the community's housing goals and objectives.

(3) The progress of the city, county, or city and county in implementation of the housing element.

(b) The housing element shall be revised as appropriate, but not less than every five years, to reflect the results of this periodic review.

(c) The review and revision of housing elements required by this section shall take into account any low- or moderate-income housing provided or required pursuant to Section 65590.

(d) The review pursuant to subdivision (c) shall include, but need not be limited to, the following:

(1) The number of new housing units approved for construction within the coastal zone after January 1, 1982.

(2) The number of housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, required to be provided in new housing developments either within the coastal zone or within three miles of the coastal zone pursuant to Section 65590.

(3) The number of existing residential dwelling units occupied by persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been authorized to be demolished or converted since January 1, 1982, in the coastal zone.

(4) The number of residential dwelling units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code, that have been required for replacement or authorized to be converted or demolished as identified in paragraph (3). The location of the replacement units, either onsite, elsewhere within the locality's jurisdiction within the coastal zone, or within three miles of the coastal zone within the locality's jurisdiction, shall be designated in the review.

(e) Notwithstanding subdivision (b) or the date of adoption of the housing elements previously in existence, the dates of revisions for the housing element shall be modified as follows:

(1) Local governments within the regional jurisdiction of the Southern California Association of Governments: December 31, 2000, for the third revision, and June 30, 2006, for the fourth revision.

(2) Local governments within the regional jurisdiction of the Association of Bay Area Governments: December 31, 2001, for the third revision, and June 30, 2007, for the fourth revision.

(3) Local governments within the regional jurisdiction of the Council of Fresno County Governments, the Kern County Council of Governments, and the Sacramento Area Council of Governments: June 30, 2002, for the third revision, and June 30, 2008, for the fourth revision.

(4) Local governments within the regional jurisdiction of the Association of Monterey Bay Area Governments: December 31, 2002, for the third revision, and June 30, 2008, for the fourth revision.

(5) Local governments within the regional jurisdiction of the San Diego Association of Governments: December 31, 1999, for the third revision cycle ending June 30, 1999, and June 30, 2005, for the fourth revision.

(6) All other local governments: December 31, 2003, for the third revision, and June 30, 2009, for the fourth revision.

(7) Subsequent revisions shall be completed not less often than at five-year intervals following the fourth revision.

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 local governments with sufficient time to finish their allocation of housing needs prior to the deadline established by Section 65584 of the Government Code, it is necessary that this act take effect immediately.

CHAPTER 59

An act to add Section 2984.5 to the Civil Code, relating to automobile sales financing.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 2984.5 is added to the Civil Code, to read:

2984.5. (a) A seller shall maintain the following documents for at least seven years or the length of the conditional sales contract, whichever is longer:

- (1) A copy of each buyer's conditional sales contract.
- (2) Any documents relied upon by the seller to determine a buyer's creditworthiness, including, but not limited to, any consumer credit report, as defined in Section 1785.3, or any other document containing a buyer's credit score, as defined in Section 1785.15.1.
- (3) If the conditional sales contract is sold, assigned, or otherwise transferred, a copy of the terms of that sale, assignment, or transfer.

(b) A seller that unlawfully fails to comply with a court order to produce the documents described in subdivision (a) shall be liable in an action brought by the Attorney General for a civil penalty of five thousand dollars (\$5,000) per violation. The penalties provided by this section are in addition to all rights and remedies that are otherwise available under law.

CHAPTER 60

An act to amend Sections 25132 and 36900 of the Government Code, relating to local ordinances.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares that the following circumstances are present in many areas of California:

(a) Code enforcement continues to persist as a problem for cities and counties and multiple local agency departments devote personnel to code enforcement efforts.

(b) Code enforcement has become and remains a necessity as rural areas are becoming more urbanized. With the increase in population, citizens formerly living in rural areas are now seeing their communities becoming increasingly developed and urbanized. With these changes comes the expectation from the citizenry for better property upkeep, which requires more action from code enforcement.

(c) Increases of the California Price Index have nearly doubled since 1983 and a correlating fine value, based on a \$100 fine in 1983, would need to be \$194.92 to have an equivalent value in 2001.

(d) In pursuit of better code enforcement case resolution, enforcement personnel have found that many violators now pay the fine but do not resolve the code violation.

(e) Local agency records further indicate that after all the initial fines, many owners of problem properties revert back to their same practices in a short amount of time. Increased fines will help deter those individuals from letting their properties revert back to an unkempt state or using the property in violation of law.

(f) Code enforcement is complex and, therefore, there is a need for many tools, including fines, to help and maintain an effective, efficient, and responsive enforcement of codes.

(g) The code enforcement staff of cities and counties have expressed a need for increased fines and that any increase should provide uniformity among cities and counties.

SEC. 2. Section 25132 of the Government Code is amended to read:
25132. (a) Violation of a county ordinance is a misdemeanor unless by ordinance it is made an infraction. The violation of a county ordinance may be prosecuted by county authorities in the name of the people of the State of California, or redressed by civil action.

(b) Every violation determined to be an infraction is punishable by (1) a fine not exceeding one hundred dollars (\$100) for a first violation; (2)

a fine not exceeding two hundred dollars (\$200) for a second violation of the same ordinance within one year; (3) a fine not exceeding five hundred dollars (\$500) for each additional violation of the same ordinance within one year.

(c) Notwithstanding any other provision of law, a violation of local building and safety codes determined to be an infraction is punishable by (1) a fine not exceeding one hundred dollars (\$100) for a first violation; (2) a fine not exceeding five hundred dollars (\$500) for a second violation of the same ordinance within one year; (3) a fine not exceeding one thousand dollars (\$1,000) for each additional violation of the same ordinance within one year of the first violation.

SEC. 3. Section 36900 of the Government Code is amended to read:

36900. (a) Violation of a city ordinance is a misdemeanor unless by ordinance it is made an infraction. The violation of a city ordinance may be prosecuted by city authorities in the name of the people of the State of California, or redressed by civil action.

(b) Every violation determined to be an infraction is punishable by (1) a fine not exceeding one hundred dollars (\$100) for a first violation; (2) a fine not exceeding two hundred dollars (\$200) for a second violation of the same ordinance within one year; (3) a fine not exceeding five hundred dollars (\$500) for each additional violation of the same ordinance within one year.

(c) Notwithstanding any other provision of law, a violation of local building and safety codes determined to be an infraction is punishable by (1) a fine not exceeding one hundred dollars (\$100) for a first violation; (2) a fine not exceeding five hundred dollars (\$500) for a second violation of the same ordinance within one year; (3) a fine not exceeding one thousand dollars (\$1,000) for each additional violation of the same ordinance within one year of the first violation.

CHAPTER 61

An act to amend Section 2830 of the Fish and Game Code, relating to natural community conservation planning.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 2830 of the Fish and Game Code is amended to read:

2830. Nothing in this chapter prohibits the taking or the incidental take of any identified species if the taking is authorized by the department pursuant to any of the following:

(a) A natural community conservation plan or amended plan approved by the department prior to January 1, 2002. Any permits, plans, implementation agreements, and amendments to those permits, plans, or implementation agreements described in this section are deemed to be in full force and effect as of the date approved or entered into by the parties insofar as they authorize the take of identified species pursuant to an approved natural community conservation plan and shall be governed solely by former Chapter 10 (commencing with Section 2800) as it read on December 31, 2001.

(b) Any natural community conservation plan, or subarea plan, approved, or amended on or after January 1, 2002, for which a planning or enrollment agreement meets any of the following criteria, which shall be solely governed in accordance with former Chapter 10 (commencing with Section 2800) as it read on December 31, 2001:

(1) The natural community conservation plan was entered into between the department and plan participants prior to January 1, 2001, and is carried out pursuant to Rule 4(d) for the California Gnatcatcher (Federal Register Volume 58, December 10, 1993), including the southern subregion of Orange County.

(2) The natural community conservation plan was prepared pursuant to the planning agreement for the San Diego Multiple Species Conservation Plan.

(3) The natural community conservation plan was prepared pursuant to the planning agreement for the San Diego Multiple Habitat Conservation Plan.

(c) Any programmatic natural community conservation plan approved by the department on or before January 1, 2002.

(d) Any natural community conservation plan developed pursuant to a planning or enrollment agreement executed on or before January 1, 2001, and for which the department finds that the plan has been developed using a public participation and scientific analysis process substantially in conformance with the intent of paragraph (5) of subdivision (b) of Section 2810 and Section 2815.

(e) Any natural community conservation plan developed pursuant to a planning agreement executed on or before January 1, 2002, and which the department finds is in substantial compliance with Section 2820.

(f) (1) Any natural community conservation plan or subarea plan initiated on or before January 1, 2000, or amendments thereto, by Sweetwater Authority, Helix Water District, Padre Dam Municipal Water District, Santa Fe Irrigation District, or the San Diego County Water Authority, which the department determines is consistent with the

approved San Diego Multiple Habitat Conservation Program or the San Diego Multiple Species Conservation Program, is exempt from Section 2810, and paragraph (1) of subdivision (a) of Section 2820, except as provided in paragraph (2), if the department finds that the plan has been developed and is otherwise in conformance with this chapter.

(2) The public water agencies identified in this subdivision and the department shall include independent scientific input as described in subparagraphs (A) to (D), inclusive, of paragraph (5) of subdivision (b) of Section 2810 into the proposed plans in a manner that focuses on the covered species that are proposed for take authorization and that are not otherwise covered in the San Diego Multiple Species Conservation Program or the San Diego Multiple Habitat Conservation Program.

The scientific input required by this paragraph shall be based on the best and most current scientific data generally available, and shall assure that documentation for coverage of all species is equal or greater than the San Diego Multiple Habitat Conservation Program.

CHAPTER 62

An act to amend Sections 853, 855, 1766, 1971, 2154.2, 4409, 4848, 19613, and 19617.5 of, and to add a heading to Article 7.5 (commencing with Section 17582) of Chapter 1 of Part 3 of Division 7 of, the Business and Professions Code, to amend Sections 48, 941, 1102.6, 1102.6b, 1714, 1936, 1946.1, 1954, 2924j, and 2941 of the Civil Code, to amend Sections 17, 170.6, 179, 437c, 1208.5, 1420, and 1607 of the Code of Civil Procedure, to amend Sections 2117 and 25118 of the Corporations Code, to amend Sections 430, 446, 8483, 8499.5, 8813, 17073.25, 20091, 22138.5, 25103, 35401, 35534, 35738, 37220.8, 37252.1, 41329.3, 41344, 42127, 42238.46, 42238.53, 44775.4, 44775.6, 44775.7, 44775.8, 44830.3, 47605.3, 47614.5, 47632, 48927, 51122, 51226.1, 51226.3, 51700, 52053, 52056, 52071, 52073, 53082, 54201, 56021.1, 56046, 56341.5, 56383, 59008, 59104, 59205, 60246, 60900, 66025.3, 67385.3, 70010, 94140, 94154, 94771, and 99235 of the Education Code, to amend Sections 13102, 13107, and 19227 of the Elections Code, to amend Sections 3048, 3118, 8802, 9210, 9212, and 17506 of the Family Code, to amend Section 1226 of, and to amend the heading of Article 1 (commencing with Section 3100) of Chapter 17 of Division 1 of, the Financial Code, to amend Sections 1019, 2081.7, 2086, 2118, 3508, and 6954 of the Fish and Game Code, to amend Sections 9221, 12999.5, and 79008 of the Food and Agricultural Code, to amend Sections 3309.5, 3517.61, 3562, 3593, 6527, 7579.5, 8314, 8592.4, 8670.40, 10201, 10202, 10203, 10204, 10206, 11121, 12965,

14838.5, 14838.7, 14981, 19142, 19775.17, 19775.18, 19827, 19867, 19997.3, 20057, 20501, 20610, 20611, 20677, 20677.4, 20752, 20902.5, 21220, 21362.3, 21465, 22009.03, 22009.1, 22018, 22156, 22502, 22754, 22810, 22840.2, 23119, 26608.3, 30061, 30063, 31520.1, 31629.5, 31787.6, 45310.7, 53216.8, 53601.7, 53635, 57116, 68085, 68095, 68115, 68620, 69587, 69588, 70367, 70391, 70392, 71601, 71615, 71632.5, 71636, 71636.3, 73665, 73757, and 82011 of, and to amend and renumber Section 26638.5 of, the Government Code, to amend Sections 1339.63, 1368.015, 1368.02, 1797.115, 1797.196, 11571, 11581, 18943, 25249.7, 42801.1, 44299.80, 50199.74, 52075.1, 100870, 102247, 113995, 115000.1, 115928, 122137, 123418, 123464, and 125116 of, and to amend and renumber Section 121140 of, the Health and Safety Code, to amend Sections 1211 and 10235.52 of the Insurance Code, to amend Sections 98.2, 176, 230.1, 1776, and 3099.3 of the Labor Code, to amend Sections 179, 395.3, 406, and 1035.6 of, and to amend and renumber Sections 411, 412, 413, 414, 415, 416, 417, 418, 419, and 420 of, the Military and Veterans Code, to amend Sections 132.5, 171.5, 337u, 383c, 424, 597l, 808, 1089, 1203.3, 1240.1, 1463, 1524.1, 11171, 11199, 11226, 11230, 12087.5, and 13823.9 of, and to repeal Article 4.5 (commencing with Section 12087) of Chapter 1 of Title 2 of Part 4 of, the Penal Code, to amend Section 1513.1 of the Probate Code, to amend Sections 10524 and 20103.8 of the Public Contract Code, to amend Sections 4114.5, 4123, 5090.37, 5631, 6307.1, 21098, 25534, 30812, 31119, and 40507 of, and to amend and renumber Sections 21061.0.5 and 30950 of, the Public Resources Code, to amend Sections 334, 345, 346, 350, 360, 362, 394.25, 398.4, 5411.5, 7000, 15704, 132353.2, 132370.5, 132370.6 of, and to amend and renumber Sections 132632 and 132634 of, the Public Utilities Code, to amend Sections 96.1, 408, 426, 998, 2921.5, 7280, 7286.24, 17041, 17052.2, 17052.6, 17062, 17952.5, 18713, 18716, 18831, 19006, 20503, 20563, 23701t, 60361.5, and 60401 of, and to amend and renumber the heading of Chapter 2.98 (commencing with Section 7286.75) of Part 1.7 of Division 2 of, the Revenue and Taxation Code, to amend Sections 216.5, 390, and 27322 of the Streets and Highways Code, to amend Sections 411 and 15051 of the Unemployment Insurance Code, to amend Sections 5068, 9250.19, 9554, 11614.1, 11701, 11711.3, 12509, 21228, 21655.3, 23109.2, and 42011 of the Vehicle Code, to amend Sections 1013, 12949.6, 12994, 13307.1, 22762, 75480, 79420, and 79460 of, and to amend the heading of Article 1 (commencing with Section 71660) of Chapter 3 of Part 5 of Division 20 of, the Water Code, to amend Sections 225.05, 366.4, 1719, 4015, 4094, 4503, 5205, 5346, 5405, 11450, 11451.5, 11462, 14105.95, 14105.96, 14172, 15610.37, and 18969 of the Welfare and Institutions Code, and to amend Sections 12.5, 13, 13.5, and 14 of Chapter 1449 of the Statutes of 1951, Section 1 of

Chapter 483 of, Section 1 of Chapter 575 of, Section 1 of Chapter 583 of, Section 1 of Chapter 697 of, Section 5 of Chapter 1020 of, and Section 1 of Chapter 1060 of the Statutes of 2002, relating to maintenance of the codes.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 853 of the Business and Professions Code is amended to read:

853. (a) The Licensed Physicians and Dentists from Mexico Pilot Program is hereby created. This program shall allow up to 30 licensed physicians specializing in family practice, internal medicine, pediatrics, and obstetrics and gynecology, and up to 30 licensed dentists from Mexico to practice medicine or dentistry in California for a period not to exceed three years. The program shall also maintain an alternate list of program participants.

(b) The Medical Board of California shall issue three-year nonrenewable licenses to practice medicine to licensed Mexican physicians and the Dental Board of California shall issue three-year nonrenewable permits to practice dentistry to licensed Mexican dentists.

(c) Physicians from Mexico eligible to participate in this program shall comply with the following:

(1) Be licensed, certified or recertified, and in good standing in their medical specialty in Mexico. This certification or recertification shall be performed, as appropriate, by the Consejo Mexicano de Ginecología y Obstetricia, A.C., the Consejo Mexicano de Certificación en Medicina Familiar, A.C., the Consejo Mexicano de Medicina Interna, A.C., or the Consejo Mexicano de Certificación en Pediatría, A.C.

(2) Prior to leaving Mexico, each physician shall have completed the following requirements:

(A) Passed the board review course with a score equivalent to that registered by United States applicants when passing a board review course for the United States certification examination in each of his or her specialty areas and passed an interview examination developed by the National Autonomous University of Mexico (UNAM) for each specialty area. Family practitioners who shall include obstetrics and gynecology in their practice, shall also be required to have appropriately documented, as specified by United States standards, 50 live births. Mexican obstetricians and gynecologists shall be fellows in good standing of the American College of Obstetricians and Gynecologists.

(B) (i) Satisfactorily completed a six-month orientation program that addressed medical protocol, community clinic history and

operations, medical administration, hospital operations and protocol, medical ethics, the California medical delivery system, health maintenance organizations and managed care practices, and pharmacology differences. This orientation program shall be approved by the Medical Board of California to ensure that it contains the requisite subject matter and meets appropriate California law and medical standards where applicable.

(ii) Additionally, Mexican physicians participating in the program shall be required to be enrolled in adult English as a Second Language (ESL) classes that focus on both verbal and written subject matter. Each physician participating in the program shall have transcripts sent to the Medical Board of California from the appropriate Mexican university showing enrollment and satisfactory completion of these classes.

(C) Representatives from the National Autonomous University of Mexico (UNAM) in Mexico and a medical school in good standing or a facility conducting an approved medical residency training program in California shall confer to develop a mutually agreed upon distant learning program for the six-month orientation program required pursuant to subparagraph (B).

(3) Upon satisfactory completion of the requirements in paragraphs (1) and (2), and after having received their three-year nonrenewable medical license, the Mexican physicians shall be required to obtain continuing education pursuant to Section 2190. Each physician shall obtain an average of 25 continuing education units per year for a total of 75 units for a full three years of program participation.

(4) Upon satisfactory completion of the requirements in paragraphs (1) and (2), the applicant shall receive a three-year nonrenewable license to work in nonprofit community health centers and shall also be required to participate in a six-month externship at his or her place of employment. This externship shall be undertaken after the participant has received a license and is able to practice medicine. The externship shall ensure that the participant is complying with the established standards for quality assurance of nonprofit community health centers and medical practices. The externship shall be affiliated with a medical school in good standing in California. Complaints against program participants shall follow the same procedures contained in the Medical Practice Act (Chapter 5 (commencing with Section 2000)).

(5) After arriving in California, Mexican physicians participating in the program shall be required to be enrolled in adult English as a Second Language (ESL) classes at institutions approved by the Bureau of Private Post Secondary and Vocational Education or accredited by the Western Association of Schools and Colleges. These classes shall focus on verbal and written subject matter to assist a physician in obtaining a level of proficiency in English that is commensurate with the level of

English spoken at community clinics where he or she will practice. The community clinic employing a physician shall submit documentation confirming approval of an ESL program to the Medical Board of California for verification. Transcripts of satisfactory completion of the ESL classes shall be submitted to the Medical Board of California as proof of compliance with this provision.

(6) (A) Nonprofit community health centers employing Mexican physicians in the program shall be required to have medical quality assurance protocols and either be accredited by the Joint Commission on Accreditation of Health Care Organizations or have protocols similar to those required by the Joint Commission on Accreditation of Health Care Organizations. These protocols shall be submitted to the Medical Board of California prior to the hiring of Mexican physicians.

(B) In addition, after the program participant successfully completes the six-month externship program, a free standing health care organization that has authority to provide medical quality certification, including, but not limited to, health plans, hospitals, and the Integrated Physician Association, is responsible for ensuring and overseeing the compliance of nonprofit community health centers medical quality assurance protocols, conducting site visits when necessary, and developing any additional protocols, surveys, or assessment tools to ensure that quality of care standards through quality assurance protocols are being appropriately followed by physicians participating in the program.

(7) Participating hospitals shall have the authority to establish criteria necessary to allow individuals participating in this three-year pilot program to be granted hospital privileges in their facilities.

(8) The Medical Board of California shall provide oversight review of both the implementation of this program and the evaluation required pursuant to subdivision (j). The board shall consult with the medical schools applying for funding to implement and evaluate this program, executive and medical directors of nonprofit community health centers wanting to employ program participants, and hospital administrators who will have these participants practicing in their hospital, as it conducts its oversight responsibilities of this program and evaluation. Any funding necessary for the implementation of this program, including the evaluation and oversight functions, shall be secured from nonprofit philanthropic entities. Implementation of this program may not proceed unless appropriate funding is secured from nonprofit philanthropic entities. The board shall report to the Legislature every January during which the program is operational regarding the status of the program and the ability of the program to secure the funding necessary to carry out its required provisions. Notwithstanding Section 11005 of the Government Code, the board may accept funds from

nonprofit philanthropic entities. The board shall, upon appropriation in the annual Budget Act, expend funds received from nonprofit philanthropic entities for this program.

(d) (1) Dentists from Mexico eligible to participate in this program shall comply with the following:

(A) Be graduates from the National Autonomous University of Mexico School of Faculty Dentistry (Facultad de Odontología).

(B) Meet all criteria required for licensure in Mexico that is required and being applied by the National Autonomous University of Mexico School of Faculty Dentistry (Facultad de Odontología), including, but not limited to:

(i) A minimum grade point average.

(ii) A specified English language comprehension and conversational level.

(iii) Passage of a general examination.

(iv) Passage of an oral interview.

(C) Enroll and complete an orientation program that focuses on the following:

(i) Practical issues in pharmacology which shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(ii) Practical issues and diagnosis in oral pathology which shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(iii) Clinical applications which shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(iv) Biomedical sciences which shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(v) Clinical history management which shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(vi) Special patient care which shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(vii) Sedation techniques which shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(viii) Infection control guidelines which shall be taught by an instructor who is affiliated with a California dental school approved by the Dental Board of California.

(ix) Introduction to health care systems in California.

(x) Introduction to community clinic operations.

(2) Upon satisfactory completion to a competency level of the requirements in paragraph (1), dentists participating in the program shall be eligible to obtain employment in a nonprofit community health center pursuant to subdivision (f) within the structure of an extramural dental program for a period not to exceed three years.

(3) Dentists participating in the program shall be required to complete the necessary continuing education units required by the Dental Practice Act (Chapter 4 (commencing with Section 1600)).

(4) The program shall accept 30 participating dentists. The program shall also maintain an alternate list of program applicants. If an active program participant leaves the program for any reason, a participating dentist from the alternate list shall be chosen to fill the vacancy. Only active program participants shall be required to complete the orientation program specified in subparagraph (C) of paragraph (1).

(5) (A) Additionally, an extramural dental facility may be identified, qualified, and approved by the board as an adjunct to, and an extension of, the clinical and laboratory departments of an approved dental school.

(B) As used in this subdivision, "extramural dental facility" includes, but is not limited to, any clinical facility linked to an approved dental school for the purposes of monitoring or overseeing the work of a dentist licensed in Mexico participating in this program and that is employed by an approved dental school for instruction in dentistry which exists outside or beyond the walls, boundaries, or precincts of the primary campus of the approved dental school, and in which dental services are rendered. These facilities shall include nonprofit community health centers.

(C) Dental services provided to the public in these facilities shall constitute a part of the dental education program.

(D) Approved dental schools shall register extramural dental facilities with the board. This registration shall be accompanied by information supplied by the dental school pertaining to faculty supervision, scope of treatment to be rendered, arrangements for postoperative care, the name and location of the facility, the date operations shall commence at the facility, and a description of the equipment and facilities available. This information shall be supplemented with a copy of the agreement between the approved dental school and the affiliated institution establishing the contractual relationship. Any change in the information initially provided to the board shall be communicated to the board.

(6) The program shall also include issues dealing with program operations, and shall be developed in consultation by representatives of community clinics, approved dental schools, and the National Autonomous University of Mexico School of Faculty Dentistry (Facultad de Odontología).

(7) The Dental Board of California shall provide oversight review of the implementation of this program and the evaluation required pursuant to subdivision (j). The dental board shall consult with dental schools in California that have applied for funding to implement and evaluate this program and executive and dental directors of nonprofit community health centers wanting to employ program participants, as it conducts its oversight responsibilities of this program and evaluation. Implementation of this program may not proceed unless appropriate funding is secured from nonprofit philanthropic entities. The Dental Board of California shall report to the Legislature every January during which the program is operational regarding the status of the program and the ability of the program to secure the funding necessary to carry out its required provisions. Notwithstanding Section 11005 of the Government Code, the board may accept funds from nonprofit philanthropic entities.

(e) Nonprofit community health centers that employ participants shall be responsible for ensuring that participants are enrolled in local English language instruction programs and that the participants attain English language fluency at a level that would allow the participants to serve the English-speaking patient population when necessary and have the literacy level to communicate with appropriate hospital staff when necessary.

(f) Physicians and dentists from Mexico having met the applicable requirements set forth in subdivisions (c) and (d) shall be placed in a pool of candidates who are eligible to be recruited for employment by nonprofit community health centers in California, including, but not limited to, those located in the Counties of Ventura, Los Angeles, San Bernardino, Imperial, Monterey, San Benito, Sacramento, San Joaquin, Santa Cruz, Yuba, Orange, Colusa, Glenn, Sutter, Kern, Tulare, Fresno, Stanislaus, San Luis Obispo, and San Diego. The Medical Board of California shall ensure that all Mexican physicians participating in this program have satisfactorily met the requirements set forth in subdivision (c) prior to placement at a nonprofit community health center.

(g) Nonprofit community health centers in the counties listed in subdivision (f) shall apply to the Medical Board of California and the Dental Board of California to hire eligible applicants who shall then be required to complete a six-month externship that includes working in the nonprofit community health center and a corresponding hospital. Once enrolled in this externship, and upon payment of the required fees, the Medical Board of California shall issue a three-year nonrenewable license to practice medicine and the Dental Board of California shall issue a three-year nonrenewable dental special permit to practice dentistry. For purposes of this program, the fee for a three-year nonrenewable license to practice medicine shall be nine hundred dollars (\$900) and the fee for a three-year nonrenewable dental permit shall be

five hundred forty-eight dollars (\$548). A licensee or permitholder shall practice only in the nonprofit community health center that offered him or her employment and the corresponding hospital. This three-year nonrenewable license or permit shall be deemed to be a license or permit in good standing pursuant to the provisions of this chapter for the purpose of participation and reimbursement in all federal, state, and local health programs, including managed care organizations and health maintenance organizations.

(h) The three-year nonrenewable license or permit shall terminate upon notice by certified mail, return receipt requested, to the licensee's or permitholder's address of record, if, in the Medical Board of California or Dental Board of California's sole discretion, it has determined that either:

(1) The license or permit was issued by mistake.

(2) A complaint has been received by either board against the licensee or permitholder that warrants terminating the license or permit pending an investigation and resolution of the complaint.

(i) All applicable employment benefits, salary, and policies provided by nonprofit community health centers to their current employees shall be provided to medical and dental practitioners from Mexico participating in this pilot program. This shall include nonprofit community health centers providing malpractice insurance coverage.

(j) Beginning 12 months after this pilot program has commenced, an evaluation of the program shall be undertaken with funds provided from philanthropic foundations. The evaluation shall be conducted jointly by one medical school and one dental school in California and the National Autonomous University of Mexico (UNAM) in consultation with the Medical Board of California and the Dental Board of California. If the evaluation required pursuant to this section does not begin within 15 months after the pilot project has commenced, the evaluation may be performed by an independent consultant selected by the Director of the Department of Consumer Affairs. This evaluation shall include, but not be limited to, the following issues and concerns:

(1) Quality of care provided by doctors and dentists licensed under this pilot program.

(2) Adaptability of these licensed practitioners to California medical and dental standards.

(3) Impact on working and administrative environment in nonprofit community health centers and impact on interpersonal relations with medical licensed counterparts in health centers.

(4) Response and approval by patients.

(5) Impact on cultural and linguistic services.

(6) Increases in medical encounters provided by participating practitioners to limited-English-speaking patient populations and

increases in the number of limited-English-speaking patients seeking health care services from nonprofit community health centers.

(7) Recommendations on whether the program should be continued, expanded, altered, or terminated.

(8) Progress reports on available data listed shall be provided to the Legislature on achievable time intervals beginning the second year of implementation of this pilot program. An interim final report shall be issued three months before termination of this pilot program. A final report shall be submitted to the Legislature at the time of termination of this pilot program on all of the above data. The final report shall reflect and include how other initiatives concerning the development of culturally and linguistically competent medical and dental providers within California and the United States are impacting communities in need of these health care providers.

(k) Costs for administering this pilot program shall be secured from philanthropic entities.

(l) Program applicants shall be responsible for working with the governments of Mexico and the United States in order to obtain the necessary three-year visa required for program participation.

SEC. 2. Section 855 of the Business and Professions Code is amended to read:

855. (a) Up to 70 international medical graduates who have passed their United States medical license examination on the first attempt and who have been working in the medical field in the capacity of a medical assistant, a nurse practitioner, a nurse-midwife, a physician assistant, a dental hygienist, or a quality assurance and peer review specialist for not less than three years, shall be selected to participate in a pilot program. Preference shall be given to international medical graduates who are residents of California, have experience working in communities whose language is other than English and whose culture is not from the dominant society, and have a proven level of literacy in the foreign language of a medically underserved community.

(b) If there are not 70 international medical graduates who meet the criteria of subdivision (a), the remaining openings may be filled by participants who have passed the United States medical license examination on two or more attempts, have been working in the medical field in the capacity of a medical assistant, a nurse practitioner, a nurse-midwife, a physician assistant, a dental hygienist, or a quality assurance and peer review specialist for not less than three years, and who pass an additional test to be determined by the medical facility and the medical school participating in the pilot program. Preference shall be given to international medical graduates who are residents of California, have experience working in communities whose language is other than English and whose culture is not from the dominant society,

and have a proven level of literacy in the foreign language of a medically underserved community.

(c) An international medical graduate shall not be eligible for this program if he or she has not graduated from a school in good standing that is recognized by the Medical Board of California.

(d) Upon selection for the pilot program, participants may submit an application to the International Medical Graduate Liaison of the Medical Board of California's Division of Licensing, with the appropriate fee, to initiate the medical licensing review process, providing the participant time to remediate any deficiency during the three-year international medical graduates pilot program.

(e) All program participants shall be required to have the foreign language fluency and the cultural knowledge necessary to serve the non-English-speaking community at the nonprofit community health center where they practice.

(f) The Medical Board of California shall issue an applicant status letter to participating and qualifying international medical graduates.

(g) International medical graduates shall be required to participate and satisfactorily complete a six-month orientation program that will address medical protocol, community clinic history and operations, medical administration, hospital operations and protocol, medical ethics, the California medical delivery system, health maintenance organizations and managed care practices, and pharmacology differences. International medical graduates who have passed the Educational Commission for Foreign Medical Graduates (ECFMG) language exam shall not be required to be enrolled in English language classes. However, if a participating international medical graduate has not passed the ECFMG language exam, he or she shall be enrolled in English language acquisition classes until he or she obtains a level of English language proficiency equivalent to the ECFMG language exam.

(h) (1) Upon satisfactorily completing the orientation program and the one-year residency training program, international medical graduates shall be selected by nonprofit community health centers to work in nonprofit community health centers and disproportionate share hospitals whose service areas include federally designated Health Professional Shortage Areas, Dental Professional Shortage Areas, Medically Underserved Areas, and Medically Underserved Populations for a period not to exceed three years.

(2) There shall be two residency programs operated under the auspices of a medical school in good standing, with one in southern California and one in northern California. These residency programs shall be in family practice, internal medicine, or obstetrics and gynecology.

(3) After successfully completing the one-year residency program, the training institution for the one-year residency program for international medical graduates may transfer the program participant into an approved residency program.

(i) (1) All program participants shall be required to satisfy the medical curriculum requirements of Section 2089, the clinical instruction requirements of Section 2089.5, and the examination requirements of Section 2170 prior to being admitted into an approved residency program.

(2) Those international medical graduates who are transferred into an approved residency program shall be required to work in nonprofit community health centers or disproportionate share hospitals whose service areas include federally designated Health Professional Shortage Areas, Dental Professional Shortage Areas, Medically Underserved Areas, and Medically Underserved Populations for not less than three years after being fully licensed.

(j) For individuals in this program as specified in this section, the applicant status letter shall be deemed a license in good standing pursuant to the provisions of this article for the purpose of participation and reimbursement in all federal, state, and local health programs, including managed care organizations and health maintenance organizations.

(k) (1) The Director of General Medical Education or an equivalent position in the training institution of the one-year residency program for international medical graduates shall have the authority to make a recommendation to the Medical Board of California for the full medical licensure of an international medical graduate who has successfully completed the one-year residency program if the director believes, based on the performance and competency of the international medical graduate, that the international medical graduate should be fully licensed.

(2) After reviewing the recommendation for full licensure from the director, the Medical Board of California shall have the authority to issue a permanent license to practice medicine in this state to the international medical graduate.

(l) If an international medical graduate desires to secure a permanent license to practice medicine from the board, he or she shall, among other things, be required to be admitted into an approved residency program.

(m) The Medical Board of California, in consultation with medical schools located in California, executive and medical directors of nonprofit community health centers, and with hospital administrators, shall provide oversight review of the implementation of this program. The Medical Board of California shall ensure that funding proposals by appropriate institutions to implement these provisions meet the

necessary funding thresholds to fulfill the intent of this program. Implementation of this program may not proceed unless appropriate funding is secured. The Medical Board of California shall report to the Legislature every January the program is operational regarding the status of the program and the ability of the program to secure the funding necessary to carry out its required provisions.

SEC. 3. Section 1766 of the Business and Professions Code is amended to read:

1766. (a) The board shall license as a registered dental hygienist a person who satisfies all of the following requirements:

(1) Completion of an educational program for registered dental hygienists approved by the board, accredited by the Commission on Dental Accreditation, and conducted by a degree-granting, postsecondary institution.

(2) Satisfactory performance on an examination required by the board.

(3) Satisfactory completion of a national written dental hygiene examination approved by the board.

(b) The board may grant a license as a registered dental hygienist to an applicant who has not taken an examination before the board, if the applicant submits all of the following to the board:

(1) A completed application form and all fees required by the board.

(2) Proof of a current license as a registered dental hygienist issued by another state that is not revoked, suspended, or otherwise restricted.

(3) Proof that the applicant has been in clinical practice as a registered dental hygienist or has been a full-time faculty member in an accredited dental hygiene education program for a minimum of 750 hours per year for at least five years preceding the date of his or her application under this section. The clinical practice requirement shall be deemed met if the applicant provides proof of at least three years of clinical practice and commits to completing the remaining two years of clinical practice by filing with the board a copy of a pending contract to practice dental hygiene in any of the following facilities:

(A) A primary care clinic licensed under subdivision (a) of Section 1204 of the Health and Safety Code.

(B) A primary care clinic exempt from licensure pursuant to subdivision (c) of Section 1206 of the Health and Safety Code.

(C) A clinic owned or operated by a public hospital or health system.

(D) A clinic owned and operated by a hospital that maintains the primary contract with a county government to fill the county's role under Section 17000 of the Welfare and Institutions Code.

(4) Proof that the applicant has not been subject to disciplinary action by any state in which he or she is or has been previously licensed as a registered dental hygienist or dentist. If the applicant has been subject

to disciplinary action, the board shall review that action to determine if it warrants refusal to issue a license to the applicant.

(5) Proof of graduation from a school of dental hygiene accredited by the Commission on Dental Accreditation.

(6) Proof of satisfactory completion of the Dental Hygiene National Board Examination and of a state or regional clinical licensure examination.

(7) Proof that the applicant has not failed the examination for licensure to practice dental hygiene under this chapter more than once or once within five years prior to the date of his or her application for a license under this section.

(8) Documentation of completion of a minimum of 25 units of continuing education earned in the two years preceding application, including completion of any continuing education requirements imposed by the board on registered dental hygienists licensed in this state at the time of application.

(9) Any other information as specified by the board to the extent that it is required of applicants for licensure by examination under this article.

(c) The board may periodically request verification of compliance with the requirements of paragraph (3) of subdivision (b), and may revoke the license upon a finding that the employment requirement or any other requirement of paragraph (3) has not been met.

(d) The board shall provide in the application packet to each out-of-state dental hygienist pursuant to this section the following information:

(1) The location of dental manpower shortage areas in the state.

(2) Any not-for-profit clinics, public hospitals, and accredited dental hygiene education programs seeking to contract with licensees for dental hygiene service delivery or training purposes.

(e) The board shall review the impact of this section on the availability of actively practicing dental hygienists in California and report to the appropriate policy and fiscal committees of the Legislature by January 1, 2006. The report shall include a separate section providing data specific to dental hygienists who intend to fulfill the alternative clinical practice requirements of subdivision (b). The report shall include, but not be limited to, the following:

(1) The number of applicants from other states who have sought licensure.

(2) The number of dental hygienists from other states licensed pursuant to this section, the number of licenses not granted under this section, and the reason why the license was not granted.

(3) The practice location of dental hygienists licensed pursuant to this section.

(4) The number of dental hygienists licensed pursuant to this section who establish a practice in a rural area or in an area designated as having a shortage of practicing dental hygienists or no dental hygienists or in a safety net facility identified in paragraph (3) of subdivision (b).

(5) The length of time dental hygienists licensed pursuant to this section practiced in the reported location.

(f) In identifying a dental hygienist's location of practice, the board shall use medical service study areas or other appropriate geographic descriptions for regions of the state.

SEC. 4. Section 1971 of the Business and Professions Code is amended to read:

1971. For the purposes of this article, the following terms have the following meanings:

(a) "Board" means the Dental Board of California.

(b) "Office" means the Office of Statewide Health Planning and Development.

(c) "Program" means the California Dental Corps Loan Repayment Program.

(d) "Dentally underserved area" means a geographic area eligible to be designated as having a shortage of dental professionals pursuant to Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for dentists exist as determined by the Health Manpower Policy Commission pursuant to Section 128224 of the Health and Safety Code.

(e) "Dentally underserved population" means persons without dental insurance and persons eligible for the Denti-Cal and Healthy Families Programs who are population groups described as having a shortage of dental care professionals in Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations.

(f) "Practice setting" means either of the following:

(1) A community clinic, as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county's role pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a dentally underserved area and at least 50 percent of whose patients are from a dentally underserved population.

(2) A dental practice or dental corporation, as defined in Section 1800 of this code, located in a dentally underserved area and at least 50 percent of whose patients are from a dentally underserved population.

(g) "Medi-Cal threshold languages" means primary languages spoken by limited-English-proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries

residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(h) "Fund" means the State Dentistry Fund.

(i) "Account" means the Dentally Underserved Account which is contained within the fund.

SEC. 5. Section 2154.2 of the Business and Professions Code is amended to read:

2154.2. For the purposes of this article, the following terms have the following meanings:

(a) "Division" means the Division of Licensing.

(b) "Office" means the Office of Statewide Health Planning and Development (OSHPD).

(c) "Program" means the California Physician Corps Loan Repayment Program.

(d) "Medically underserved area" means an area as defined in Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exist as determined by the Health Manpower Policy Commission pursuant to Section 128225 of the Health and Safety Code.

(e) "Medically underserved population" means the Medi-Cal, Healthy Families, and uninsured populations.

(f) "Practice setting" means either of the following:

(1) A community clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county's role pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.

(2) A medical practice located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.

(g) "Primary specialty" means family practice, internal medicine, pediatrics, or obstetrics/gynecology.

(h) "Medi-Cal threshold languages" means primary languages spoken by limited-English-proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(i) "Fund" means the Contingent Fund of the Medical Board of California.

(j) "Account" means the Medically Underserved Account which is contained within the fund.

SEC. 6. Section 4409 of the Business and Professions Code is amended to read:

4409. At the time a pharmacy license is renewed pursuant to subdivision (a) of Section 4110 or a pharmacist license is renewed pursuant to Section 4401, the pharmacy or pharmacist may make a twenty-five-dollar (\$25) contribution, to be submitted to the board, for the sole purpose of funding the California Pharmacist Scholarship and Loan Repayment Program established pursuant to Article 2 (commencing with Section 129198) of Chapter 3 of Part 3 of Division 107 of the Health and Safety Code. The contribution submitted pursuant to this section shall be paid into the State Treasury and credited to the California Pharmacist Scholarship and Loan Repayment Program Fund established pursuant to Section 129198.5 of the Health and Safety Code.

SEC. 7. Section 4848 of the Business and Professions Code is amended to read:

4848. (a) (1) The board shall, by means of examination, ascertain the professional qualifications of all applicants for licenses to practice veterinary medicine in this state and shall issue a license to every person whom it finds to be qualified. No license shall be issued to anyone who has not demonstrated his or her competency by examination.

(2) The examination shall consist of each of the following:

(A) A licensing examination that is administered on a national basis.

(B) A California state board examination.

(C) An examination concerning those statutes and regulations of the Veterinary Medicine Practice Act administered by the board. The examination shall be administered by mail and provided to applicants within 10 to 20 days of eligibility determination. The board shall have 10 to 20 days from the date of receipt to process the examination and provide candidates with the results of the examination. The applicant shall certify that he or she personally completed the examination. Any false statement is a violation subject to Section 4831. University of California and Western University of Health Sciences veterinary medical students who have successfully completed a board approved course on veterinary law and ethics covering the Veterinary Medicine Practice Act shall be exempt from this provision.

(3) The examinations may be given at the same time or at different times as determined by the board. For examination purposes, the board may make contractual arrangements on a sole source basis with organizations furnishing examination material as it may deem desirable and shall be exempt from Section 10115 of the Public Contract Code.

(4) The licensing examination may be waived by the board in any case in which it determines that the applicant has taken and passed an

examination for licensure in another state substantially equivalent in scope and subject matter to the licensing examination last given in California before the determination is made, and has achieved a score on the out-of-state examination at least equal to the score required to pass the licensing examination administered in California.

(5) Nothing in this chapter shall preclude the board from permitting a person who has completed a portion of his or her educational program, as determined by the board, in a veterinary college recognized by the board under Section 4846 to take any examination or any part thereof prior to satisfying the requirements for application for a license established by Section 4846.

(b) The board shall waive the examination requirements of subdivision (a), and issue a temporary license valid for one year to an applicant to practice veterinary medicine under the supervision of another licensed California veterinarian in good standing if the applicant meets all of the following requirements and would not be denied issuance of a license by any other provision of this code:

(1) The applicant holds a current valid license in good standing in another state, Canadian province, or United States territory and has practiced clinical veterinary medicine for a minimum of four years full time within the five years immediately preceding filing an application for licensure in this state. Experience obtained while participating in an American Veterinary Medical Association (AVMA) accredited institution's internship, residency, or specialty board training program shall be valid for meeting the minimum experience requirement.

The term "in good standing" means that an applicant under this section:

(A) Is not currently under investigation nor has been charged with an offense for any act substantially related to the practice of veterinary medicine by any public agency, nor entered into any consent agreement or subject to an administrative decision that contains conditions placed by an agency upon an applicant's professional conduct or practice, including any voluntary surrender of license, nor been the subject of an adverse judgment resulting from the practice of veterinary medicine that the board determines constitutes evidence of a pattern of incompetence or negligence.

(B) Has no physical or mental impairment related to drugs or alcohol, and has not been found mentally incompetent by a physician so that the applicant is unable to undertake the practice of veterinary medicine in a manner consistent with the safety of a patient or the public.

(2) At the time of original licensure, the applicant passed the national licensing requirement in veterinary science with a passing score or scores on the examination or examinations equal to or greater than the

passing score required to pass the national licensing examination or examinations administered in this state.

(3) The applicant has either graduated from a veterinary college recognized by the board under Section 4846 or possesses a certificate issued by the Educational Commission for Foreign Veterinary Graduates (ECFVG).

(4) The applicant passes an examination concerning the statutes and regulations of the Veterinary Medicine Practice Act, administered by the board, pursuant to subparagraph (C) of paragraph (2) of subdivision (a).

(5) The applicant agrees to complete an approved educational curriculum on regionally specific and important diseases and conditions during the period of temporary licensure. The board, in consultation with the California Veterinary Medical Association (CVMA), shall approve educational curricula that cover appropriate regionally specific and important diseases and conditions that are common in California. The curricula shall focus on small and large animal diseases consistent with the current proportion of small and large animal veterinarians practicing in the state. The approved curriculum shall not exceed 30 hours of educational time. The board shall approve a curriculum as soon as practical, but not later than June 1, 1999. The approved curriculum may be offered by multiple providers so that it is widely accessible to candidates licensed under this subdivision.

(c) Upon receipt of acknowledgment of successful completion of the requirements set forth in subdivision (b), the board shall issue a license to the applicant. Any applicant who does not meet the requirements of subdivision (b) shall take a California state board examination as specified in subparagraph (B) of paragraph (2) of subdivision (a).

SEC. 8. A heading is added as Article 7.5 (commencing with Section 17582) of Chapter 1 of Part 3 of Division 7 of the Business and Professions Code, to read:

Article 7.5. Automotive Products

SEC. 9. Section 19613 of the Business and Professions Code, as amended by Section 4 of Chapter 922 of the Statutes of 2002, is amended to read:

19613. (a) Except as provided in subdivisions (b), (c), (d), (e), and (f), the portion deducted for purses pursuant to this chapter shall be paid to or for the benefit of the horsemen at the racing meeting, and may include obtaining, providing, or defraying the cost of workers' compensation coverage for stable employees and jockeys of licensed trainers.

(b) Any association other than a fair that conducts a thoroughbred racing meeting shall pay to the owners' organization contracting with the

association with respect to the conduct of racing meetings for administrative expenses and services rendered to owners, an amount not to exceed two-thirds of 1¹/₂ percent of the portion, and to a trainers' organization for administrative expenses and services rendered to trainers and backstretch employees an amount equivalent to one-third of 1¹/₂ percent of the portion. That association shall also pay an amount for a pension plan for backstretch personnel to be administered by the trainers' organization equivalent to an additional 1 percent of the portion. The remainder of the portion shall be distributed as purses.

(c) Any other association may pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to horsemen an amount out of the portion as may be determined by the association by agreement or otherwise, but, in all events, shall include, relative to a thoroughbred horsemen's organization racing, 1 percent of the portion for a pension plan for the trainers' organization. The remainder of the portion shall be distributed as purses.

(d) Notwithstanding subdivisions (b) and (c), any association conducting a fair racing meeting shall pay to the horsemen's organizations contracting with the association with respect to the conduct of races for their respective breeds of horses at the meetings for administrative expenses and services rendered to their respective horsemen those amounts out of the portion as determined by the horsemen's organization for the respective breeds with the approval of the board. Pursuant to this subdivision, amounts not to exceed 3 percent of the portion for the owners' and trainers' organizations shall be distributed to any thoroughbred owners' and trainers' organizations contracting with an association for a fair racing meeting or participating in mixed breed racing meetings as follows: two-thirds of 1 percent to the owners' organization and one-third of 1 percent to the trainers' organization for administrative expenses and services rendered to both owners and trainers, 1 percent for welfare funds, and 1 percent for a pension program for backstretch personnel, to be administered by the thoroughbred trainers' organization.

(e) Any association other than a fair that conducts a quarter horse racing meeting shall pay to the horsemen's organization contracting with the association with respect to the conduct of racing meetings for administrative expenses and services rendered to horsemen, an amount not to exceed 3 percent of the portion. The remainder of the portion shall be distributed as purses.

(f) For racing meetings other than thoroughbred meetings, if no contract has been signed between the association conducting the racing meeting and the organization representing the horsemen by the time the

racing meeting commences, the distribution of purses shall be governed by the following:

(1) If the association conducted a racing meeting within the past 15 months and a contract was in existence, for that meeting with the horsemen's organization and the association is conducting a subsequent meeting for the same breed or mixed breeds, the amounts payable to the horsemen's organization under subdivision (c) shall be computed under the provisions of the last signed contract between the parties.

(2) This subdivision applies regardless of the cause of the failure to execute a contract, whether that failure is a result of inadvertence or otherwise.

(3) For racing meetings that do not come within paragraph (1), the board shall, within 15 days after the commencement of the racing meeting, determine the amounts payable to the horsemen's organization for administrative expenses and services, and provide for the direct payment of those amounts.

(g) Amounts distributed pursuant to this section are derived from owners' purses.

(h) For the purposes of this section, the following definitions shall apply:

(1) "Owner" means a person currently licensed by the board as an owner of a thoroughbred racehorse.

(2) "Trainer" means a person currently licensed by the board as an owner and trainer or as a trainer of a thoroughbred racehorse.

(i) This section shall become operative on January 1, 2008.

SEC. 10. Section 19617.5 of the Business and Professions Code is amended to read:

19617.5. (a) Any association conducting a quarter horse or harness racing meeting shall pay the sums required to be paid by Section 19567 out of the amounts deducted from the parimutuel pool for license fees, commissions, and purses in the same proportion as the distribution of the license fees, commissions, and purses.

Those sums deducted for quarter horse meetings shall be deposited with the official registering agency pursuant to subdivision (b) of Section 19617.7 and shall thereafter be distributed in accordance with subdivisions (c), (d), and (e) of Section 19617.7.

(b) Notwithstanding subdivision (a), any association conducting a fair racing meeting other than a harness meeting or conducting a mixed breed meeting shall deduct an additional 0.34 of 1 percent of the total amount handled in its daily conventional and exotic parimutuel pools for all races for payment of breeder and stallion awards provided for in this chapter. Following the close of the meeting, the respective official registering agency or officially recognized horsemen's organization shall distribute the amounts so deducted as follows:

(1) With respect to thoroughbred races, the amounts deducted shall be paid as breeder awards, owners' premiums, and stallion awards as provided in Section 19617.2.

(2) With respect to quarter horse races, the amounts deducted shall be paid as breeder premiums, and owners' and stallion awards, as provided in Section 19617.7.

(3) With respect to Arabian races, the amounts deducted shall be paid as breeder premiums, and owners' and stallion awards as provided in Section 19617.8.

(4) With respect to Appaloosa races, the amounts deducted shall be paid as breeder premiums, and owners' and stallion awards, as provided in Section 19617.9.

(5) With respect to paint horse races, the amounts deducted shall be paid as breeder and owners' premiums, and stallion awards, as provided in Section 19617.3.

SEC. 11. Section 48 of the Civil Code is amended to read:

48. In the case provided for in subdivision (c) of Section 47, malice is not inferred from the communication.

SEC. 12. Section 941 of the Civil Code is amended to read:

941. (a) Except as specifically set forth in this title, no action may be brought to recover under this title more than 10 years after substantial completion of the improvement but not later than the date of recordation of a valid notice of completion.

(b) As used in this section, "action" includes an action for indemnity brought against a person arising out of that person's performance or furnishing of services or materials referred to in this title, except that a cross-complaint for indemnity may be filed pursuant to subdivision (b) of Section 428.10 of the Code of Civil Procedure in an action which has been brought within the time period set forth in subdivision (a).

(c) The limitation prescribed by this section shall not be asserted by way of defense by any person in actual possession or the control, as owner, tenant, or otherwise, of such an improvement, at the time any deficiency in the improvement constitutes the proximate cause for which it is proposed to make a claim or bring an action.

(d) Sections 337.1 and 337.15 of the Code of Civil Procedure shall not apply to actions under this title.

(e) Existing statutory and decisional law regarding tolling of the statute of limitations shall apply to the time periods for filing an action or making a claim under this title, except that repairs made pursuant to Chapter 4 (commencing with Section 910), with the exception of the tolling provision contained in Section 927, do not extend the period for filing an action, or restart the time limitations contained in subdivision (a) or (b) of Section 7091 of the Business and Professions Code. If a builder arranges for a contractor to perform a repair pursuant to Chapter

4 (commencing with Section 910), as to the builder the time period for calculating the statute of limitation in subdivision (a) or (b) of Section 7091 of the Business and Professions Code shall pertain to the substantial completion of the original construction and not to the date of repairs under this title. The time limitations established by this title do not apply to any action by a claimant for a contract or express contractual provision. Causes of action and damages to which this chapter does not apply are not limited by this section. In order to make a claim for violation of the standards set forth in Chapter 2 (commencing with Section 896), a homeowner need only demonstrate, in accordance with the applicable evidentiary standard, that the home does not meet the applicable standard, subject to the affirmative defenses set forth in Section 945.5. No further showing of causation or damages is required to meet the burden of proof regarding a violation of a standard set forth in Chapter 2 (commencing with Section 896), provided that the violation arises out of, pertains to, or is related to, the original construction.

SEC. 13. Section 1102.6 of the Civil Code is amended to read:

1102.6. The disclosures required by this article pertaining to the property proposed to be transferred are set forth in, and shall be made on a copy of, the following disclosure form:

REAL ESTATE TRANSFER DISCLOSURE STATEMENT

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF _____, COUNTY OF _____, STATE OF CALIFORNIA, DESCRIBED AS _____.

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF _____, 20 _____. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I

COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to Section 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

- Inspection reports completed pursuant to the contract of sale or receipt for deposit.
- Additional inspection reports or disclosures:

II

SELLER'S INFORMATION

The Seller discloses 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 transaction 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(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER:

Seller ___ is ___ is not occupying the property.

A. The subject property has the items checked below (read across):

- | | | |
|---|--|---|
| <input type="checkbox"/> Range | <input type="checkbox"/> Oven | <input type="checkbox"/> Microwave |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Trash Compactor | <input type="checkbox"/> Garbage Disposal |
| <input type="checkbox"/> Washer/Dryer Hookups | <input type="checkbox"/> Smoke Detector(s) | <input type="checkbox"/> Rain Gutters |
| <input type="checkbox"/> Burglar Alarms | <input type="checkbox"/> Satellite Dish | <input type="checkbox"/> Fire Alarm |
| <input type="checkbox"/> TV Antenna | <input type="checkbox"/> Central Air Cndtng. | <input type="checkbox"/> Intercom |
| <input type="checkbox"/> Central Heating | <input type="checkbox"/> Sprinklers | <input type="checkbox"/> Evaporator Cooler(s) |
| <input type="checkbox"/> Wall/Window Air Cndtng. | <input type="checkbox"/> Sump Pump | <input type="checkbox"/> Public Sewer System |
| <input type="checkbox"/> Septic Tank | <input type="checkbox"/> Built-in Barbecue | <input type="checkbox"/> Water Softener |
| <input type="checkbox"/> Patio/Decking | <input type="checkbox"/> Pool <input type="checkbox"/> Child | <input type="checkbox"/> Gazebo |
| <input type="checkbox"/> Sauna | <input type="checkbox"/> Resistant Barrier * | <input type="checkbox"/> Spa <input type="checkbox"/> Locking |
| <input type="checkbox"/> Hot Tub <input type="checkbox"/> Locking | <input type="checkbox"/> Automatic Garage | <input type="checkbox"/> Safety Cover * |
| <input type="checkbox"/> Safety Cover * | <input type="checkbox"/> Door Opener(s) * | <input type="checkbox"/> Number Remote |
| <input type="checkbox"/> Security Gate(s) | <input type="checkbox"/> Not Attached | <input type="checkbox"/> Controls |
| Garage: <input type="checkbox"/> Attached | <input type="checkbox"/> Solar | <input type="checkbox"/> Carport |
| Pool/Spa Heater: <input type="checkbox"/> Gas | <input type="checkbox"/> Water Heater | <input type="checkbox"/> Electric |
| Water Heater: <input type="checkbox"/> Gas | <input type="checkbox"/> Anchored, Braced,
or Strapped * | <input type="checkbox"/> Private Utility or
Other _____ |
| Water Supply: <input type="checkbox"/> City | <input type="checkbox"/> Well | |
| Gas Supply: <input type="checkbox"/> Utility | <input type="checkbox"/> Bottled | |
| <input type="checkbox"/> Window Screens | <input type="checkbox"/> Window Security | |
| | <input type="checkbox"/> Bars <input type="checkbox"/> Quick-release | |
| | <input type="checkbox"/> Mechanism on | |
| | <input type="checkbox"/> Bedroom Windows * | |

Exhaust Fan(s) in _____ 220 Volt Wiring in _____ Fireplace(s) in _____
Gas Starter _____ Roof(s): Type: _____ Age: _____ (approx.)

Other: _____

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? Yes No. If yes, then describe.
(Attach additional sheets if necessary): _____

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? Yes No. If yes, check appropriate space(s) below.

- | | | | | | |
|---|---|--|---|-------------------------------------|------------------------------------|
| <input type="checkbox"/> Interior Walls | <input type="checkbox"/> Ceilings | <input type="checkbox"/> Floors | <input type="checkbox"/> Exterior Walls | <input type="checkbox"/> Insulation | <input type="checkbox"/> Roof(s) |
| <input type="checkbox"/> Windows | <input type="checkbox"/> Doors | <input type="checkbox"/> Foundation | <input type="checkbox"/> Slab(s) | <input type="checkbox"/> Driveways | <input type="checkbox"/> Sidewalks |
| <input type="checkbox"/> Walls/Fences | <input type="checkbox"/> Electrical Systems | <input type="checkbox"/> Plumbing/Sewers/Septics | <input type="checkbox"/> Other | | |
- Structural Components (Describe: _____)
_____)

If any of the above is checked, explain. (Attach additional sheets if necessary): _____

* This garage door opener or child resistant pool barrier may not be in compliance with the safety standards relating to automatic reversing devices as set forth in Chapter 12.5 (commencing with Section 19890) of Part 3 of Division 13 of, or with the pool safety standards of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. The water heater may not be anchored, braced, or strapped in accordance with Section 19211 of the Health and Safety Code. Window security bars may not have quick-release mechanisms in compliance with the 1995 edition of the California Building Standards Code.

C. Are you (Seller) aware of any of the following:

- 1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property Yes No
- 2. Features of the property shared in common with adjoining landowners, such as walls, fences, and drive-ways, whose use or responsibility for maintenance may have an effect on the subject property Yes No
- 3. Any encroachments, easements or similar matters that may affect your interest in the subject property Yes No
- 4. Room additions, structural modifications, or other alterations or repairs made without necessary permits Yes No
- 5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes Yes No
- 6. Fill (compacted or otherwise) on the property or any portion thereof Yes No
- 7. Any settling from any cause, or slippage, sliding, or other soil problems Yes No
- 8. Flooding, drainage or grading problems Yes No
- 9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides Yes No
- 10. Any zoning violations, nonconforming uses, violations of "setback" requirements Yes No
- 11. Neighborhood noise problems or other nuisances Yes No
- 12. CC&Rs or other deed restrictions or obligations Yes No
- 13. Homeowners' Association which has any authority over the subject property Yes No
- 14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) Yes No
- 15. Any notices of abatement or citations against the property Yes No
- 16. Any lawsuits by or against the Seller threatening to or affecting this real property, including any lawsuits alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) Yes No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary.): _____

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller _____ Date _____
Seller _____ Date _____

III

AGENT'S INSPECTION DISCLOSURE

(To be completed only if the Seller is represented by an agent in this transaction.)

THE UNDERSIGNED, BASED ON THE ABOVE INQUIRY OF THE SELLER(S) AS TO THE CONDITION OF THE PROPERTY AND BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY IN CONJUNCTION WITH THAT INQUIRY, STATES THE FOLLOWING:

- Agent notes no items for disclosure.
- Agent notes the following items:

Agent (Broker
Representing Seller) _____ (Please Print) By _____ (Associate Licensee
or Broker Signature) Date _____

IV

AGENT'S INSPECTION DISCLOSURE

(To be completed only if the agent who has obtained the offer is other than the agent above.)

THE UNDERSIGNED, BASED ON A REASONABLY COMPETENT AND DILIGENT VISUAL INSPECTION OF THE ACCESSIBLE AREAS OF THE PROPERTY, STATES THE FOLLOWING:

Agent notes no items for disclosure.

Agent notes the following items:

Agent (Broker Obtaining the Offer) _____ (Please Print) By _____ (Associate Licensee or Broker Signature) Date _____

V

BUYER(S) AND SELLER(S) MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR INSPECTIONS OF THE PROPERTY AND TO PROVIDE FOR APPROPRIATE PROVISIONS IN A CONTRACT BETWEEN BUYER(S) AND SELLER(S) WITH RESPECT TO ANY ADVICE/INSPECTIONS/DEFECTS.

I/WE ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT.

Seller _____ Date _____ Buyer _____ Date _____
Seller _____ Date _____ Buyer _____ Date _____

Agent (Broker Representing Seller) _____ (Please Print) By _____ (Associate Licensee or Broker Signature) Date _____

Agent (Broker Obtaining the Offer) _____ (Please Print) By _____ (Associate Licensee or Broker Signature) Date _____

SECTION 1102.3 OF THE CIVIL CODE PROVIDES A BUYER WITH THE RIGHT TO RESCIND A PURCHASE CONTRACT FOR AT LEAST THREE DAYS AFTER THE DELIVERY OF THIS DISCLOSURE IF DELIVERY OCCURS AFTER THE SIGNING OF AN OFFER TO PURCHASE. IF YOU WISH TO RESCIND THE CONTRACT, YOU MUST ACT WITHIN THE PRESCRIBED PERIOD.

A REAL ESTATE BROKER IS QUALIFIED TO ADVISE ON REAL ESTATE. IF YOU DESIRE LEGAL ADVICE, CONSULT YOUR ATTORNEY.

SEC. 14. Section 1102.6b of the Civil Code is amended to read:

1102.6b. (a) This section applies to all transfers of real property for which all of the following apply:

(1) The transfer is subject to this article.

(2) The property being transferred is subject to a continuing lien securing the levy of special taxes pursuant to the Mello-Roos Community Facilities Act (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code) or to a fixed lien assessment collected in installments to secure bonds issued pursuant to the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code).

(3) A notice is not required pursuant to Section 53341.5 of the Government Code.

(b) In addition to any other disclosure required pursuant to this article, the seller of any real property subject to this section shall make a good faith effort to obtain a disclosure notice concerning the special tax as provided for in Section 53340.2 of the Government Code, or a disclosure notice concerning an assessment installment as provided in Section 53754 of the Government Code, from each local agency that levies a special tax pursuant to the Mello-Roos Community Facilities Act, or that collects assessment installments to secure bonds issued pursuant to the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code), on the property being transferred, and shall deliver that notice or those notices to the prospective purchaser, as long as the notices are made available by the local agency.

(c) The seller of real property subject to this section may satisfy the disclosure notice requirements in regard to the bonds issued pursuant to the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) by delivering a disclosure notice that is substantially equivalent and obtained from another source, until December 31, 2004. For the purposes of this section, a substantially equivalent disclosure notice includes, but is not limited to, a copy of the most recent year's property tax bill or an itemization of current assessment amounts applicable to the property.

(d) (1) Notwithstanding subdivision (c), at any time after the effective date of this section, the seller of real property subject to this section may satisfy the disclosure notice requirements of this section by delivering a disclosure notice obtained from a nongovernmental source that satisfies the requirements of paragraph (2).

(2) A notice provided by a private entity other than a designated office, department, or bureau of the levying entity may be modified as needed to clearly and accurately describe a special tax pursuant to the Mello-Roos Community Facilities Act levied against the property or to

clearly and accurately consolidate information about two or more districts that levy or are authorized to levy a special tax pursuant to the Mello-Roos Community Facilities Act against the property, and shall include the name of the Mello-Roos entity levying taxes against the property, the annual tax due for the Mello-Roos entity for the current tax year, the maximum tax that may be levied against the property in any year, the percentage by which the maximum tax for the Mello-Roos entity may increase per year, and the date until the tax may be levied against the property for the Mello-Roos entity and a contact telephone number, if available, for further information about the Mello-Roos entity. A notice provided by a private entity other than a designated office, department, or bureau of the levying entity may be modified as needed to clearly and accurately describe special assessments and bonds pursuant to the Improvement Bond Act of 1915 levied against the property, or to clearly and accurately consolidate information about two or more districts that levy or are authorized to levy special assessments and bonds pursuant to the Improvement Bond Act of 1915 against the property, and shall include the name of the special assessments and bonds issued pursuant to the Improvement Bond Act of 1915, the current annual tax on the property for the special assessments and bonds issued pursuant to the Improvement Bond Act of 1915 and a contact telephone number, if available, for further information about the special assessments and bonds issued pursuant to the Improvement Bond Act of 1915.

(3) This section does not change the ability to make disclosures pursuant to Section 1102.4 of the Civil Code.

(e) If a disclosure received pursuant to subdivision (b), (c), or (d) has been delivered to the transferee, a seller or his or her agent is not required to provide additional information concerning, and information in the disclosure shall be deemed to satisfy the responsibility of the seller or his or her agent to inform the transferee regarding the special tax or assessment installments and the district. Notwithstanding subdivision (b), (c), or (d), nothing in this section imposes a duty to discover a special tax or assessment installments or the existence of any levying district not actually known to the agents.

SEC. 15. Section 1714 of the Civil Code is amended to read:

1714. (a) Everyone is responsible, not only for the result of his or her willful acts, but also for an injury occasioned to another by his or her want of ordinary care or skill in the management of his or her property or person, except so far as the latter has, willfully or by want of ordinary care, brought the injury upon himself or herself. The design, distribution, or marketing of firearms and ammunition is not exempt from the duty to use ordinary care and skill that is required by this

section. The extent of liability in these cases is defined by the Title on Compensatory Relief.

(b) It is the intent of the Legislature to abrogate the holdings in cases such as *Vesely v. Sager* (1971) 5 Cal.3d 153, *Bernhard v. Harrah's Club* (1976) 16 Cal.3d 313, and *Coulter v. Superior Court* (1978) 21 Cal.3d 144 and to reinstate the prior judicial interpretation of this section as it relates to proximate cause for injuries incurred as a result of furnishing alcoholic beverages to an intoxicated person, namely that the furnishing of alcoholic beverages is not the proximate cause of injuries resulting from intoxication, but rather the consumption of alcoholic beverages is the proximate cause of injuries inflicted upon another by an intoxicated person.

(c) No social host who furnishes alcoholic beverages to any person may be held legally accountable for damages suffered by that person, or for injury to the person or property of, or death of, any third person, resulting from the consumption of those beverages.

SEC. 16. Section 1936 of the Civil Code, as added by Section 3 of Chapter 948 of the Statutes of 2002, is amended to read:

1936. (a) For the purpose of this section, the following definitions shall apply:

(1) "Rental company" means any person or entity in the business of renting passenger vehicles to the public.

(2) "Renter" means any person in any manner obligated under a contract for the lease or hire of a passenger vehicle from a rental company for a period of less than 30 days.

(3) "Authorized driver" means (A) the renter, (B) the renter's spouse if that person is a licensed driver and satisfies the rental company's minimum age requirement, (C) the renter's employer or coworker if they are engaged in business activity with the renter, are licensed drivers, and satisfy the rental company's minimum age requirement, and (D) any person expressly listed by the rental company on the renter's contract as an authorized driver.

(A) "Customer facility charge" means a fee required by an airport to be collected by a rental company from a renter for any of the following purposes:

(i) The fee shall be used to finance, design, and construct consolidated airport car rental facilities.

(ii) The fee shall be used to finance, design, construct, and provide common use transportation systems that move passengers between airport terminals and those consolidated car rental facilities.

(B) The aggregate amount to be collected shall not exceed the reasonable costs, as determined by an independent audit paid for by the airport, to finance, design, and construct those facilities. Copies of the audit shall be provided to the Assembly and Senate Committees on

Judiciary and Committees on Transportation. In the case of a transportation system, the audit shall also consider the reasonable costs of providing the transit system or busing network. At the Burbank Airport, and at all other airports, the fees designated as a Customer Facility Charge may not be used to pay for terminal expansion, gate expansion, runway expansion, changes in hours of operation, or changes in the number of flights arriving or departing from the airport.

(C) The authorization given pursuant to this section for an airport to impose a customer facility charge shall become inoperative when the bonds used for financing are paid.

(4) "Damage waiver" means a rental company's agreement not to hold a renter liable for all or any portion of any damage or loss related to the rented vehicle, any loss of use of the rented vehicle, or any storage, impound, towing, or administrative charges.

(5) "Estimated time for replacement" means the number of hours of labor, or fraction thereof, needed to replace damaged vehicle parts as set forth in collision damage estimating guides generally used in the vehicle repair business and commonly known as "crash books."

(6) "Estimated time for repair" means a good faith estimate of the reasonable number of hours of labor, or fraction thereof, needed to repair damaged vehicle parts.

(7) "Passenger vehicle" means a passenger vehicle as defined in Section 465 of the Vehicle Code.

(b) Except as limited by subdivision (c), a rental company and a renter may agree that the renter will be responsible for no more than all of the following:

(1) Physical or mechanical damage to the rented vehicle up to its fair market value, as determined in the customary market for the sale of that vehicle, resulting from collision regardless of the cause of the damage.

(2) Loss due to theft of the rented vehicle up to its fair market value, as determined in the customary market for the sale of that vehicle, provided that the rental company establishes by clear and convincing evidence that the renter or the authorized driver failed to exercise ordinary care while in possession of the vehicle. In addition, the renter shall be presumed to have no liability for any loss due to theft if (A) an authorized driver has possession of the ignition key furnished by the rental company or an authorized driver establishes that the ignition key furnished by the rental company was not in the vehicle at the time of the theft, and (B) an authorized driver files an official report of the theft with the police or other law enforcement agency within 24 hours of learning of the theft and reasonably cooperates with the rental company and the police or other law enforcement agency in providing information concerning the theft. The presumption set forth in this paragraph is a presumption affecting the burden of proof which the rental company

may rebut by establishing that an authorized driver committed, or aided and abetted the commission of, the theft.

(3) Physical damage to the rented vehicle up to its fair market value, as determined in the customary market for the sale of that vehicle, resulting from vandalism occurring after, or in connection with, the theft of the rented vehicle; however, the renter shall have no liability for any damage due to vandalism if the renter would have no liability for theft pursuant to paragraph (2).

(4) Physical damage to the rented vehicle up to a total of five hundred dollars (\$500) resulting from vandalism unrelated to the theft of the rented vehicle.

(5) Actual charges for towing, storage, and impound fees paid by the rental company if the renter is liable for damage or loss.

(6) An administrative charge which shall include the cost of appraisal and all other costs and expenses incident to the damage, loss, repair, or replacement of the rented vehicle.

(c) The total amount of the renter's liability to the rental company resulting from damage to the rented vehicle shall not exceed the sum of the following:

(1) The estimated cost of parts which the rental company would have to pay to replace damaged vehicle parts. All discounts and price reductions or adjustments that are or will be received by the rental company shall be subtracted from the estimate to the extent not already incorporated in the estimate or otherwise promptly credited or refunded to the renter.

(2) The estimated cost of labor to replace damaged vehicle parts which shall not exceed the product of (A) the rate for labor usually paid by the rental company to replace vehicle parts of the type that were damaged and (B) the estimated time for replacement. All discounts and price reductions or adjustments that are or will be received by the rental company shall be subtracted from the estimate to the extent not already incorporated in the estimate or otherwise promptly credited or refunded to the renter.

(3) (A) The estimated cost of labor to repair damaged vehicle parts which shall not exceed the lesser of the following:

(i) The product of the rate for labor usually paid by the rental company to repair vehicle parts of the type that were damaged and the estimated time for repair.

(ii) The sum of the estimated labor and parts costs determined under paragraphs (1) and (2) to replace the same vehicle parts.

(B) All discounts and price reductions or adjustments that are or will be received by the rental company shall be subtracted from the estimate to the extent not already incorporated in the estimate or otherwise promptly credited or refunded to the renter.

(4) For the purpose of converting the estimated time for repair into the same units of time in which the rental rate is expressed, a day shall be deemed to consist of eight hours.

(5) Actual charges for towing, storage, and impound fees paid by the rental company.

(6) The administrative charge described in paragraph (6) of subdivision (b) may not exceed (A) fifty dollars (\$50) if the total estimated cost for parts and labor is more than one hundred dollars (\$100) up to and including five hundred dollars (\$500), (B) one hundred dollars (\$100) if the total estimated cost for parts and labor exceeds five hundred dollars (\$500) up to and including one thousand five hundred dollars (\$1,500), and (C) one hundred fifty dollars (\$150) if the total estimated cost for parts and labor exceeds one thousand five hundred dollars (\$1,500). No administrative charge may be imposed if the total estimated cost of parts and labor is one hundred dollars (\$100) or less.

(d) (1) The total amount of an authorized driver's liability to the rental company, if any, for damage occurring during the authorized driver's operation of the rented vehicle may not exceed the amount of the renter's liability under subdivision (c).

(2) A rental company may not recover from the renter or other authorized driver an amount exceeding the renter's liability under subdivision (c).

(3) A claim against a renter resulting from damage or loss, excluding loss of use, to a rental vehicle shall be reasonably and rationally related to the actual loss incurred. A rental company shall mitigate damages where possible and may not assert or collect any claim for physical damage which exceeds the actual costs of the repairs performed or the estimated cost of repairs, if the rental company chooses not to repair the vehicle, including all discounts and price reductions. However, if the vehicle is a total loss vehicle, the claim may not exceed the total loss vehicle value established in accordance with procedures that are customarily used by insurance companies when paying claims on total loss vehicles, less the proceeds from salvaging the vehicle, if those proceeds are retained by the rental company.

(4) If insurance coverage exists under the renter's applicable personal or business insurance policy and the coverage is confirmed during regular business hours, the renter may require that the rental company submit any claims to the renter's applicable personal or business insurance carrier. The rental company may not make any written or oral representations that it will not present claims or negotiate with the renter's insurance carrier. For purposes of this paragraph, confirmation of coverage includes telephone confirmation from insurance company representatives during regular business hours. Upon request of the renter and after confirmation of coverage, the amount of claim shall be resolved

between the insurance carrier and the rental company. The renter shall remain responsible for payment to the rental car company for any loss sustained that the renter's applicable personal or business insurance policy does not cover.

(5) A rental company may not recover from the renter or other authorized driver for any item described in subdivision (b) to the extent the rental company obtains recovery from any other person.

(6) This section applies only to the maximum liability of a renter or other authorized driver to the rental company resulting from damage to the rented vehicle and not to the liability of any other person.

(e) (1) Except as provided in subdivision (f), every damage waiver shall provide or, if not expressly stated in writing, shall be deemed to provide that the renter has no liability for any damage, loss, loss of use, or any cost or expense incident thereto.

(2) Except as provided in subdivision (f), every limitation, exception, or exclusion to any damage waiver is void and unenforceable.

(f) A rental company may provide in the rental contract that a damage waiver does not apply under any of the following circumstances:

(1) Damage or loss results from an authorized driver's (A) intentional, willful, wanton, or reckless conduct, (B) operation of the vehicle under the influence of drugs or alcohol in violation of Section 23152 of the Vehicle Code, (C) towing or pushing anything, or (D) operation of the vehicle on an unpaved road if the damage or loss is a direct result of the road or driving conditions.

(2) Damage or loss occurs while the vehicle is (A) used for commercial hire, (B) used in connection with conduct that could be properly charged as a felony, (C) involved in a speed test or contest or in driver training activity, (D) operated by a person other than an authorized driver, or (E) operated outside of the United States.

(3) Any authorized driver who has (A) provided fraudulent information to the rental company, or (B) provided false information and the rental company would not have rented the vehicle if it had instead received true information.

(g) (1) A rental company which offers or provides a damage waiver for any consideration in addition to the rental rate shall clearly and conspicuously disclose the following information in the rental contract or holder in which the contract is placed and, also, in signs posted at the place, such as the counter, where the renter signs the rental contract: (A) the nature of the renter's liability, e.g., liability for all collision damage regardless of cause, (B) the extent of the renter's liability, e.g., liability for damage or loss up to a specified amount, (C) the renter's personal insurance policy or the credit card used to pay for the car rental transaction may provide coverage for all or a portion of the renter's potential liability, (D) the renter should consult with his or her insurer

to determine the scope of insurance coverage, including the amount of the deductible, if any, for which the renter is obligated, (E) the renter may purchase an optional damage waiver to cover all liability, subject to whatever exceptions the rental company expressly lists that are permitted under subdivision (f), and (F) the range of charges for the damage waiver.

(2) In addition to the requirements of paragraph (1), a rental company that offers or provides damage waiver shall, on that part of the contract where the renter indicates his or her acceptance or declination of the damage waiver, indicate that the purchase of the damage waiver is optional.

(3) The following is an example, for purposes of illustration and not limitation, of a notice fulfilling the requirements of paragraph (1) for a rental company that imposes liability on the renter for collision damage to the full value of the vehicle:

“NOTICE ABOUT YOUR FINANCIAL RESPONSIBILITY AND
OPTIONAL DAMAGE WAIVER

You are responsible for all collision damage to the rented vehicle even if someone else caused it or the cause is unknown. You are responsible for the cost of repair up to the value of the vehicle, and towing, storage, and impound fees.

Your own insurance, or the issuer of the credit card you use to pay for the car rental transaction, may cover all or part of your financial responsibility for the rented vehicle. You should check with your insurance company, or credit card issuer, to find out about your coverage and the amount of the deductible, if any, for which you may be liable.

Further, if you use a credit card that provides coverage for your potential liability, you should check with the issuer to determine if you must first exhaust the coverage limits of your own insurance before the credit card coverage applies.

The rental company will not hold you responsible if you buy a damage waiver. But a damage waiver will not protect you if (list exceptions).”

(A) When the above notice is printed in the contract or contractholder, the following shall be printed immediately following the notice:

“The cost of an optional damage waiver is \$____ for every (day or week).”

(B) When the above notice appears on a sign, the following shall appear immediately adjacent to the notice:

“The cost of an optional damage waiver is \$____ to \$____ for every (day or week), depending upon the vehicle rented.”

(h) Notwithstanding any other provision of law, a rental company may sell a damage waiver subject to the following rate limitations for each full or partial 24-hour rental day for the damage waiver:

(1) For rental vehicles that the rental company designates as an “economy car,” “subcompact car,” “compact car,” or any other term having similar meaning when offered for rental, or any other vehicle having a manufacturer’s suggested retail price of nineteen thousand dollars (\$19,000) or less, the rate may not exceed nine dollars (\$9).

(2) For rental vehicles that have a manufacturer’s suggested retail price from nineteen thousand one dollars (\$19,001) to thirty-four thousand nine hundred ninety-nine dollars (\$34,999), inclusive, and that is also either a vehicle of the next year’s model year or not older than the previous year’s model year, the rate may not exceed fifteen dollars (\$15). For those rental vehicles older than the previous year’s model year, the rate may not exceed nine dollars (\$9).

(i) On or after January 1, 2003, the manufacturer’s suggested retail prices described in subdivision (h) shall be adjusted annually to reflect changes from the previous year in the Consumer Price Index. For the purposes of this section, “Consumer Price Index” means the United States Consumer Price Index for All Urban Consumers, for all items.

(j) A rental company which disseminates in this state an advertisement containing a rental rate shall include in that advertisement a clearly readable statement of the charge for damage waiver and a statement that damage waiver is optional.

(k) (1) A rental company may not require the purchase of a damage waiver, optional insurance, or any other optional good or service.

(2) A rental company may not engage in any unfair, deceptive, or coercive conduct to induce a renter to purchase damage waiver, optional insurance, or any other optional good or service, including conduct such as, but not limited to, refusing to honor the renter’s reservation, limiting the availability of vehicles, requiring a deposit, or debiting or blocking the renter’s credit card account for a sum equivalent to a deposit if the renter declines to purchase damage waiver, optional insurance, or any other optional good or service.

(l) (1) In the absence of express permission granted by the renter subsequent to damage to, or loss of, the vehicle, a rental company may not seek to recover any portion of any claim arising out of damage to, or loss of, the rented vehicle by processing a credit card charge or causing any debit or block to be placed on the renter’s credit card account.

(2) A rental company may not engage in any unfair, deceptive, or coercive tactics in attempting to recover or in recovering on any claim arising out of damage to, or loss of, the rented vehicle.

(m) (1) A customer facility charge may be collected by a rental company under the following circumstances:

(A) Collection of the fee by the rental company is required by an airport operated by a city, a county, a city and county, a joint powers authority, or a special district.

(B) The fee is calculated on a per-contract basis.

(C) The fee is a user fee, not a tax imposed upon real property or an incidence of property ownership under Article XIII D of the California Constitution.

(D) Except as otherwise provided in subparagraph (E), the fee shall be ten dollars (\$10) per contract.

(E) If the fee imposed by the airport is for both a consolidated rental car facility and a common use transportation system, the fee collected from customers of on-airport rental car companies shall be ten dollars (\$10), but the fee imposed on customers of off-airport rental car companies who are transported on the common use transportation system is proportionate to the costs of the common use transportation system only. The fee is uniformly applied to each class of on-airport or off-airport customers, provided the airport requires off-airport customers to use the common use transportation system.

(F) Revenues collected from the fee do not exceed the reasonable costs of financing, designing, constructing, or operating the facility or services and may not be used for any other purpose.

(G) The fee is separately identified on the rental agreement.

(H) This paragraph does not apply to airports whose fees are governed by Section 1936.5 of the Civil Code, Section 50474.1 of the Government Code, or Section 57.5 of the San Diego Unified Port District Act.

(2) Notwithstanding any other provision of law, including, but not limited to, Part 1 (commencing with Section 6001) to Part 1.7 (commencing with Section 7280), inclusive, of Division 2 of the Revenue and Taxation Code, the fees collected pursuant to this section, or any other law whereby a local agency operating an airport requires a rental car company to collect a facility financing fee from its customers, shall not be subject to sales, use, or transaction taxes.

(n) (1) A rental company shall only advertise, quote, and charge a rental rate that includes the entire amount except taxes, a customer facility charge, if any, and a mileage charge, if any, which a renter must pay to hire or lease the vehicle for the period of time to which the rental rate applies. A rental company may not charge in addition to the rental rate, taxes, a customer facility charge, if any, and a mileage charge, if any, any fee which must be paid by the renter as a condition of hiring or

leasing the vehicle, such as, but not limited to, required fuel or airport surcharges other than customer facility charges, nor any fee for transporting the renter to the location where the rented vehicle will be delivered to the renter.

(2) In addition to the rental rate, taxes, customer facility charges, if any, and mileage charges, if any, a rental company may charge for an item or service provided in connection with a particular rental transaction if the renter could have avoided incurring the charge by choosing not to obtain or utilize the optional item or service. Items and services for which the rental company may impose an additional charge include, but are not limited to, optional insurance and accessories requested by the renter, service charges incident to the renter's optional return of the vehicle to a location other than the location where the vehicle was hired or leased, and charges for refueling the vehicle at the conclusion of the rental transaction in the event the renter did not return the vehicle with as much fuel as was in the fuel tank at the beginning of the rental. A rental company also may impose an additional charge based on reasonable age criteria established by the rental company.

(3) A rental company may not charge any fee for authorized drivers in addition to the rental charge for an individual renter.

(4) If a rental company states a rental rate in print advertisement or in a telephonic, in-person, or computer-transmitted quotation, the rental company shall clearly disclose in that advertisement or quotation the terms of any mileage conditions relating to the advertised or quoted rental rate, including, but not limited to, to the extent applicable, the amount of mileage and gas charges, the number of miles for which no charges will be imposed, and a description of geographic driving limitations within the United States and Canada.

(5) (A) When a rental rate is stated in an advertisement, quotation, or reservation in connection with a car rental at an airport where a customer facility charge is imposed, the rental company shall clearly disclose the existence and amount of the customer facility charge. For the purposes of this subparagraph, advertisements include radio, television, other electronic media, and print advertisements. For purposes of this subparagraph, quotations and reservations include those that are telephonic, in-person, and computer-transmitted. If the rate advertisement is intended to include transactions at more than one airport imposing a customer facility charge, a range of fees may be stated in the advertisement. However, all rate advertisements that include car rentals at airport destinations shall clearly and conspicuously include a toll-free telephone number whereby a customer can be told the specific amount of the customer facility charge to which the customer will be obligated.

(B) If any person or entity other than a rental car company, including a passenger carrier or a seller of travel services, advertises or quotes a rate for a car rental at an airport where a customer facility charge is imposed, that person or entity shall, provided they are provided with information about the existence and amount of the fee, to the extent not specifically prohibited by federal law, clearly disclose the existence and amount of the fee in any telephonic, in-person, or computer-transmitted quotation at the time of making an initial quotation of a rental rate and at the time of making a reservation of a rental car. If a rental car company provides the person or entity with rate and customer facility charge information, the rental car company shall not be responsible for the failure of that person or entity to comply with this subparagraph when quoting or confirming a rate to a third person or entity.

(6) If a rental company delivers a vehicle to a renter at a location other than the location where the rental company normally carries on its business, the rental company shall not charge the renter any amount for the rental for the period before the delivery of the vehicle. If a rental company picks up a rented vehicle from a renter at a location other than the location where the rental company normally carries on its business, the rental company may not charge the renter any amount for the rental for the period after the renter notifies the rental company to pick up the vehicle.

(o) A renter may bring an action against a rental company for the recovery of damages and appropriate equitable relief for a violation of this section. The prevailing party shall be entitled to recover reasonable attorney's fees and costs.

(p) A rental company that brings an action against a renter for loss due to theft of the vehicle shall bring the action in the county in which the renter resides or if the renter is not a resident of this state in the jurisdiction in which the renter resides.

(q) Any waiver of any of the provisions of this section is void and unenforceable as contrary to public policy.

SEC. 17. Section 1946.1 of the Civil Code is amended to read:

1946.1. (a) Notwithstanding Section 1946, a hiring of residential real property for a term not specified by the parties, is deemed to be renewed as stated in Section 1945, at the end of the term implied by law unless one of the parties gives written notice to the other of his or her intention to terminate the tenancy, as provided in this section.

(b) An owner of a residential dwelling giving notice pursuant to this section shall give notice at least 60 days prior to the proposed date of termination. A tenant giving notice pursuant to this section shall give notice for a period at least as long as the term of the periodic tenancy prior to the proposed date of termination.

(c) Notwithstanding subdivision (b), an owner of a residential dwelling giving notice pursuant to this section shall give notice at least 30 days prior to the proposed date of termination if the tenant has resided in the dwelling for less than one year.

(d) Notwithstanding subdivision (b), an owner of a residential dwelling giving notice pursuant to this section shall give notice at least 30 days prior to the proposed date of termination if all of the following apply:

(1) The dwelling or unit is alienable separate from the title to any other dwelling unit.

(2) The owner has contracted to sell the dwelling or unit to a bona fide purchaser for value, and has established an escrow with a licensed escrow agent, as defined in Sections 17004 and 17200 of the Financial Code, or a licensed real estate broker, as defined in Section 10131 of the Business and Professions Code.

(3) The purchaser is a natural person or persons.

(4) The notice is given no more than 120 days after the escrow has been established.

(5) Notice was not previously given to the tenant pursuant to this section.

(6) The purchaser in good faith intends to reside in the property for at least one full year after the termination of the tenancy.

(e) The notices required by this section shall be given in the manner prescribed in Section 1162 of the Code of Civil Procedure or by sending a copy by certified or registered mail.

(f) This section may not be construed to affect the authority of a public entity that otherwise exists to regulate or monitor the basis for eviction.

(g) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

SEC. 18. Section 1954 of the Civil Code is amended to read:

1954. A landlord may enter the dwelling unit only in the following cases:

(a) In case of emergency.

(b) To make necessary or agreed repairs, decorations, alterations or improvements, supply necessary or agreed services, or exhibit the dwelling unit to prospective or actual purchasers, mortgagees, tenants, workers or contractors or to make an inspection pursuant to subdivision (f) of Section 1950.5.

(c) When the tenant has abandoned or surrendered the premises.

(d) Pursuant to court order.

Except in cases of emergency or when the tenant has abandoned or surrendered the premises, entry may not be made during other than normal business hours unless the tenant consents at the time of entry.

The landlord may not abuse the right of access or use it to harass the tenant. Except in cases of emergency or when the tenant has abandoned or surrendered the premises, the landlord shall give the tenant reasonable notice in writing of his or her intent to enter and enter only during normal business hours. The notice may be personally delivered to the tenant, left with someone of a suitable age and discretion at the premises, or, left on, near, or under the usual entry door of the premises in a manner in which a reasonable person would discover the notice. Twenty-four hours shall be presumed to be reasonable notice in absence of evidence to the contrary. The notice may be mailed to the tenant. Mailing of the notice at least six days prior to an intended entry is presumed reasonable notice in the absence of evidence to the contrary.

If the purpose of the entry is to exhibit the dwelling unit to prospective or actual purchasers, the notice may be given orally, in person or by telephone, if the landlord or his or her agent has notified the tenant in writing within 120 days of the oral notice that the property is for sale and that the landlord or agent may contact the tenant orally for the purpose described above. Twenty-four hours is presumed reasonable notice in the absence of evidence to the contrary. At the time of entry, the landlord or agent shall leave written evidence of the entry inside the unit.

SEC. 19. Section 2924j of the Civil Code is amended to read:

2924j. (a) Unless an interpleader action has been filed, within 30 days of the execution of the trustee's deed resulting from a sale in which there are proceeds remaining after payment of the amounts required by paragraphs (1) and (2) of subdivision (a) of Section 2924k, the trustee shall send written notice to all persons with recorded interests in the real property as of the date immediately prior to the trustee's sale who would be entitled to notice pursuant to subdivisions (b) and (c) of Section 2924b. The notice shall be sent by first-class mail in the manner provided in paragraph (1) of subdivision (c) of Section 2924b and inform each entitled person of each of the following:

- (1) That there has been a trustee's sale of the described real property.
- (2) That the noticed person may have a claim to all or a portion of the sale proceeds remaining after payment of the amounts required by paragraphs (1) and (2) of subdivision (a) of Section 2924k.
- (3) The noticed person may contact the trustee at the address provided in the notice to pursue any potential claim.
- (4) That before the trustee can act, the noticed person may be required to present proof that the person holds the beneficial interest in the obligation and the security interest therefor. In the case of a promissory note secured by a deed of trust, proof that the person holds the beneficial interest may include the original promissory note and assignment of beneficial interests related thereto. The noticed person shall also submit

a written claim to the trustee, executed under penalty of perjury, stating the following:

(A) The amount of the claim to the date of trustee's sale.

(B) An itemized statement of the principal, interest, and other charges.

(C) That claims must be received by the trustee at the address stated in the notice no later than 30 days after the date the trustee sends notice to the potential claimant.

(b) The trustee shall exercise due diligence to determine the priority of the written claims received by the trustee to the trustee's sale surplus proceeds from those persons to whom notice was sent pursuant to subdivision (a). In the event there is no dispute as to the priority of the written claims submitted to the trustee, proceeds shall be paid within 30 days after the conclusion of the notice period. If the trustee has failed to determine the priority of written claims within 90 days following the 30-day notice period, then within 10 days thereafter the trustee shall deposit the funds with the clerk of the court pursuant to subdivision (c) or file an interpleader action pursuant to subdivision (e). Nothing in this section shall preclude any person from pursuing other remedies or claims as to surplus proceeds.

(c) If, after due diligence, the trustee is unable to determine the priority of the written claims received by the trustee to the trustee's sale surplus of multiple persons or if the trustee determines there is a conflict between potential claimants, the trustee may file a declaration of the unresolved claims and deposit with the clerk of the superior court of the county in which the sale occurred, that portion of the sales proceeds that cannot be distributed, less any fees charged by the clerk pursuant to this subdivision. The declaration shall specify the date of the trustee's sale, a description of the property, the names and addresses of all persons sent notice pursuant to subdivision (a), a statement that the trustee exercised due diligence pursuant to subdivision (b), that the trustee provided written notice as required by subdivisions (a) and (d) and the amount of the sales proceeds deposited by the trustee with the court. Further, the trustee shall submit a copy of the trustee's sales guarantee and any information relevant to the identity, location, and priority of the potential claimants with the court and shall file proof of service of the notice required by subdivision (d) on all persons described in subdivision (a).

The clerk shall deposit the amount with the county treasurer subject to order of the court upon the application of any interested party. The clerk may charge a reasonable fee for the performance of activities pursuant to this subdivision equal to the fee for filing an interpleader action pursuant to Article 2 (commencing with Section 26820) of Division 2 of Title 3 of the Government Code. Upon deposit of that portion of the sale proceeds that cannot be distributed by due diligence,

the trustee shall be discharged of further responsibility for the disbursement of sale proceeds. A deposit with the clerk of the court pursuant to this subdivision may be either for the total proceeds of the trustee's sale, less any fees charged by the clerk, if a conflict or conflicts exist with respect to the total proceeds, or that portion that cannot be distributed after due diligence, less any fees charged by the clerk.

(d) Before the trustee deposits the funds with the clerk of the court pursuant to subdivision (c), the trustee shall send written notice by first-class mail, postage prepaid, to all persons described in subdivision (a) informing them that the trustee intends to deposit the funds with the clerk of the court and that a claim for the funds must be filed with the court within 30 days from the date of the notice, providing the address of the court in which the funds were deposited, and a telephone number for obtaining further information.

Within 90 days after deposit with the clerk, the court shall consider all claims filed at least 15 days before the date on which the hearing is scheduled by the court, the clerk shall serve written notice of the hearing by first-class mail on all claimants identified in the trustee's declaration at the addresses specified therein. Where the amount of the deposit is twenty-five thousand dollars (\$25,000) or less, a proceeding pursuant to this section is a limited civil case. The court shall distribute the deposited funds to any and all claimants entitled thereto.

(e) Nothing in this section restricts the ability of a trustee to file an interpleader action in order to resolve a dispute about the proceeds of a trustee's sale. Once an interpleader action has been filed, thereafter the provisions of this section do not apply.

(f) "Due diligence," for the purposes of this section means that the trustee researched the written claims submitted or other evidence of conflicts and determined that a conflict of priorities exists between two or more claimants which the trustee is unable to resolve.

(g) To the extent required by the Unclaimed Property Law, a trustee in possession of surplus proceeds not required to be deposited with the court pursuant to subdivision (b) shall comply with the Unclaimed Property Law (Chapter 7 (commencing with Section 1500) of Title 10 of Part 3 of the Code of Civil Procedure).

(h) Prior to July 1, 2000, the Judicial Council shall adopt a form to accomplish the filing authorized by this section.

SEC. 20. Section 2941 of the Civil Code is amended to read:

2941. (a) Within 30 days after any mortgage has been satisfied, the mortgagee or the assignee of the mortgagee shall execute a certificate of the discharge thereof, as provided in Section 2939, and shall record or cause to be recorded in the office of the county recorder in which the mortgage is recorded. The mortgagee shall then deliver, upon the written request of the mortgagor or the mortgagor's heirs, successors, or

assignees, as the case may be, the original note and mortgage to the person making the request.

(b) (1) Within 30 calendar days after the obligation secured by any deed of trust has been satisfied, the beneficiary or the assignee of the beneficiary shall execute and deliver to the trustee the original note, deed of trust, request for a full reconveyance, and other documents as may be necessary to reconvey, or cause to be reconveyed, the deed of trust.

(A) The trustee shall execute the full reconveyance and shall record or cause it to be recorded in the office of the county recorder in which the deed of trust is recorded within 21 calendar days after receipt by the trustee of the original note, deed of trust, request for a full reconveyance, the fee that may be charged pursuant to subdivision (e), recorder's fees, and other documents as may be necessary to reconvey, or cause to be reconveyed, the deed of trust.

(B) The trustee shall deliver a copy of the reconveyance to the beneficiary, its successor in interest, or its servicing agent, if known. The reconveyance instrument shall specify one of the following options for delivery of the instrument, the addresses of which the recorder has no duty to validate:

(i) The trustor or successor in interest, and that person's last known address, as the person to whom the recorder will deliver the recorded instrument pursuant to Section 27321 of the Government Code.

(ii) That the recorder shall deliver the recorded instrument to the trustee's address. If the trustee's address is specified for delivery, the trustee shall mail the recorded instrument to the trustor or the successor in interest to the last known address for that party.

(C) Following execution and recordation of the full reconveyance, upon receipt of a written request by the trustor or the trustor's heirs, successors, or assignees, the trustee shall then deliver, or caused to be delivered, the original note and deed of trust to the person making that request.

(D) If the note or deed of trust, or any copy of the note or deed of trust, is electronic, upon satisfaction of an obligation secured by a deed of trust, any electronic original, or electronic copy which has not been previously marked solely for use as a copy, of the note and deed of trust, shall be altered to indicate that the obligation is paid in full.

(2) If the trustee has failed to execute and record, or cause to be recorded, the full reconveyance within 60 calendar days of satisfaction of the obligation, the beneficiary, upon receipt of a written request by the trustor or trustor's heirs, successor in interest, agent, or assignee, shall execute and acknowledge a document pursuant to Section 2934a substituting itself or another as trustee and issue a full reconveyance.

(3) If a full reconveyance has not been executed and recorded pursuant to either paragraph (1) or paragraph (2) within 75 calendar days

of satisfaction of the obligation, then a title insurance company may prepare and record a release of the obligation. However, at least 10 days prior to the issuance and recording of a full release pursuant to this paragraph, the title insurance company shall mail by first-class mail with postage prepaid, the intention to release the obligation to the trustee, trustor, and beneficiary of record, or their successor in interest of record, at the last known address.

(A) The release shall set forth:

- (i) The name of the beneficiary.
- (ii) The name of the trustor.
- (iii) The recording reference to the deed of trust.
- (iv) A recital that the obligation secured by the deed of trust has been paid in full.

(v) The date and amount of payment.

(B) The release issued pursuant to this subdivision shall be entitled to recordation and, when recorded, shall be deemed to be the equivalent of a reconveyance of a deed of trust.

(4) Where an obligation secured by a deed of trust was paid in full prior to July 1, 1989, and no reconveyance has been issued and recorded by October 1, 1989, then a release of obligation as provided for in paragraph (3) may be issued.

(5) Paragraphs (2) and (3) do not excuse the beneficiary or the trustee from compliance with paragraph (1). Paragraph (3) does not excuse the beneficiary from compliance with paragraph (2).

(6) In addition to any other remedy provided by law, a title insurance company preparing or recording the release of the obligation shall be liable to any party for damages, including attorney's fees, which any person may sustain by reason of the issuance and recording of the release, pursuant to paragraphs (3) and (4).

(7) A beneficiary may, at its discretion, in accordance with the requirements and procedures of Section 2934a, substitute the title company conducting the escrow through which the obligation is satisfied for the trustee of record, in which case the title company assumes the obligation of a trustee under this subdivision, and may collect the fee authorized by subdivision (e).

(8) In lieu of delivering the original note and deed of trust to the trustee within 30 days of loan satisfaction, as required by paragraph (1) of subdivision (b), a beneficiary who executes and delivers to the trustee a request for a full reconveyance within 30 days of loan satisfaction may, within 120 days of loan satisfaction, deliver the original note and deed of trust to either the trustee or trustor. If the note and deed of trust are delivered as provided in this paragraph, upon satisfaction of the note and deed of trust, the note and deed of trust shall be altered to indicate that

the obligation is paid in full. Nothing in this paragraph alters the requirements and obligations set forth in paragraphs (2) and (3).

(c) For the purposes of this section, the phrases “cause to be recorded” and “cause it to be recorded” include, but are not limited to, sending by certified mail with the United States Postal Service or by an independent courier service using its tracking service that provides documentation of receipt and delivery, including the signature of the recipient, the full reconveyance or certificate of discharge in a recordable form, together with payment for all required fees, in an envelope addressed to the county recorder’s office of the county in which the deed of trust or mortgage is recorded. Within two business days from the day of receipt, if received in recordable form together with all required fees, the county recorder shall stamp and record the full reconveyance or certificate of discharge. Compliance with this subdivision shall entitle the trustee to the benefit of the presumption found in Section 641 of the Evidence Code.

(d) The violation of this section shall make the violator liable to the person affected by the violation for all damages which that person may sustain by reason of the violation, and shall require that the violator forfeit to that person the sum of five hundred dollars (\$500).

(e) (1) The trustee, beneficiary, or mortgagee may charge a reasonable fee to the trustor or mortgagor, or the owner of the land, as the case may be, for all services involved in the preparation, execution, and recordation of the full reconveyance, including, but not limited to, document preparation and forwarding services rendered to effect the full reconveyance, and, in addition, may collect official fees. This fee may be made payable no earlier than the opening of a bona fide escrow or no more than 60 days prior to the full satisfaction of the obligation secured by the deed of trust or mortgage.

(2) If the fee charged pursuant to this subdivision does not exceed forty-five dollars (\$45), the fee is conclusively presumed to be reasonable.

(3) The fee described in paragraph (1) may not be charged unless demand for the fee was included in the payoff demand statement described in Section 2943.

(f) For purposes of this section, “original” may include an optically imaged reproduction when the following requirements are met:

(1) The trustee receiving the request for reconveyance and executing the reconveyance as provided in subdivision (b) is an affiliate or subsidiary of the beneficiary or an affiliate or subsidiary of the assignee of the beneficiary, respectively.

(2) The optical image storage media used to store the document shall be nonerasable write once, read many (WORM) optical image media that does not allow changes to the stored document.

(3) The optical image reproduction shall be made consistent with the minimum standards of quality approved by either the National Institute of Standards and Technology or the Association for Information and Image Management.

(4) Written authentication identifying the optical image reproduction as an unaltered copy of the note, deed of trust, or mortgage shall be stamped or printed on the optical image reproduction.

(g) No fee or charge may be imposed on the trustor in connection with, or relating to, any act described in this section except as expressly authorized by this section.

(h) The amendments to this section enacted at the 1999–2000 Regular Session shall apply only to a mortgage or an obligation secured by a deed of trust that is satisfied on or after January 1, 2001.

(i) (1) In any action filed before January 1, 2002, that is dismissed as a result of the amendments to this section enacted at the 2001–02 Regular Session, the plaintiff shall not be required to pay the defendant's costs.

(2) Any claimant, including a claimant in a class action lawsuit, whose claim is dismissed or barred as a result of the amendments to this section enacted at the 2001–02 Regular Session, may, within 6 months of the dismissal or barring of the action or claim, file or refile a claim for actual damages occurring before January 1, 2002, that were proximately caused by a time lapse between loan satisfaction and the completion of the beneficiary's obligations as required under paragraph (1) of subdivision (b). In any action brought under this section, the defendant may be found liable for actual damages, but may not be found liable for any civil penalty authorized by Section 2941.

(j) Notwithstanding any other penalties, if a beneficiary collects a fee for reconveyance and thereafter has knowledge, or should have knowledge, that no reconveyance has been recorded, the beneficiary shall cause to be recorded the reconveyance, or in the event a release of obligation is earlier and timely recorded, the beneficiary shall refund to the trustor the fee charged to perform the reconveyance. Evidence of knowledge includes, but is not limited to, notice of a release of obligation pursuant to paragraph (3) of subdivision (b).

SEC. 21. Section 17 of the Code of Civil Procedure is amended to read:

17. (a) Words used in this code in the present tense include the future as well as the present; words used in the masculine gender include the feminine and neuter; the singular number includes the plural and the plural the singular; the word "person" includes a corporation as well as a natural person; the word "county" includes "city and county"; writing includes printing and typewriting; oath includes affirmation or declaration; and every mode of oral statement, under oath or affirmation,

is embraced by the term “testify,” and every written one in the term “depose”; signature or subscription includes mark, when the person cannot write, his or her name being written near it by a person who writes his or her own name as a witness; provided, that when a signature is by mark it must, in order that the same may be acknowledged or may serve as the signature to any sworn statement, be witnessed by two persons who must subscribe their own names as witness thereto.

(b) The following words have in this code the signification attached to them in this section, unless otherwise apparent from the context:

(1) The word “property” includes both real and personal property.

(2) The words “real property” are coextensive with lands, tenements, and hereditaments.

(3) The words “personal property” include money, goods, chattels, things in action, and evidences of debt.

(4) The word “month” means a calendar month, unless otherwise expressed.

(5) The word “will” includes codicil.

(6) The word “writ” signifies an order or precept in writing, issued in the name of the people, or of a court or judicial officer, and the word “process” signifies a writ or summons issued in the course of judicial proceedings.

(7) The word “state,” when applied to the different parts of the United States, includes the District of Columbia and the territories, and the words “United States” may include the district and territories.

(8) The word “section,” whenever hereinafter employed, refers to a section of this code, unless some other code or statute is expressly mentioned.

(9) The word “affinity,” when applied to the marriage relation, signifies the connection existing in consequence of marriage, between each of the married persons and the blood relatives of the other.

(10) The word “sheriff” shall include “marshal.”

SEC. 22. Section 170.6 of the Code of Civil Procedure is amended to read:

170.6. (a) (1) No judge, court commissioner, or referee of any superior court of the State of California shall try any civil or criminal action or special proceeding of any kind or character nor hear any matter therein that involves a contested issue of law or fact when it shall be established as hereinafter provided that the judge or court commissioner is prejudiced against any party or attorney or the interest of any party or attorney appearing in the action or proceeding.

(2) Any party to or any attorney appearing in any action or proceeding may establish this prejudice by an oral or written motion without notice supported by affidavit or declaration under penalty of perjury or an oral statement under oath that the judge, court commissioner, or referee

before whom the action or proceeding is pending or to whom it is assigned is prejudiced against any party or attorney or the interest of the party or attorney so that the party or attorney cannot or believes that he or she cannot have a fair and impartial trial or hearing before the judge, court commissioner, or referee. Where the judge, other than a judge assigned to the case for all purposes, court commissioner, or referee assigned to or who is scheduled to try the cause or hear the matter is known at least 10 days before the date set for trial or hearing, the motion shall be made at least 5 days before that date. If directed to the trial of a cause where there is a master calendar, the motion shall be made to the judge supervising the master calendar not later than the time the cause is assigned for trial. If directed to the trial of a cause that has been assigned to a judge for all purposes, the motion shall be made to the assigned judge or to the presiding judge by a party within 10 days after notice of the all purpose assignment, or if the party has not yet appeared in the action, then within 10 days after the appearance. If the court in which the action is pending is authorized to have no more than one judge and the motion claims that the duly elected or appointed judge of that court is prejudiced, the motion shall be made before the expiration of 30 days from the date of the first appearance in the action of the party who is making the motion or whose attorney is making the motion. In no event shall any judge, court commissioner, or referee entertain the motion if it be made after the drawing of the name of the first juror, or if there be no jury, after the making of an opening statement by counsel for plaintiff, or if there is no opening statement by counsel for plaintiff, then after swearing in the first witness or the giving of any evidence or after trial of the cause has otherwise commenced. If the motion is directed to a hearing (other than the trial of a cause), the motion shall be made not later than the commencement of the hearing. In the case of trials or hearings not herein specifically provided for, the procedure herein specified shall be followed as nearly as may be. The fact that a judge, court commissioner, or referee has presided at or acted in connection with a pretrial conference or other hearing, proceeding, or motion prior to trial and not involving a determination of contested fact issues relating to the merits shall not preclude the later making of the motion provided for herein at the time and in the manner hereinbefore provided.

A motion under this paragraph may be made following reversal on appeal of a trial court's decision, or following reversal on appeal of a trial court's final judgment, if the trial judge in the prior proceeding is assigned to conduct a new trial on the matter. Notwithstanding paragraph (3), the party who filed the appeal that resulted in the reversal of a final judgment of a trial court may make a motion under this section regardless of whether that party or side has previously done so. The

motion shall be made within 60 days after the party or the party's attorney has been notified of the assignment.

(3) If the motion is duly presented and the affidavit or declaration under penalty of perjury is duly filed or an oral statement under oath is duly made, thereupon and without any further act or proof, the judge supervising the master calendar, if any, shall assign some other judge, court commissioner, or referee to try the cause or hear the matter. In other cases, the trial of the cause or the hearing of the matter shall be assigned or transferred to another judge, court commissioner, or referee of the court in which the trial or matter is pending or, if there is no other judge, court commissioner, or referee of the court in which the trial or matter is pending, the Chair of the Judicial Council shall assign some other judge, court commissioner, or referee to try the cause or hear the matter as promptly as possible. Except as provided in this section, no party or attorney shall be permitted to make more than one such motion in any one action or special proceeding pursuant to this section; and in actions or special proceedings where there may be more than one plaintiff or similar party or more than one defendant or similar party appearing in the action or special proceeding, only one motion for each side may be made in any one action or special proceeding.

(4) Unless required for the convenience of the court or unless good cause is shown, a continuance of the trial or hearing shall not be granted by reason of the making of a motion under this section. If a continuance is granted, the cause or matter shall be continued from day to day or for other limited periods upon the trial or other calendar and shall be reassigned or transferred for trial or hearing as promptly as possible.

(5) Any affidavit filed pursuant to this section shall be in substantially the following form:

(Here set forth court and cause)

State of California,) PEREMPTORY CHALLENGE
County of _____) ss.

_____, being duly sworn, deposes and says: That he or she is a party (or attorney for a party) to the within action (or special proceeding). That _____ the judge, court commissioner, or referee before whom the trial of the (or a hearing in the) aforesaid action (or special proceeding) is pending (or to whom it is assigned) is prejudiced against the party (or his or her attorney) or the interest of the party (or his or her attorney) so that affiant cannot or believes that he or she cannot have a fair and impartial trial or hearing before the judge, court commissioner, or referee.

Subscribed and sworn to before me this
_____ day of _____, 20__.

(Clerk or notary public or other
officer administering oath)

(6) Any oral statement under oath or declaration under penalty of perjury made pursuant to this section shall include substantially the same contents as the affidavit above.

(b) Nothing in this section shall affect or limit Section 170 or Title 4 (commencing with Section 392) of Part 2, and this section shall be construed as cumulative thereto.

(c) If any provision of this section or the application to any person or circumstance is held invalid, that invalidity shall not affect other provisions or applications of the section that can be given effect without the invalid provision or application and to this end the provisions of this section are declared to be severable.

SEC. 23. Section 179 of the Code of Civil Procedure is amended to read:

179. Each of the justices of the Supreme Court and of any court of appeal and the judges of the superior courts, shall have power in any part of the state to take and certify:

(a) The proof and acknowledgment of a conveyance of real property, or of any other written instrument.

(b) The acknowledgment of satisfaction of a judgment of any court.

(c) An affidavit or deposition to be used in this state.

SEC. 24. Section 437c of the Code of Civil Procedure is amended to read:

437c. (a) Any party may move for summary judgment in any action or proceeding if it is contended that the action has no merit or that there is no defense to the action or proceeding. The motion may be made at any time after 60 days have elapsed since the general appearance in the action or proceeding of each party against whom the motion is directed or at any earlier time after the general appearance that the court, with or without notice and upon good cause shown, may direct. Notice of the motion and supporting papers shall be served on all other parties to the action at least 75 days before the time appointed for hearing. However, if the notice is served by mail, the required 75-day period of notice shall be increased by five days if the place of address is within the State of California, 10 days if the place of address is outside the State of California but within the United States, and 20 days if 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 75-day period of notice shall be increased by two court days. The motion shall be heard no later

than 30 days before the date of trial, unless the court for good cause orders otherwise. The filing of the motion shall not extend the time within which a party must otherwise file a responsive pleading.

(b) (1) The motion shall be supported by affidavits, declarations, admissions, answers to interrogatories, depositions, and matters of which judicial notice shall or may be taken. The supporting papers shall include a separate statement setting forth plainly and concisely all material facts which the moving party contends are undisputed. Each of the material facts stated shall be followed by a reference to the supporting evidence. The failure to comply with this requirement of a separate statement may in the court's discretion constitute a sufficient ground for denial of the motion.

(2) Any opposition to the motion shall be served and filed not less than 14 days preceding the noticed or continued date of hearing, unless the court for good cause orders otherwise. The opposition, where appropriate, shall consist of affidavits, declarations, admissions, answers to interrogatories, depositions, and matters of which judicial notice shall or may be taken.

(3) The opposition papers shall include a separate statement that responds to each of the material facts contended by the moving party to be undisputed, indicating whether the opposing party agrees or disagrees that those facts are undisputed. The statement also shall set forth plainly and concisely any other material facts that the opposing party contends are disputed. Each material fact contended by the opposing party to be disputed shall be followed by a reference to the supporting evidence. Failure to comply with this requirement of a separate statement may constitute a sufficient ground, in the court's discretion, for granting the motion.

(4) Any reply to the opposition shall be served and filed by the moving party not less than five days preceding the noticed or continued date of hearing, unless the court for good cause orders otherwise.

(5) Evidentiary objections not made at the hearing shall be deemed waived.

(6) Except for subdivision (c) of Section 1005 relating to the method of service of opposition and reply papers, Sections 1005 and 1013, extending the time within which a right may be exercised or an act may be done, do not apply to this section.

(7) Any incorporation by reference of matter in the court's file shall set forth with specificity the exact matter to which reference is being made and shall not incorporate the entire file.

(c) The motion for summary judgment shall be granted if all the papers submitted show that there is no triable issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. In determining whether the papers show that there is no triable issue as to

any material fact the court shall consider all of the evidence set forth in the papers, except that to which objections have been made and sustained by the court, and all inferences reasonably deducible from the evidence, except summary judgment may not be granted by the court based on inferences reasonably deducible from the evidence, if contradicted by other inferences or evidence, which raise a triable issue as to any material fact.

(d) Supporting and opposing affidavits or declarations shall be made by any person on personal knowledge, shall set forth admissible evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated in the affidavits or declarations. Any objections based on the failure to comply with the requirements of this subdivision shall be made at the hearing or shall be deemed waived.

(e) If a party is otherwise entitled to a summary judgment pursuant to this section, summary judgment may not be denied on grounds of credibility or for want of cross-examination of witnesses furnishing affidavits or declarations in support of the summary judgment, except that summary judgment may be denied in the discretion of the court, where the only proof of a material fact offered in support of the summary judgment is an affidavit or declaration made by an individual who was the sole witness to that fact; or where a material fact is an individual's state of mind, or lack thereof, and that fact is sought to be established solely by the individual's affirmation thereof.

(f) (1) A party may move for summary adjudication as to one or more causes of action within an action, one or more affirmative defenses, one or more claims for damages, or one or more issues of duty, if that party contends that the cause of action has no merit or that there is no affirmative defense thereto, or that there is no merit to an affirmative defense as to any cause of action, or both, or that there is no merit to a claim for damages, as specified in Section 3294 of the Civil Code, or that one or more defendants either owed or did not owe a duty to the plaintiff or plaintiffs. A motion for summary adjudication shall be granted only if it completely disposes of a cause of action, an affirmative defense, a claim for damages, or an issue of duty.

(2) A motion for summary adjudication may be made by itself or as an alternative to a motion for summary judgment and shall proceed in all procedural respects as a motion for summary judgment. However, a party may not move for summary judgment based on issues asserted in a prior motion for summary adjudication and denied by the court, unless that party establishes to the satisfaction of the court, newly discovered facts or circumstances or a change of law supporting the issues reasserted in the summary judgment motion.

(g) Upon the denial of a motion for summary judgment, on the ground that there is a triable issue as to one or more material facts, the court shall,

by written or oral order, specify one or more material facts raised by the motion as to which the court has determined there exists a triable controversy. This determination shall specifically refer to the evidence proffered in support of and in opposition to the motion which indicates that a triable controversy exists. Upon the grant of a motion for summary judgment, on the ground that there is no triable issue of material fact, the court shall, by written or oral order, specify the reasons for its determination. The order shall specifically refer to the evidence proffered in support of, and if applicable in opposition to, the motion which indicates that no triable issue exists. The court shall also state its reasons for any other determination. The court shall record its determination by court reporter or written order.

(h) If it appears from the affidavits submitted in opposition to a motion for summary judgment or summary adjudication or both that facts essential to justify opposition may exist but cannot, for reasons stated, then be presented, the court shall deny the motion, or order a continuance to permit affidavits to be obtained or discovery to be had or may make any other order as may be just. The application to continue the motion to obtain necessary discovery may also be made by ex parte motion at any time on or before the date the opposition response to the motion is due.

(i) If, after granting a continuance to allow specified additional discovery, the court determines that the party seeking summary judgment has unreasonably failed to allow the discovery to be conducted, the court shall grant a continuance to permit the discovery to go forward or deny the motion for summary judgment or summary adjudication. This section does not affect or limit the ability of any party to compel discovery under the Civil Discovery Act (Article 3 (commencing with Section 2016) of Chapter 3 of Title 3 of Part 4).

(j) If the court determines at any time that any of the affidavits are presented in bad faith or solely for purposes of delay, the court shall order the party presenting the affidavits to pay the other party the amount of the reasonable expenses which the filing of the affidavits caused the other party to incur. Sanctions may not be imposed pursuant to this subdivision, except on notice contained in a party's papers, or on the court's own noticed motion, and after an opportunity to be heard.

(k) Except when a separate judgment may properly be awarded in the action, no final judgment may be entered on a motion for summary judgment prior to the termination of the action, but the final judgment shall, in addition to any matters determined in the action, award judgment as established by the summary proceeding herein provided for.

(l) In actions which arise out of an injury to the person or to property, if a motion for summary judgment was granted on the basis that the defendant was without fault, no other defendant during trial, over

plaintiff's objection, may attempt to attribute fault to or comment on the absence or involvement of the defendant who was granted the motion.

(m) (1) A summary judgment entered under this section is an appealable judgment as in other cases. Upon entry of any order pursuant to this section, except the entry of summary judgment, a party may, within 20 days after service upon him or her of a written notice of entry of the order, petition an appropriate reviewing court for a peremptory writ. If the notice is served by mail, the initial period within which to file the petition shall be increased by five days if the place of address is within the State of California, 10 days if the place of address is outside the State of California but within the United States, and 20 days if the place of address is outside the United States. If the notice is served by facsimile transmission, Express Mail, or another method of delivery providing for overnight delivery, the initial period within which to file the petition shall be increased by two court days. The superior court may, for good cause, and prior to the expiration of the initial period, extend the time for one additional period not to exceed 10 days.

(2) Before a reviewing court affirms an order granting summary judgment or summary adjudication on a ground not relied upon by the trial court, the reviewing court shall afford the parties an opportunity to present their views on the issue by submitting supplemental briefs. The supplemental briefing may include an argument that additional evidence relating to that ground exists, but that the party has not had an adequate opportunity to present the evidence or to conduct discovery on the issue. The court may reverse or remand based upon the supplemental briefing to allow the parties to present additional evidence or to conduct discovery on the issue. If the court fails to allow supplemental briefing, a rehearing shall be ordered upon timely petition of any party.

(n) (1) If a motion for summary adjudication is granted, at the trial of the action, the cause or causes of action within the action, affirmative defense or defenses, claim for damages, or issue or issues of duty as to the motion which has been granted shall be deemed to be established and the action shall proceed as to the cause or causes of action, affirmative defense or defenses, claim for damages, or issue or issues of duty remaining.

(2) In the trial of the action, the fact that a motion for summary adjudication is granted as to one or more causes of action, affirmative defenses, claims for damages, or issues of duty within the action shall not operate to bar any cause of action, affirmative defense, claim for damages, or issue of duty as to which summary adjudication was either sought or denied.

(3) In the trial of an action, neither a party, nor a witness, nor the court shall comment upon the grant or denial of a motion for summary adjudication to a jury.

(o) A cause of action has no merit if either of the following exists:

(1) One or more of the elements of the cause of action cannot be separately established, even if that element is separately pleaded.

(2) A defendant establishes an affirmative defense to that cause of action.

(p) For purposes of motions for summary judgment and summary adjudication:

(1) A plaintiff or cross-complainant has met his or her burden of showing that there is no defense to a cause of action if that party has proved each element of the cause of action entitling the party to judgment on that cause of action. Once the plaintiff or cross-complainant has met that burden, the burden shifts to the defendant or cross-defendant to show that a triable issue of one or more material facts exists as to that cause of action or a defense thereto. The defendant or cross-defendant may not rely upon the mere allegations or denials of its pleadings to show that a triable issue of material fact exists but, instead, shall set forth the specific facts showing that a triable issue of material fact exists as to that cause of action or a defense thereto.

(2) A defendant or cross-defendant has met his or her burden of showing that a cause of action has no merit if that party has shown that one or more elements of the cause of action, even if not separately pleaded, cannot be established, or that there is a complete defense to that cause of action. Once the defendant or cross-defendant has met that burden, the burden shifts to the plaintiff or cross-complainant to show that a triable issue of one or more material facts exists as to that cause of action or a defense thereto. The plaintiff or cross-complainant may not rely upon the mere allegations or denials of its pleadings to show that a triable issue of material fact exists but, instead, shall set forth the specific facts showing that a triable issue of material fact exists as to that cause of action or a defense thereto.

(q) This section does not extend the period for trial provided by Section 1170.5.

(r) Subdivisions (a) and (b) do not apply to actions brought pursuant to Chapter 4 (commencing with Section 1159) of Title 3 of Part 3.

(s) For the purposes of this section, a change in law does not include a later enacted statute without retroactive application.

SEC. 25. Section 1208.5 of the Code of Civil Procedure is amended to read:

1208.5. Any person having a lien upon any animal or animals under the provisions of Section 597a or 597f of the Penal Code may satisfy the lien as follows: If the lien is not discharged and satisfied, by the person responsible, within three days after the obligation becomes due, then the person holding the lien may resort to the proper court to satisfy the claim; or may, three days after the charges against the property become due, sell

the property, or an undivided fraction thereof as may become necessary, to defray the amount due and costs of sale, by giving three days' notice of the sale by advertising in some newspaper published in the county, or city and county, in which the lien has attached to the property; or, if there is no newspaper published in the county, then by posting notices of the sale in three of the most public places in the town or county for three days previous to the sale. The notices shall contain an accurate description of the property to be sold, together with the terms of sale, which must be for cash, payable on the consummation of the sale. The proceeds of the sale shall be applied to the discharge of the lien and the costs of sale; the remainder, if any, shall be paid over to the owner, if known, and if not known shall be paid into the treasury of the humane society of the county, or city and county, wherein the sale takes place; if no humane society exists in the county, then the remainder shall be paid into the county treasury.

SEC. 26. Section 1420 of the Code of Civil Procedure is amended to read:

1420. (a) At any time after two years after the death of any decedent who leaves property to which the state is entitled by reason of it having escheated to the state, the Attorney General shall commence a proceeding on behalf of the state in the Superior Court for the County of Sacramento to have it adjudged that the state is so entitled. The action shall be commenced by filing a petition, which shall be treated as the information elsewhere referred to in this title.

(b) The petition shall set forth a description of the property, the name of the person last in possession thereof, the name of the person, if any, claiming the property, or portion thereof, and the facts and circumstances by virtue of which it is claimed the property has escheated.

(c) Upon the filing of the petition, the court shall make an order requiring all persons interested in the estate to appear and show cause, if any, within 60 days from the date of the order, why the estate should not vest in the state. The order must be published at least once a week for four consecutive weeks in a newspaper published in the County of Sacramento, the last publication to be at least 10 days prior to the date set for the hearing. Upon the completion of the publication of the order, the court shall have full and complete jurisdiction over the estate, the property, and the person of everyone having or claiming any interest in the property, and shall have full and complete jurisdiction to hear and determine the issues therein, and render the appropriate judgment thereon.

(d) If proceedings for the administration of the estate have been instituted, a copy of the order must be filed with the papers in the estate. If proceedings for the administration of any estate of the decedent have been instituted and none of the persons entitled to succeed thereto have

appeared and made claim to the property, or any portion thereof, before the decree of final distribution therein is made, or before the commencement of a proceeding by the Attorney General, or if the court shall find that the persons as have appeared are not entitled to the property of the estate, or any portion thereof, the court shall, upon final settlement of the proceedings for the administration of the estate, after the payment of all debts and expenses of administration, distribute all moneys and other property remaining to the State of California.

In any proceeding brought by the Attorney General under this chapter, any two or more parties and any two or more causes of action may be joined in the same proceedings and in the same petition without being separately stated, and it shall be sufficient to allege in the petition that the decedent left no heirs to take the estate and the failure of heirs to appear and set up their claims in any proceeding, or in any proceedings for the administration of the estate, shall be sufficient proof upon which to base the judgment in any proceeding or decree of distribution.

(e) If proceedings for the administration of any estate have not been commenced within six months from the death of any decedent the Attorney General may direct the public administrator to commence the same forthwith.

SEC. 27. Section 1607 of the Code of Civil Procedure is amended to read:

1607. When a report is received from the Comptroller General or other proper officer of the United States, the Controller shall prepare and forward a copy thereof to the clerk of the superior court of each county within this state and the clerk shall post a copy at the courthouse for a period of 60 days. Any person asserting an interest in property mentioned in the report may elect to claim against the United States under the laws of the United States, in which event and within 90 days following the date of initial posting by the clerk the person shall notify the Controller of the asserted interest and intention to so claim. The Controller shall omit the property from any claim by the state until such time as the asserted interest may be finally determined against the claimant. The interest may not thereafter be asserted against the state.

SEC. 28. Section 2117 of the Corporations Code is amended to read:

2117. (a) (1) Every foreign corporation (other than a foreign association) qualified to transact intrastate business shall file, annually during the applicable filing period, on a form prescribed by the Secretary of State, a statement containing:

(A) The names and complete business or residence addresses of its chief executive officer, secretary, and chief financial officer.

(B) The street address of its principal executive office.

(C) The street address of its principal business office in this state, if any.

(D) A statement of the general type of business that constitutes the principal business activity of the corporation (for example, manufacturer of aircraft; wholesale liquor distributor; or retail department store).

(2) In addition to all of the information required by paragraph (1) every publicly traded company shall also include the following information in the statement:

(A) The name of the independent auditor used by the corporation and a description of any other services, if any, performed for the corporation during the previous 24 months by the independent auditor, by its parent corporation, or by an agent, subsidiary, corporate partner, or corporate affiliate of the independent auditor or its parent corporation.

(B) The date of the last report prepared for the corporation by the independent auditor. The corporation shall attach a copy of the report to the statement.

(C) The annual compensation paid to each member of the board of directors and each executive officer, including the number of any shares or options for shares that were not available to other employees of the corporation.

(D) A description of any loans made to a member of the board of directors by the corporation at a preferential loan rate during the previous 24 months, including the amount and terms of the loans.

(E) A statement indicating whether any bankruptcy was filed by the corporation, its executive officers, or members of the board of directors within the previous 10 years.

(F) A statement indicating whether any member of the board of directors or executive officer of the corporation was convicted of fraud during the previous 10 years.

(G) A statement indicating whether the corporation violated any federal security laws or any banking or security provision of California law during the previous 10 years for which the corporation was found liable in an action before a federal or state court or regulatory agency or a self-regulatory agency in which a judgment over ten thousand dollars (\$10,000) was entered.

If the executive officers of the corporation use other titles, the statement shall include the officers performing comparable duties under other titles. If the corporation has no executive officers, or has no executive officers who are natural persons, the statement shall include the names of natural persons performing comparable duties for the corporation pursuant to a management contract or other arrangement.

(3) For purposes of this section, the following definitions apply:

(A) "Publicly traded company" means a company with securities that are either listed or admitted to trading on a national or foreign exchange, or is the subject of two-way quotations, such as both bid and

asked prices, that is regularly published by one or more broker-dealers in the National Daily Quotation Service or a similar service.

(B) "Executive officer" means the five most highly compensated officers of the company, excluding any officer who is also a member of the board of directors.

(b) The statement required by subdivision (a) shall also designate, as the agent of the corporation for the purpose of service of process, a natural person residing in this state or a corporation that has complied with Section 1505 and whose capacity to act as the agent has not terminated. If a natural person is designated, the statement shall set forth the person's complete business or residence address. If a corporate agent is designated, no address for it shall be set forth.

(c) The statement and designation required by subdivision (a) shall be available and open to the public for inspection. The Secretary of State, no later than December 31, 2004, shall provide access to all information contained in the statement and designation by means of an online database.

(d) In addition to any other fees required, a foreign corporation shall pay a five-dollar (\$5) disclosure fee upon filing the statement and designation required by subdivision (a). One-half of the fee shall be utilized to further the provisions of this section, including the development and maintenance of the online database required by subdivision (d), and one-half shall be deposited into the Victims of Corporate Fraud Compensation Fund established in Section 1502.5.

(e) Whenever any of the information required by subdivision (a) is changed, the corporation may file a current statement containing all the information required by subdivisions (a) and (b). In order to change its agent for service of process or the address of the agent, the corporation shall file a current statement containing all the information required by subdivisions (a) and (b). Whenever any statement is filed pursuant to this section, it supersedes any previously filed statement and the statement in the filing pursuant to Section 2105.

(f) Subdivisions (c), (d), (f), and (g) of Section 1502 apply to statements filed pursuant to this section except that "articles" shall mean the filing pursuant to Section 2105.

SEC. 29. Section 25118 of the Corporations Code is amended to read:

25118. (a) An evidence of indebtedness issued by an entity or guaranteed by an entity that is an affiliate (as defined in Section 150) of the borrower that, on the day the evidence of indebtedness issued or guaranty is first issued or entered into, has total assets of at least two million dollars (\$2,000,000) according to its then most recent financial statements, and the purchasers or holders thereof, shall be exempt from the usury provisions of the California Constitution. The financial

statements referred to in the preceding sentence shall meet both of the following requirements:

(1) Be as of a date not more than 90 days prior to the date the evidence of indebtedness or guaranty is first issued or entered into.

(2) Be prepared in accordance with either of the following:

(A) In accordance with generally accepted accounting principles and, if the entity has consolidated subsidiaries, on a consolidated basis.

(B) In accordance with the rules and requirements of the Securities and Exchange Commission, whether or not required by law to be prepared in accordance with those rules and requirements.

(b) Any one or more evidences of indebtedness, and the purchasers or holders thereof, shall be exempt from the usury provisions of the California Constitution if either of the following applies:

(1) The evidences of indebtedness aggregate at the time of issuance at least three hundred thousand dollars (\$300,000) in original face amount, or, if the evidences of indebtedness are purchased with original issue discount, they are purchased for an aggregate purchase price at the time of issuance of at least three hundred thousand dollars (\$300,000).

(2) The evidences of indebtedness are issued pursuant to a bona fide written commitment for the lending to the issuer of at least three hundred thousand dollars (\$300,000), or the provision of a line of credit to the issuer in a principal amount of at least three hundred thousand dollars (\$300,000). The exemption provided by this paragraph shall not be affected by a subsequent event of default or other event not in the lender's control that has relieved or may relieve the lender from its commitment.

(c) Any evidence of indebtedness described in subdivision (a) or (b), and the purchasers or holders thereof, shall be entitled to the benefits of the usury exemption contained in this section regardless of whether, at any time after the evidence of indebtedness or guaranty upon which the exemption is based is first issued or entered into, the evidence of indebtedness or guaranty is determined by a court of competent jurisdiction not to be a "security."

(d) This section creates and authorizes a class of transactions and persons pursuant to Section 1 of Article XV of the California Constitution.

(e) This section does not apply to:

(1) Any evidence of indebtedness issued or guaranteed (if the guaranty is part of the consideration for the indebtedness) by an individual, a revocable trust having one or more individuals as trustees, or a partnership in which, at the time of issuance, one or more individuals are general partners.

(2) Any transaction subject to the limitation on permissible rates of interest set forth in paragraph (1) of the first sentence of Section 1 of Article XV of the California Constitution.

(f) The exemptions created by this section shall only be available in a transaction that meets either of the following criteria:

(1) The lender and either the issuer of the indebtedness or the guarantor, as the case may be, or any of their respective officers, directors, or controlling persons, or, if any party is a limited liability company, the managers as appointed or elected by the members, have a preexisting personal or business relationship.

(2) The lender and the issuer, or the lender and the guarantor, by reason of their own business and financial experience or that of their professional advisers, could reasonably be assumed to have the capacity to protect their own interests in connection with the transaction.

(g) For purposes of this section, “preexisting personal or business relationship” and “capacity to protect their own interests in connection with the transaction” as used in subdivision (f) shall have the same meaning as, and be determined according to the same standards as, specified in paragraph (2) of subdivision (f) of Section 25102 and its implementing regulations provided that, solely with respect to this section, a lender or purchaser who is represented by counsel may designate that person as its professional adviser whether or not that person is compensated by the issuer or guarantor, as long as that person has a bona fide attorney-client relationship with the lender or purchaser.

(h) This section shall not exempt any person from the application of the California Finance Lenders Law (Division 9 (commencing with Section 22000) of the Financial Code).

SEC. 30. Section 430 of the Education Code is amended to read:

430. (a) This chapter shall be known, and may be cited, as the English Learner and Immigrant Pupil Federal Conformity Act.

(b) The purpose of this chapter is to ensure that instructional services are provided to pupils with limited English proficiency in conformity with federal requirements that are designed to ensure that all pupils have reasonable access to educational opportunities that are necessary in order for the pupils to achieve at high levels in English and in the other core curriculum areas of instruction.

(c) This chapter is intended to be declaratory of Title III of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and is intended to assist local educational agencies in understanding the requirements and funding formulas to provide allowable services. It is the intent of the Legislature that, to the extent federal law is amended, this chapter will be amended to conform to those changes.

(d) The requirements of this chapter apply only to local educational agencies that receive federal funds pursuant to Title III of the federal No Child Left Behind Act of 2001.

SEC. 31. Section 446 of the Education Code is amended to read:

446. In compliance with Section 6824 of Title 20 of the United States Code, the Superintendent of Public Instruction may not award a subgrant in an amount that is less than ten thousand dollars (\$10,000). A local educational agency may form a consortium with one or more other local educational agencies to apply for Title III funds as a consortium, if the grant to the consortium is ten thousand dollars (\$10,000) or more. A consortium shall include only those entities specified by Section 6871 of Title 20 of the United States Code. If a consortium applies for a subgrant, it shall be awarded to the local lead educational agency on behalf of all of the members of the consortium. The members of the consortium shall collectively develop and approve a memorandum of understanding for the implementation of the programs and services they will provide with these funds.

SEC. 32. Section 8483 of the Education Code is amended to read:

8483. (a) (1) Every after school component of a program established pursuant to this article shall operate a minimum of three hours a day and shall operate at least until 6 p.m. on every regular schoolday. Every after school component of the program shall establish a policy regarding reasonable early daily release of pupils from the program. For those programs or schoolsites operating in a community where the early release policy does not meet the unique needs of that community or school, or both, documented evidence may be submitted to the State Department of Education for an exception and a request for approval of an alternative plan.

(2) It is the intent of the Legislature that elementary school pupils participate in the full day of the program every day during which pupils participate and that pupils in middle school or junior high school attend a minimum of nine hours a week and three days a week to accomplish program goals.

(3) In order to develop an age-appropriate after school program for pupils in middle school or junior high school, programs established pursuant to this article may implement a flexible attendance schedule for those pupils. Priority for enrollment of pupils in middle school or junior high school shall be given to pupils who attend daily.

(b) The administrators of a program established pursuant to this article have the option of operating during any combination of summer, intersession, or vacation periods for a minimum of three hours per day at the approved rate for the regular school year pursuant to Section 8483.7.

SEC. 33. Section 8499.5 of the Education Code is amended to read:

8499.5. (a) The department shall allocate child care funding pursuant to Chapter 2 (commencing with Section 8200) based on the amount of state and federal funding that is available.

(b) By May 30 of each year, upon approval by the county board of supervisors and the county superintendent of schools, each local planning council shall submit to the department the local priorities it has identified that reflect all child care needs in the county. To accomplish this, each local planning council shall do all of the following:

(1) Conduct an assessment of child care needs in the county no less than once every five years. The department shall define and prescribe data elements to be included in the needs assessment and shall specify the format for the data reporting. The needs assessment shall also include all factors deemed appropriate by the local planning council in order to obtain an accurate picture of the comprehensive child care needs in the county. The factors include, but are not limited to, all of the following:

(A) The needs of families eligible for subsidized child care.

(B) The needs of families not eligible for subsidized child care.

(C) The waiting lists for programs funded by the department and the State Department of Social Services.

(D) The need for child care for children determined by the child protective services agency to be neglected, abused, or exploited, or at risk of being neglected, abused, or exploited.

(E) The number of children in families receiving public assistance, including food stamps, housing support, and Medi-Cal, and assistance from the Healthy Families Program and the Temporary Assistance to Needy Families (TANF) program.

(F) Family income among families with preschool or schoolage children.

(G) The number of children in migrant agricultural families who move from place to place for work or who are currently dependent for their income on agricultural employment in accordance with subdivision (a) of, and paragraphs (1) and (2) of subdivision (b) of, Section 8231.

(H) The number of children who have been determined by a regional center to require services pursuant to an individualized family service plan, or by a local educational agency to require services pursuant to an individualized education program or an individualized family service plan.

(I) The number of children in the county by primary language spoken pursuant to the department's language survey.

(J) Special needs based on geographic considerations, including rural areas.

(K) The number of children needing child care services by age cohort.

(2) Document information gathered during the needs assessment which shall include, but need not be limited to, data on supply, demand, cost, and market rates for each category of child care in the county.

(3) Encourage public input in the development of the priorities. Opportunities for public input shall include at least one public hearing

during which members of the public can comment on the proposed priorities.

(4) Prepare a comprehensive countywide child care plan designed to mobilize public and private resources to address identified needs.

(5) Conduct a periodic review of child care programs funded by the department and the Department of Social Services to determine if identified priorities are being met.

(6) Collaborate with subsidized and nonsubsidized child care providers, county welfare departments, human service agencies, regional centers, job training programs, employers, integrated child and family service councils, local and state children and families commissions, parent organizations, early start family resource centers, family empowerment centers on disability, local child care resource and referral programs, and other interested parties to foster partnerships designed to meet local child care needs.

(7) Design a system to consolidate local child care waiting lists, if a centralized eligibility list is not already in existence.

(8) Coordinate part-day programs, including state preschool and Head Start, with other child care and development services to provide full-day child care.

(9) Submit the results of the needs assessment and the local priorities identified by the local planning council to the board of supervisors and the county superintendent of schools for approval before submitting them to the department.

(10) Identify at least one, but not more than two, members to serve as part of the department team that reviews and scores proposals for the provision of services funded through contracts with the department. Local planning council representatives may not review and score proposals from the geographic area covered by their own local planning council. The department shall notify each local planning council whenever this opportunity is available.

(c) The department shall, in conjunction with the Department of Social Services and all appropriate statewide agencies and associations, develop guidelines for use by local planning councils to assist them in conducting needs assessments that are reliable and accurate. The guidelines shall include acceptable sources of demographic and child care data, and methodologies for assessing child care supply and demand.

(d) The department shall allocate funding within each county in accordance with the priorities identified by the local planning council of that county and submitted to the department pursuant to this section, unless the priorities do not meet the requirements of state or federal law.

SEC. 34. Section 8813 of the Education Code is amended to read:

8813. (a) Each eligible local arts agency may apply for a grant of up to one hundred thousand dollars (\$100,000) per year for the development, implementation, and review of an arts education program. Each grant application shall be preceded by a letter of intent to file that application submitted by the local arts agency on or before the January 1 immediately preceding the fiscal year for which grant funding is requested. Each eligible local arts agency shall include in its letter of intent an authorization to make application to this program from the county board of supervisors if the agency is a county agency or designated by the county board of supervisors, or from the city council if the agency is an agency of the city or is designated by the city. If the local arts agency is neither designated by, nor a department of, either city or county government, it shall include authorization by its board of trustees authorizing the agency to make application under this program.

(b) Each grant application shall include, but not be limited to, all of the following:

(1) A plan for the proposed arts education program that meets all of the following criteria:

(A) The plan has been approved by resolution of the governing board of each participating school district or by the county board of education.

(B) The plan includes an assessment of the needs of public schools included in the partnership located within the jurisdiction of the local arts agency that is consistent with the guidelines for those assessments developed by the State Department of Education in consultation with the California Arts Council. The plan shall evidence appropriate participation by local citizens who are representative of the ethnic and cultural composition of the county.

(C) The plan shall describe a comprehensive arts education program that conforms to the tenets of the state's adopted curriculum framework for visual and performing arts as published by the State Department of Education in Visual and Performing Arts Framework for California Public Schools: Kindergarten through Grade 12, and shall include instruction in the four disciplines of dance, drama and theatre, music, and the visual arts for all pupils. The plan may also include other arts disciplines, including folk arts, film, video, and the writing of plays, scripts, and poetry.

(D) The plan proposes the use of community arts resources, including, but not limited to, professional artists, arts specialists, performing artists and companies, museums, nonprofit art galleries, institutions of higher education, resident artists organizations, and any program of the local arts agency or general community resources that provide arts education services, instruction, workshops, performances, or demonstrations.

(E) The plan provides for a local steering committee comprised of not less than 10, nor more than 13, members selected from professional artists, arts educators, administrators, teachers, arts organizations, school board members, and other citizens, to include the following members reflecting a balance between the education and the arts communities:

- (i) One representative of the local arts agency.
- (ii) Two professional artists.
- (iii) One representative of a local educational agency.
- (iv) Two teachers, including one from the local educational agency.
- (v) Two arts specialists.
- (vi) One community representative at large.
- (vii) One representative of an institution of higher education, who shall be either a faculty member in the visual and performing arts or arts education or have had prior experience in these two areas.

(F) The plan describes school needs, program goals, and a process for screening community arts resources. The fiscal procedures and pay rates shall be in accordance with standards established by the California Arts Council. Any of the community arts resources described in subparagraph (D) is eligible for a program grant if it demonstrates high-quality arts performance, production, or instruction.

(G) The plan shall include an appropriate orientation for artists and teachers in participating schools.

(H) The plan shall include a staff development program which accounts for at least 10 percent of the overall budget for the plan, but not more than 20 percent of the overall budget for all public school teachers participating in the program pursuant to Article 1 (commencing with Section 44670.1) and Article 2 (commencing with Section 44680) of Chapter 3.1 of Part 25 and under the California Arts Project, as established pursuant to Chapter 5 (commencing with Section 99200) of Part 65. For the purposes of this paragraph, a teacher is participating in the program if he or she instructs a class that will have more than 10 hours of direct contact with a community arts representative.

(I) The plan shall include a description of the manner in which funding for the staff development programs described in subparagraph (H) shall be used in providing services to teachers. The local educational agency shall use the services of the California Arts Project established pursuant to Chapter 5 (commencing with Section 99200) of Part 65 and shall consult with at least one of the following entities in developing the staff development plans: a county office of education, an arts agency, an arts provider, a professional arts association, or an institution of higher education.

(J) The plan shall assess the arts education of homeless children, children with special needs, children at risk, school dropouts, and the

children of migrant workers who may not be attending class regularly. It is the intent of the Legislature that special supplementary funds, not to exceed 10 percent of the total state dollars, shall be appropriated for purposes of this subparagraph. Arts education delivered pursuant to this paragraph is exempt from the local matching funds requirement described in Section 8814.

(2) A proposed budget for expenditure of the grant, which shall be submitted on a form developed by the California Arts Council for that purpose.

(3) A section demonstrating the manner in which the proposal furthers the implementation of the model curriculum standards set forth in Section 51226, the Visual and Performing Arts Framework for California Public Schools: Kindergarten through Grade Twelve published by the State Department of Education, or the implementation or operation of specialized secondary programs pursuant to Chapter 6 (commencing with Section 58800) of Part 31.

(4) A section designating the source of all local matching funds, as described in Section 8814.

SEC. 35. Section 17073.25 of the Education Code is amended to read:

17073.25. (a) Notwithstanding any provision of law to the contrary, the State Department of Education is eligible for modernization grants pursuant to this article for facilities of the California School for the Deaf (Chapter 1 (commencing with Section 59000) of Part 32) and the California School for the Blind (Chapter 2 (commencing with Section 59100) of Part 32).

(b) The department is eligible for per-pupil funding under this article to the same extent and in the same manner as a school district, except that the hardship provisions do not apply. However, notwithstanding the 60 percent maximum funding for modernization projects, as set forth in Section 17074.16, the project shall be funded at 100 percent of the project costs, subject to per-pupil eligibility.

(c) The board shall establish a process specifically tailored to consideration of the unique aspects of applications presented by the department pursuant to this section.

(d) This section applies only to projects for expenditure of the proceeds of state bonds approved by the voters after January 1, 2002.

SEC. 36. Section 20091 of the Education Code is amended to read:

20091. To the extent that funding is available for such purposes, the endowment shall establish a program to assist and enhance the services of California's museums and of other groups and institutions that undertake cultural projects that are deeply rooted in and reflective of previously underserved communities. This program shall give priority to:

(a) Enhancing opportunities for superior museum and cultural program services.

(b) Encouraging museums and cultural programs to provide services to school pupils, including any of the following:

(1) Curriculum development.

(2) Schoolsite presentations or workshops.

(3) Teacher training.

(4) Reduced price or free admission of pupils to museums.

(c) Collaborative projects and technical assistance to coordinate the work of eligible museums and cultural programs and to enhance the ability of museums and cultural programs to serve the public. Priority shall be given to any project that does any of the following:

(1) Assists an eligible museum or cultural program in serving an historically underserved population.

(2) Aids a museum or cultural program in diversifying or expanding its audience.

(3) Aids a museum or cultural program in raising its professional standards in order to better serve the public.

(d) Projects that increase accessibility to museums' and cultural programs' collections and services.

SEC. 37. Section 22138.5 of the Education Code is amended to read:

22138.5. (a) "Full time" means the days or hours of creditable service the employer requires to be performed by a class of employees in a school year in order to earn the compensation earnable as defined in Section 22115 and specified under the terms of a collective bargaining agreement or employment agreement. For the purpose of crediting service under this part, "full time" may not be less than the minimum standard specified in this section. Each collective bargaining agreement or employment agreement that applies to a member subject to the minimum standard specified in paragraph (5) of subdivision (c) shall specify the number of hours of creditable service that equal "full time" pursuant to this section, and shall make specific reference to this section.

(b) The minimum standard for full time in kindergarten through grade 12 is as follows:

(1) One hundred seventy-five days per year or 1,050 hours per year, except as provided in paragraphs (2) and (3).

(2) (A) One hundred ninety days per year or 1,520 hours per year for all principals and program managers, including advisers, coordinators, consultants, and developers or planners of curricula, instructional materials, or programs, and for administrators, except as provided in subparagraph (B).

(B) Two hundred fifteen days per year or 1,720 hours per year including school and legal holidays pursuant to the policy adopted by the

employer's governing board for administrators at a county office of education.

(3) One thousand fifty hours per year for teachers in adult education programs.

(c) The minimum standard for full time in community colleges is as follows:

(1) One hundred seventy-five days per year or 1,050 hours per year, except as provided in paragraphs (2), (3), (4), (5), and (6). Full time includes time for duties the employer requires to be performed as part of the full-time assignment for a particular class of employees.

(2) One hundred ninety days per year or 1,520 hours per year for all program managers and for administrators, except as provided in paragraph (3).

(3) Two hundred fifteen days per year or 1,720 hours per year including school and legal holidays pursuant to the policy adopted by the employer's governing board for administrators at a district office.

(4) One hundred seventy-five days per year or 1,050 hours per year for all counselors and librarians.

(5) Five hundred twenty-five instructional hours per school year for all instructors employed on a part-time basis, except instructors specified in paragraph (6). If an instructor receives compensation for office hours pursuant to Article 10 (commencing with Section 87880) of Chapter 3 of Part 51, the minimum standard shall be increased appropriately by the number of office hours required annually for the class of employees.

(6) Eight hundred seventy-five instructional hours per school year for all instructors employed in adult education programs. If an instructor receives compensation for office hours pursuant to Article 10 (commencing with Section 87880) of Chapter 3 of Part 51, the minimum standard shall be increased appropriately by the number of office hours required annually for the class of employees.

(d) The board has final authority to determine full time for purposes of crediting service under this part if full time is not otherwise specified in this section.

SEC. 38. Section 25103 of the Education Code is amended to read:

25103. (a) The board may remove a vendor from the registry if the vendor submits materially inaccurate information to the board, does not remit assessed fees within 60 days, or fails to submit notice of material changes to its registered investment products, pursuant to Section 25102. Vendors found to have submitted materially inaccurate information to the board shall be allowed 60 days to correct the information. The board may refer vendors that submit information required under Section 25102 that is materially inaccurate and may

constitute conduct prohibited by the National Association of Securities Dealers and the California Department of Insurance to those entities.

(b) The board shall remove a vendor from the registry if the vendor is not licensed or has had its license revoked by the National Association of Securities Dealers or the California Department of Insurance for engaging in conduct prohibited by those entities.

(c) The board shall establish an appeals process pursuant to Section 22219 for vendors that are denied registration or removed from the registry.

SEC. 39. Section 35401 of the Education Code is amended to read:

35401. (a) If the inspector general determines that there is reasonable cause to believe that an employee or outside agency has engaged in any illegal activity, he or she shall report the nature and details of the activity on a timely basis to the local district attorney or the Attorney General.

(b) The inspector general does not have any enforcement power.

(c) Every investigation, including, but not limited to, all investigative files and work-product, shall be kept confidential, except that the inspector general may issue any report of an investigation that has been substantiated, keeping confidential the identity of the individual or individuals involved, or release any findings resulting from an investigation conducted pursuant to this article that is deemed necessary to serve the interests of the district.

(d) This section does not limit any authority conferred upon the Attorney General or any other department or agency of government to investigate any matter.

(e) Except as authorized in this section, or if called upon to testify in any court or proceeding at law, any disclosure of information by the inspector general or that office that was acquired pursuant to a subpoena of the private books, documents, or papers of the person subpoenaed, is punishable as a misdemeanor.

SEC. 40. Section 35534 of the Education Code is amended to read:

35534. Except as provided in Sections 35535 and 35536 and subject to compliance with Section 54900 of the Government Code, any action to reorganize a school district shall be effective for all purposes on July 1 of the calendar year following the calendar year in which the action is completed.

SEC. 41. Section 35738 of the Education Code is amended to read:

35738. Plans and recommendations may include a method of dividing the bonded indebtedness other than the method specified in paragraphs (1) and (2) of subdivision (b) of Section 35576 for the purpose of providing greater equity in the division. Consideration may be given to the assessed valuation, number of pupils, property values,

and other matters which the petitioners or county committee deems pertinent.

SEC. 42. Section 37220.8 of the Education Code is amended to read:

37220.8. (a) On and after July 1, 2002, the Governor's Office on Service and Volunteerism may make grants pursuant to subdivision (b) of Section 37220.6 based on proposals selected through a competitive process from community-based organizations with strong capacity to design and implement programs that provide high quality service and learning opportunities to pupils in kindergarten and in grades 1 to 12, inclusive. The proposals shall provide all of the following:

(1) Evidence of tax-exempt status pursuant to Section 501(c)(3) of the Internal Revenue Code for all nongovernmental proposals.

(2) Evidence of strong financial management systems as determined by the Governor's Office on Service and Volunteerism.

(3) Experience designing and implementing youth service and learning programs.

(b) Eligible organizations need not have experience administering government funds; however, those organizations that have received government funds shall have a history of effectively administering those funds.

(c) Funding for these community-based organizations is limited to one million dollars (\$1,000,000) per year, with single grants not to exceed one hundred thousand dollars (\$100,000).

(d) Community-based organizations that do not apply directly to the Governor's Office on Service and Volunteerism for funding pursuant to subdivision (b) of Section 37220.6 remain eligible to receive funds through partnerships with other eligible programs including the programs listed in that subdivision.

(e) This section shall become inoperative on July 1, 2004, and, as of January 1, 2005, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 43. Section 37252.1 of the Education Code is amended to read:

37252.1. (a) (1) (A) Notwithstanding subdivision (g) of Section 37252, the State Board of Education may grant a request from the Fresno Unified School District that Section 37252 be waived to allow that district to receive and use funds made available pursuant to Section 37252 to offer to pupils enrolled at the Cooper Middle School whose performance on the English language arts and mathematics parts of the California Standards Tests is at the below basic or far below basic levels, as those terms are defined by the State Board of Education, an instructional day that is 60 minutes longer than at other middle schools

in the district instead of offering at the Cooper Middle School the supplemental instructional programs required pursuant to Section 37252. If the State Board of Education grants the waiver request, the longer instructional day shall be used to provide more instruction in language arts and mathematics.

(B) The additional 60 minutes of instruction shall supplement and not supplant regularly scheduled courses in reading and mathematics.

(C) The Fresno Unified School District shall separately account for, and maintain separate records of, pupil attendance at the additional 60 minutes of instruction.

(2) The Fresno Unified School District may also offer pupils enrolled at the Cooper Middle School whose performance on the English language arts and mathematics parts of the California Standards Tests is at a level better than the below basic or far below basic levels, as those terms are defined by the State Board of Education, an instructional day that is 60 minutes longer than at other middle schools in the district. The district may not use funds made available pursuant to Section 37252 to offer these pupils a longer instructional day.

(3) Before implementing a longer instructional day pursuant to this section, the Fresno Unified School District shall notify the parents and guardians of pupils enrolled in the Cooper Middle School that they may elect not to include their child in the instructional program offered at the Cooper Middle School and have their child placed in a regular program at another middle school maintained by the district.

(b) The Superintendent of Public Instruction shall conduct an evaluation of this alternative use of supplemental instruction funds and submit an evaluative report to the Legislature by December 31, 2004.

(c) This section shall become inoperative on July 1, 2004, and, as of January 1, 2005, is repealed, unless a later enacted statute, that becomes effective on or before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 44. Section 41329.3 of the Education Code is amended to read:

41329.3. (a) The County Office Fiscal Crisis and Management Assistance Team shall conduct comprehensive assessments and shall complete, by July 1, 2003, the following improvement plans for the Berkeley Unified School District:

(1) An instructional improvement plan that includes special education and programs for English language learners and is consistent with the financial improvement plan required by paragraph (2). The plan shall specify pupil outcomes that reflect significant improvement in pupil achievement, particularly in the areas of reading, writing, and mathematics. Among the areas addressed by the plan shall be the alignment between the written, taught, and tested curriculum consistent

with the state's adopted instructional standards, and the use of assessment data to make appropriate pupil placements and allocate district resources. Included in the plan shall be a clear link between professional development for all instructional staff and pupil achievement objectives, including the need for ongoing analysis and use of assessment results to tailor instruction to meet the needs of all pupils.

(2) A financial improvement plan that is consistent with the instructional improvement plan required by paragraph (1) and that includes the current and future projected solvency and fiscal integrity of the school district. The financial improvement plan shall also include, but not be limited to, specific strategies to fund the full implementation of the improvement plans specified in this section and for improving the following:

- (A) Management information systems.
- (B) Accounting and internal control procedures.
- (C) Attendance accounting procedures.

(3) A facilities improvement plan that shall be consistent with the financial improvement plan required by paragraph (2), and that includes, but is not limited to, specific strategies for improving the following:

- (A) Protection and safety for pupils, employees, and district property.
- (B) Ongoing maintenance of district property.
- (C) Management control and procedures for managing all construction and modernization projects.

(4) A personnel management improvement plan that is consistent with the financial improvement plan required by paragraph (2), and that includes, but is not limited to, specific strategies for improving the following:

(A) The recruitment, retention, screening, assessment, and hiring procedures for all district staff.

(B) The training of members of the governing board of the school district in the subjects about which members of the governing board must have knowledge in order to discharge their duties as board members effectively.

(C) The assessment of the administrative practices of the school district and staff development to ensure that staff have the knowledge and skills required to manage effectively the educational programs, finances, safety, and facilities maintenance of the school district.

(D) The calculation and maintenance of appropriate and efficient full-time equivalent staffing ratios for all school district staff.

(E) The governance structure of the school district in relation to board policy development, operational effectiveness, and responsiveness to the community.

(F) In addition, the personnel management improvement plan shall provide data and analysis on the number of district certificated personnel

who are serving on credential waivers or emergency permits. The plan shall provide for monitoring and support for personnel in their daily instructional duties and in completing subject matter and professional preparation requirements through a traditional, university-based program, alternative certification program, or training to pass the CBEST exam.

(5) A community relations improvement plan that is consistent with the financial improvement plan required by paragraph (2), and that includes, but is not limited to, specific strategies for improving the communication among the governing board, personnel of the school district, pupils, and parents.

(b) Commencing in December 2003, and each six months thereafter until June 2005, the County Office Fiscal Crisis and Management Assistance Team shall file a written status report with the appropriate fiscal and policy committees of the Legislature, including any special committees created for the purpose of reviewing the reports, and with the legislators representing the Berkeley Unified School District, the governing board of the school district, the Alameda County Office of Education, the Superintendent of Public Instruction, the Director of Finance, and the Secretary for Education. The reports shall include the progress that the Berkeley Unified School District is making in meeting the recommendations of the improvement plans developed pursuant to subdivision (a).

(c) The County Office Fiscal Crisis and Management Assistance Team shall provide an accounting of expenditures made by it pursuant to the requirements of this act to the Controller and the Alameda County Office of Education. The Controller shall certify unexpended balances for purposes of subdivision (c) of Section 3 of Chapter 1069 of the Statutes of 2002.

(d) This section shall remain in effect only until June 1, 2006, and as of that date is repealed, unless a later enacted statute that is enacted before June 1, 2006, deletes or extends that date.

SEC. 45. Section 41344 of the Education Code is amended to read:

41344. (a) If, as the result of an audit or review, a local educational agency is required to repay an apportionment significant audit exception, the Superintendent of Public Instruction and the Director of Finance, or their designees shall jointly establish a plan for repayment of state school funds that the local educational 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. A local educational agency shall request a repayment plan within 90 days of receiving the final audit report or review, within 30 days of receiving a final determination regarding an appeal pursuant to subdivision (d), or, in the absence of an appeal pursuant to subdivision

(d), within 30 days of receiving a determination of a summary review pursuant to subdivision (d) of Section 41344.1. At the time the local educational 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) of this section or subdivision (d) of Section 41344.1 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 or summary appeal. In calculating the disallowed amount, the Controller shall determine the total amount of overpayment received by the local educational agency on the basis of average daily attendance, or other data, reported by the local educational 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 educational 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 repayment plan, the State Controller shall withhold the entire disallowed amount determined pursuant to paragraph (1) at the next principal apportionment.

(b) For purposes of computing average daily attendance pursuant to Section 42238.5, a local educational agency's prior fiscal year average daily attendance shall be reduced by an amount equal to any average daily attendance disallowed in the current year, by an audit or review, as defined in subdivision (e).

(c) Notwithstanding any other provision of law, this section may not be waived under any authority set forth in this code except as provided in this section or Section 41344.1.

(d) Within 60 days of the date on which a local educational agency receives a final audit report resulting from an audit or review or within 30 days of receiving a determination of a summary review pursuant to subdivision (d) of Section 41344.1, a local educational agency may appeal a finding contained in the final report, pursuant to Section 41344.1. Within 90 days of the date on which the appeal is received by

the panel, a hearing shall be held at which the local educational agency may present evidence or arguments if the local educational agency believes that the final report contains any finding that was based on errors of fact or interpretation of law. A repayment schedule may not commence until the panel reaches a determination regarding the appeal. If the panel determines that the local educational 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 educational agency with an opportunity to provide a written response.

SEC. 46. Section 42127 of the Education Code is amended to read:

42127. (a) On or before July 1 of each year, the governing board of each school district shall accomplish the following:

(1) Hold a public hearing on the budget to be adopted for the subsequent fiscal year. The budget to be adopted shall be prepared in accordance with Section 42126. The agenda for that hearing shall be posted at least 72 hours prior to the public hearing and shall include the location where the budget will be available for public inspection.

(2) Adopt a budget. Not later than five days after that adoption or by July 1, whichever occurs first, the governing board shall file that budget with the county superintendent of schools. That budget and supporting data shall be maintained and made available for public review. If the governing board of the district does not want all or a portion of the property tax requirement levied for the purpose of making payments for the interest and redemption charges on indebtedness as described in paragraph (1) or (2) of subdivision (b) of Section 1 of Article XIII A of the California Constitution, the budget shall include a statement of the amount or portion for which a levy shall not be made.

(b) The county superintendent of schools may accept changes in any statement included in the budget, pursuant to subdivision (a), of the amount or portion for which a property tax levy shall not be made. The county superintendent or the county auditor shall compute the actual amounts to be levied on the property tax rolls of the district for purposes that exceed apportionments to the district pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code. Each school district shall provide all data needed by the county superintendent or the county auditor to compute the amounts. On or before August 15, the county superintendent shall transmit the amounts computed to the county auditor who shall compute the tax rates

necessary to produce the amounts. On or before September 1, the county auditor shall submit the rate computed to the board of supervisors for adoption.

(c) The county superintendent of schools shall do all of the following:

(1) Examine the adopted budget to determine whether it complies with the standards and criteria adopted by the State Board of Education pursuant to Section 33127 for application to final local educational agency budgets. The superintendent shall identify, if necessary, any technical corrections that are required to be made to bring the budget into compliance with those standards and criteria.

(2) Determine whether the adopted budget will allow the district to meet its financial obligations during the fiscal year and is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments.

(d) On or before August 15, the county superintendent of schools shall approve or disapprove the adopted budget for each school district. If, pursuant to the review conducted pursuant to subdivision (c), the county superintendent of schools determines that the adopted budget for a school district does not satisfy paragraph (1) or (2) of that subdivision, he or she shall disapprove the budget and, not later than August 15, transmit to the governing board of the school district, in writing, his or her recommendations regarding revision of the budget and the reasons for those recommendations. The county superintendent of schools may assign a fiscal adviser to assist the district to develop a budget in compliance with those revisions. In addition, the county superintendent of schools may appoint a committee to examine and comment on the superintendent's review and recommendations, subject to the requirement that the committee report its findings to the superintendent no later than August 20.

(e) On or before September 8, the governing board of the school district shall revise the adopted budget to reflect changes in projected income or expenditures subsequent to July 1, and to include any response to the recommendations of the county superintendent of schools, shall adopt the revised budget, and shall file the revised budget with the county superintendent of schools. Prior to revising the budget, the governing board shall hold a public hearing regarding the proposed revisions, to be conducted in accordance with Section 42103. The revised budget and supporting data shall be maintained and made available for public review.

(f) On or before September 22, the county superintendent of schools shall provide a list to the Superintendent of Public Instruction identifying all school districts for which budgets may be disapproved.

(g) The county superintendent of schools shall examine the revised budget to determine whether it (1) complies with the standards and

criteria adopted by the State Board of Education pursuant to Section 33127 for application to final local educational agency budgets, (2) allows the district to meet its financial obligations during the fiscal year, and (3) is consistent with a financial plan that will enable the district to satisfy its multiyear financial commitments, and, not later than October 8, shall approve or disapprove the revised budget. If the county superintendent of schools disapproves the budget, he or she shall call for the formation of a budget review committee pursuant to Section 42127.1, unless the governing board of the school district and the county superintendent of schools agree to waive the requirement that a budget review committee be formed and the State Department of Education approves the waiver after determining that a budget review committee is not necessary. Based on the waiver, the county superintendent immediately has the authority and responsibility provided in Section 42127.3.

(h) Not later than October 8, the county superintendent of schools shall submit a report to the Superintendent of Public Instruction identifying all school districts for which budgets have been disapproved or budget review committees waived. The report shall include a copy of the written response transmitted to each of those districts pursuant to subdivision (d).

(i) Notwithstanding any other provision of this section, the budget review for a school district shall be governed by paragraphs (1), (2), and (3) of this subdivision, rather than by subdivisions (e) and (g), if the governing board of the school district so elects and notifies the county superintendent in writing of that decision, not later than October 31 of the immediately preceding calendar year. On or before July 1, the governing board of a school district for which the budget review is governed by this subdivision, rather than by subdivisions (e) and (g), shall conduct a public hearing regarding its proposed budget in accordance with Section 42103.

(1) If the adopted budget of a school district is disapproved pursuant to subdivision (d), on or before September 8, the governing board of the school district, in conjunction with the county superintendent of schools, shall review the superintendent's recommendations at a regular meeting of the governing board and respond to those recommendations. The response shall include any revisions to the adopted budget and other proposed actions to be taken, if any, as a result of those recommendations.

(2) On or before September 22, the county superintendent of schools will provide a list to the Superintendent of Public Instruction identifying all school districts for which a budget may be tentatively disapproved.

(3) Not later than October 8, after receiving the response required under paragraph (1), the county superintendent of schools shall review

that response and either approve or disapprove the budget. If the county superintendent of schools disapproves the budget, he or she shall call for the formation of a budget review committee pursuant to Section 42127.1, unless the governing board of the school district and the county superintendent of schools agree to waive the requirement that a budget review committee be formed and the State Department of Education approves the waiver after determining that a budget review committee is not necessary. Based on the waiver, the county superintendent immediately has the authority and responsibility provided in Section 42127.3.

(4) Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

(j) Any school district for which the county board of education serves as the governing board is not subject to subdivisions (c) to (h), inclusive, but is governed instead by the budget procedures set forth in Section 1622.

SEC. 47. Section 42238.46 of the Education Code is amended to read:

42238.46. (a) For the 2003–04 fiscal year, the Superintendent of Public Instruction shall compute an equalization adjustment for each school district so that no district’s 2002–03 adjusted base revenue limit per unit of average daily attendance is less than the 2002–03 fiscal year adjusted base revenue limit above which fall not more than 8.25 percent of the total statewide units of average daily attendance for the appropriate size and type of district listed in subdivision (b).

For purposes of this section, the district adjusted base revenue limit and the statewide average adjusted base revenue limit may not include any amounts attributable to Section 45023.4, 46200, or 46201.

(b) Subdivision (a) applies to the following school districts, which shall be grouped according to size and type as follows:

District	ADA
Elementary	less than 101
Elementary	more than 100
High School	less than 301
High School	more than 300
Unified	less than 1,501
Unified	more than 1,500

(c) The Superintendent of Public Instruction shall compute a revenue limit equalization adjustment for each school district’s adjusted base revenue limit per unit of average daily attendance as follows:

(1) Add the products of the amount computed for each school district by the county superintendent pursuant to subdivision (a) and the average daily attendance used to calculate the district's revenue limit for the current fiscal year.

(2) Divide the amount appropriated for purposes of this section for the current fiscal year by the amount computed pursuant to paragraph (1).

(3) Multiply the amount computed for the school district pursuant to subdivision (a) by the amount computed pursuant to paragraph (2).

(d) (1) For purposes of this section only, prior to computing the equalization adjustment pursuant to this section, the Superintendent of Public Instruction shall calculate an adjusted base revenue limit for each district by revising the 2002–03 base revenue limit of the district to eliminate that portion of the one-time adjustment to its base revenue limit related to excused absences made pursuant to Section 42238.8.

(2) For the purposes of this section, the 2002–03 statewide average adjusted base revenue limits determined for the purposes of subdivision (a) and the fraction computed pursuant to paragraph (2) of subdivision (c) by the Superintendent of Public Instruction for the 2002–03 second principal apportionment shall be final, and shall not be recalculated at subsequent apportionments. In no event shall the fraction computed pursuant to paragraph (2) of subdivision (c) exceed 1.00. For the purposes of determining the size of a district used in subdivision (b), county superintendents of schools, in conjunction with the Superintendent of Public Instruction, shall use a school district's revenue limit average daily attendance for the 2002–03 fiscal year as determined pursuant to Section 42238.5 and Article 4 (commencing with Section 42280).

(3) For the purposes of calculating the size of a school district pursuant to subdivision (b), the Superintendent of Public Instruction shall include units of average daily attendance of any charter school for which the school district is the chartering agency.

(4) For the purposes of computing the target amounts pursuant to subdivision (a), the Superintendent of Public Instruction shall count all charter school average daily attendance towards the average daily attendance of the school district that is the chartering agency.

SEC. 48. Section 42238.53 of the Education Code is amended to read:

42238.53. (a) Sections 42238.51 and 42238.52 do not apply to resident pupils in charter schools operating under the districtwide charter of a district that has converted all of its schools to charter status pursuant to Section 47606 and has elected not to be funded pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.

(b) For the purposes of this section, “resident pupils” means pupils who reside in, and are otherwise eligible to attend, a school in the specified district.

SEC. 49. Section 44775.4 of the Education Code is amended to read:

44775.4. The duties of the taskforce shall include, but are not limited to, all of the following:

(a) Advise the Governor and Legislature on strategies to improve Holocaust, genocide, human rights, and tolerance education in the state.

(b) Identify, to the extent possible, all programs in the state that train teachers in Holocaust or genocide studies, or both.

(c) Identify any state Web sites that include information on how teachers can access information on the Holocaust or genocide coursework and resources.

(d) Identify strategies for improving access to Holocaust, genocide, and tolerance education materials and information.

(e) Promote the implementation of Holocaust, genocide, human rights, and tolerance education.

(f) Coordinate activities that will appropriately memorialize the Holocaust and genocide education throughout the state.

(g) Secure private ongoing funding for the taskforce.

(h) Carry out any other tasks that are deemed by the State Board of Education to be necessary to support the ability of the state to meet its goals in providing Holocaust, genocide, human rights, and tolerance education.

(i) Submit an annual report to the Legislature on the progress and status of the taskforce.

SEC. 50. Section 44775.6 of the Education Code is amended to read:

44775.6. The taskforce may apply for and accept grants and receive gifts, donations, and other financial support from public or private sources, subject to Sections 11005 and 11005.1 of the Government Code, for the purpose of carrying out its duties pursuant to this chapter.

SEC. 51. Section 44775.7 of the Education Code is amended to read:

44775.7. (a) The Center for Excellence on the Study of the Holocaust, Genocide, Human Rights, and Tolerance shall be established as a pilot program at California State University, Chico, pursuant to this chapter. The purpose of the pilot program is to accomplish all of the following:

(1) Create a center to coordinate and act as a clearinghouse of information on programs that provide teachers with the knowledge, training, and curricular materials to effectively teach pupils in the public schools about the Holocaust, genocide, human rights, and tolerance as

established in the History-Social Science Framework and Content Standards for California Public Schools.

(2) Expand upon the work of existing Holocaust and genocide institutions, programs, and organizations, including the Museum of Tolerance, to provide teacher training, curricular materials, and other instructional resources that complement and integrate, rather than duplicate, those efforts.

(b) The goals of the center shall be to accomplish all of the following:

(1) Expand upon the framework established by the Model Curriculum for Human Rights and Genocide offered by the State Department of Education.

(2) Develop and facilitate teacher access to instructional materials on the Holocaust, genocide, human rights, and tolerance.

(3) Expand delivery of training, materials, and resources on the Holocaust, genocide, human rights, and tolerance through the provision of online as well as face-to-face resources and classes.

(4) Create an integrated statewide clearinghouse of information on teacher training, instructional materials, and resources available through existing Holocaust and genocide institutions, programs, organizations, and the center.

(5) Support the integration of survivor testimony into instruction on the Holocaust, genocide, human rights, and tolerance.

(c) The director of the center shall prepare a master plan for the implementation of the pilot program that outlines the manner in which the goals of the program will be accomplished and measured.

(d) The center shall work cooperatively with designated California State University campuses, including, but not limited to, Fresno, San Diego, San Francisco, Sacramento, Stanislaus, Sonoma, Northridge, and Long Beach, to offer training, curricular materials, and resources for teachers to effectively instruct on the Holocaust, genocide, human rights, and tolerance.

SEC. 52. Section 44775.8 of the Education Code is amended to read:

44775.8. The center shall engage in the following activities:

(a) Support and facilitate teachers' use of certificate programs in Holocaust and genocide studies developed through the California State University.

(b) Act as a clearinghouse for teacher training materials.

(c) Provide specialized training for teachers and school districts.

(d) Assess and monitor the effectiveness of teacher training programs provided by the center.

(e) Promote Holocaust and genocide awareness.

(f) Compile a roster of volunteers who are willing to share their survivor testimony in classrooms, seminars, and workshops on the

subject of the Holocaust or genocide and make the roster available on the center's Web site.

(g) Solicit financial support from both the public and private sectors.

(h) Promote activities to memorialize the Holocaust and genocide events.

(i) Prepare and submit a report to the Secretary for Education, the Governor, and the Legislature no later than January 31, 2004, outlining the activities of the center and reporting on the progress made in achieving the goals outlined in subdivision (b) of Section 44775.7. In addition, the report shall include information on the amount of nonstate funds secured for the purposes of the center and the number of teachers who have participated in training provided by the center.

SEC. 53. Section 44830.3 of the Education Code is amended to read:

44830.3. (a) The governing board of any school district that maintains kindergarten or grades 1 to 12, inclusive, or that maintains classes in bilingual education or special education programs for pupils with mild and moderate disabilities, may in consultation with an accredited institution of higher education offering an approved program of pedagogical teacher preparation employ persons authorized by the Commission on Teacher Credentialing to provide service as district interns to provide instruction to pupils in those grades or classes as a classroom teacher. The governing board shall require that each district intern be assisted and guided by a certificated employee of the school district who has been designated by the governing board as a mentor teacher pursuant to Article 4 (commencing with Section 44490) of Chapter 3 or by certificated employees selected through a competitive process adopted by the governing board after consultation with the exclusive teacher representative unit or by personnel employed by institutions of higher education to supervise student teachers. Mentor teachers or other certificated employees shall possess valid certification at the same level, or of the same type, of credential as the district interns they serve.

(b) The governing board of each school district employing district interns shall develop and implement a professional development plan for district interns in consultation with an accredited institution of higher education offering an approved program of pedagogical preparation. The professional development plan shall include all of the following:

(1) Provisions for an annual evaluation of the district intern.

(2) As the governing board determines necessary, a description of courses to be completed by the district intern, if any, and a plan for the completion of preservice or other clinical training, if any, including student teaching.

(3) Mandatory preservice training for district interns tailored to the grade level or class to be taught, through either of the following options:

(A) One hundred twenty clock hours of preservice training and orientation in the aspects of child development, classroom organization and management, pedagogy, and methods of teaching the subject field or fields in which the district intern will be assigned, which training and orientation period shall be under the direct supervision of an experienced permanent teacher. In addition, persons holding district intern certificates issued by the commission pursuant to Section 44325 shall receive orientation in methods of teaching pupils with mild and moderate disabilities. At the conclusion of the preservice training period, the permanent teacher shall provide the district with information regarding the area that should be emphasized in the future training of the district intern.

(B) The successful completion, prior to service by the intern in any classroom, of six semester units of coursework from a regionally accredited college or university, designed in cooperation with the school district, to provide instruction and orientation in the aspects of child development and the methods of teaching the subject field or fields in which the district intern will be assigned.

(4) Instruction in child development and the methods of teaching during the first semester of service for district interns teaching in kindergarten or grades 1 to 6, inclusive, including bilingual classes and, for persons holding district intern certificates issued by the commission pursuant to Section 44325, special education programs for pupils with mild and moderate disabilities at those levels.

(5) Instruction in the culture and methods of teaching bilingual pupils during the first year of service for district interns teaching pupils in bilingual classes and, for persons holding district intern certificates issued by the commission pursuant to Section 44325, instruction in the etiology and methods of teaching pupils with mild and moderate disabilities.

(6) Any other criteria that may be required by the governing board.

(7) In addition to the requirements set forth in paragraphs (1) to (6), inclusive, the professional development plan for district interns teaching in special education programs for pupils with mild and moderate disabilities also shall include 120 clock hours of mandatory training and supervised fieldwork that shall include, but not be limited to, instructional practices, and the procedures and pedagogy of both general education programs and special education programs that teach pupils with disabilities.

(8) In addition to the requirements set forth in paragraphs (1) to (6), inclusive, the professional development plan for district interns teaching bilingual classes shall also include 120 clock hours of mandatory

training and orientation, which shall include, but not be limited to, instruction in subject matter relating to bilingual-crosscultural language and academic development.

(9) The professional development plan for district interns teaching in special education programs for pupils with mild and moderate disabilities shall be based on the standards adopted by the commission as provided in subdivision (a) of Section 44327.

(c) Each district intern and each district teacher assigned to supervise the district intern during the preservice period shall be compensated for the preservice period pursuant to subparagraph (A) or (B) of paragraph (3). The compensation shall be that which is normally provided by each district for staff development or in-service activity.

(d) Upon completion of two years of service, or three years of service for interns participating in a program that leads to the attainment of a specialist credential to teach pupils with mild and moderate disabilities, or four years if the intern is participating in a program that leads to the attainment of both a multiple subject or single subject teaching credential and a specialist credential to teach pupils with mild and moderate disabilities, the governing board may recommend to the Commission on Teacher Credentialing that the district intern be credentialed in the manner prescribed by Section 44328.

SEC. 54. Section 47605.3 of the Education Code is amended to read:

47605.3. Notwithstanding subdivision (d) of Section 47605, a charter school with a schoolsite physically located in the attendance area of a public elementary school in which 50 percent or more of the pupil enrollment is eligible for free or reduced price meals may give a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter schoolsite is located. This section is not intended to affect the requirement contained in subdivision (d) of Section 47605 that a public school converting partially or entirely to a charter school adopt and maintain a policy that gives an admission preference to pupils who reside within the former attendance area of that public school.

SEC. 55. Section 47614.5 of the Education Code is amended to read:

47614.5. (a) The Charter School Facility Grant Program is hereby established and shall be administered by the State Department of Education. This grant program is intended to provide assistance with facilities rent and lease costs for pupils in charter schools.

(b) Subject to the annual Budget Act, eligible schools shall receive an amount of up to, but no more than, seven hundred fifty dollars (\$750) per unit of average daily attendance, as certified at the second principal

apportionment, to reimburse an amount of up to, but no more than, 75 percent of the annual facilities rent and lease costs for the charter school. In any fiscal year, if the funds appropriated for the purposes of this section by the annual Budget Act are insufficient to fund the approved amounts fully, the Superintendent of Public Instruction shall apportion the available funds on a pro rata basis.

(c) The State Department of Education shall do all of the following:

(1) Inform charter schools of this program.

(2) Upon application by a charter school, determine eligibility, based on the geographic location of the charter schoolsite, pupil eligibility for free or reduced price meals, and a preference in admissions, as appropriate. Eligibility for funding may not be limited to the grade level or levels served by the school whose attendance area is used to determine eligibility. Charter schoolsites are eligible for funding pursuant to this section if the charter schoolsite meets either of the following conditions:

(A) The charter schoolsite is physically located in the attendance area of a public elementary school in which 70 percent or more of the pupil enrollment is eligible for free or reduced priced meals and the schoolsite gives a preference in admissions to pupils who are currently enrolled in that public elementary school and to pupils who reside in the elementary school attendance area where the charter schoolsite is located.

(B) Seventy percent or more of the pupil enrollment at the charter schoolsite is eligible for free or reduced price meals.

(3) Inform charter schools of their grant eligibility.

(4) Reimburse charter schools for eligible expenditures in a timely manner.

(5) No later than June 30, 2005, report to the Legislature on the number of charter schools that have participated in this grant program under the expanded eligibility prescribed in paragraph (2). In addition, the report shall provide recommendations and suggestions on improving the program.

(d) Funding pursuant to this section may not be apportioned for the following:

(1) Units of average daily attendance generated through nonclassroom-based instruction as defined by paragraph (2) of subdivision (d) of Section 47612.5 or that does not comply with conditions or limitations set forth in regulations adopted by the State Board of Education pursuant to this section.

(2) Charter schools occupying existing school district or county office of education facilities.

(3) Charter schools receiving reasonably equivalent facilities from their chartering authority pursuant to Section 47614.

(e) Funds made available pursuant to this section shall be used for costs associated with facilities rents and leases, consistent with the

definitions used in the California School Accounting Manual. These funds may also be used for costs, including, but not limited to, costs associated with remodeling buildings, deferred maintenance, initially installing or extending service systems and other built-in equipment, and improving sites.

(f) If an existing charter school located in an elementary attendance area in which less than 50 percent of pupil enrollment is eligible for free or reduced price meals relocates to an attendance area identified in paragraph (2) of subdivision (c), admissions preference shall be given to pupils who reside in the elementary school attendance area into which the charter school is relocating.

(g) For each fiscal year, the Superintendent of Public Instruction shall annually report to the State Board of Education regarding the use of any funds that have been made available to each charter school from the grant program established pursuant to this section.

(h) It is the intent of the Legislature that ten million dollars (\$10,000,000) be appropriated for the Charter School Facility Grant Program for the grants authorized under this section for the 2001–02, 2002–03, and 2003–04 fiscal years.

SEC. 56. Section 47632 of the Education Code is amended to read: 47632. For purposes of this chapter, the following terms shall be defined as follows:

(a) “General-purpose entitlement” means an amount computed by the 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) “Categorical 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 those schools solely as a result of parental request pursuant to subdivision (b) of Section 1981, the sponsoring local educational agency means the pupils' school district of residence.

SEC. 56.5. Section 48927 of the Education Code is amended to read:

48927. (a) This chapter shall also apply to pupils attending the California School for the Blind and the two California Schools for the Deaf, which shall be referred to as the "state special schools."

(b) Because the state special schools have a governance structure different from that of school districts, for the purposes of this section the following definitions shall apply:

(1) "Superintendent" means the appropriate principal of the state special school in which the pupil is enrolled, or the principal's designee, for purposes of Sections 48900, 48900.2, 48900.3, 48900.4, 48900.5, 48900.7, and 48911, and subdivisions (a) and (j) of Section 48918.

(2) "Governing board of each school district," "governing board of any school district," or "each governing board of a school district" means the Superintendent of Public Instruction or his or her designee for purposes of subdivision (a) of Section 48900.1, subdivision (b) of Section 48901, subdivision (b) of Section 48901.5, Section 48907, Section 48910, the first paragraph of Section 48918, and the first paragraph of Section 48918.5.

(3) “Governing board” means the Superintendent of the State Special School in which the pupil is enrolled for purposes of Section 48912, subdivision (d) of Section 48915, Section 48915.5, Section 48916, Section 48917, subdivisions (a), (c), (d), (f), (h), (i), (j), and (k) of Section 48918, and Sections 48921, 48922, 48923, and 48924.

(4) “Governing board” means the governing board of the district of residence of the expelled pupil for purposes of subdivision (f) of Section 48915 and Section 48916.1. In the case of an adult pupil expelled from a state special school, “governing board” means the governing board of the school district that referred the pupil to the state special school for purposes of the code section cited in this paragraph.

(5) “Superintendent of schools or the governing board” means the appropriate principal of the state special school in which the pupil is enrolled, or the principal’s designee, for the purposes of Section 48900.6.

(6) “School district” or “district” means the state special school in which the pupil is enrolled for purposes of Section 48900.8, subdivision (b) of Section 48903, Section 48905, Section 48909, Section 48914, paragraph (1) of subdivision (e) of Section 48916.1, subdivision (c) of Section 48918.5, Section 48919, Section 48920, and Section 48921.

(7) “County board of education” or “county board” means the Superintendent of Public Instruction or his or her designee for purposes of Sections 48920, 48921, 48922, 48923, and 48924.

(8) “Local educational agency” includes a state special school for purposes of Section 48902 and Section 48915.5.

(9) “A change in placement” for purposes of paragraph (2) of subdivision (a) of Section 48915.5 means a referral by the state special school to the pupil’s school district of residence for placement in an appropriate interim alternative educational setting.

(10) “Individualized education program team” means the individualized education program team of the pupil’s school district of residence with appropriate representation from the state special school in which the pupil is enrolled for purposes of subdivision (a) of Section 48915.5.2.

(11) “Individualized education program team” means the individualized education program team of the state special school in which the pupil is enrolled with appropriate representation from the pupil’s school district of residence for purposes of subdivisions (b), (c), and (d) of Section 48915.5.3.

(c) Subdivision (b) of this section shall be deemed to provide the same due process procedural protections to pupils in the state special schools as afforded to pupils in the public school districts of the state.

SEC. 57. Section 51122 of the Education Code is amended to read:

51122. (a) 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 (c) of Section 51121. A qualifying school with a pupil enrollment of fewer than 500 pupils shall receive a grant of up to fifteen thousand dollars (\$15,000). A qualifying school with a pupil enrollment of 500 to 799 pupils, inclusive, shall receive a grant of twenty thousand dollars (\$20,000). A qualifying school with a pupil enrollment of 800 to 1,499 pupils, inclusive, shall receive a grant of thirty thousand dollars (\$30,000). A qualifying school with a pupil enrollment of 1,500 or more pupils shall receive a grant of thirty-five thousand dollars (\$35,000).

(b) The funds received pursuant to this article may be used to compensate teachers and teaching paraprofessionals, to provide training to teachers and teaching paraprofessionals, and to defray other costs associated with the implementation of the Nell Soto Parent/Teacher Involvement Program. A qualifying school shall be funded in the order of receipt of an approval certification until all funds available for the program have been apportioned.

(c) The total amount of the grants allocated pursuant to this section may not exceed the total amount appropriated for the purposes of this section.

(d) The Superintendent of Public Instruction shall allocate funding appropriated for this program to the California School for the Deaf, the California School for the Blind, and schools ranked in the bottom five deciles on the Academic Performance Index and shall give funding priority to the California School for the Deaf, the California School for the Blind, and schools ranked in the lowest two deciles.

(1) For the first year of participation in the program, a school is eligible to receive a full grant award as listed in subdivision (a).

(2) For the second year of participation in the program, a school is eligible to receive a grant award not greater than three-fourths of the appropriate amount listed in subdivision (a) and shall provide, from local funds, one-fourth of the appropriate amount listed in subdivision (a).

(3) For the third year of participation in the program, a school is eligible to receive a grant award not greater than one-half of the appropriate amount listed in subdivision (a) and shall match state funding with the same amount of local funds.

(4) A school is eligible for no more than three grant awards. A school that received a grant during the 2000–01 school year shall be considered to have completed a first year of participation in the program and is eligible to apply as a second year school.

(e) Priority for home visits shall be given to low-performing pupils.

(f) Schools may be eligible for funding pursuant to this article for each year from funds appropriated therefor in the annual Budget Act or in another enactment.

(g) The Superintendent of Public Instruction may use up to seventy-five thousand dollars (\$75,000), to the extent funds are appropriated in the annual Budget Act or other enactment for purposes of the Nell Soto Parent/Teacher Involvement Program, to administer the program.

SEC. 58. Section 51226.1 of the Education Code is amended to read:

51226.1. (a) Upon adoption of the model curriculum standards developed pursuant to Section 51226, the Superintendent of Public Instruction shall develop a curriculum framework consistent with criteria set forth in subdivision (a) of Section 60005 that offers a blueprint for implementation of career and technical education. The framework shall be adopted no later than June 1, 2006.

(b) In developing the framework, the superintendent shall work in consultation and coordination with an advisory group, including, but not limited to, representatives from all of the following:

- (1) Business and industry.
- (2) Labor.
- (3) The California Community Colleges.
- (4) The University of California.
- (5) The California State University.
- (6) Classroom teachers.
- (7) School administrators.
- (8) Pupils.
- (9) Parents and guardians.
- (10) Representatives of the Legislature.
- (11) The State Department of Education.
- (12) The Labor and Workforce Development Agency.

(c) In convening the membership of the advisory group set forth in subdivision (b), the Superintendent of Public Instruction is encouraged to seek representation broadly reflective of the state population.

(d) Costs incurred by the Superintendent of Public Instruction in complying with this section shall be covered, to the extent permitted by federal law, by the state administrative and leadership funds available pursuant to the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. Sec. 2301 et seq.).

(e) In developing the framework, the Superintendent of Public Instruction shall consider developing frameworks for various career pathways that will prepare pupils for both career entry and matriculation into postsecondary education.

(f) The adoption of the framework developed and adopted pursuant to this section by a local educational agency shall be voluntary.

SEC. 59. Section 51226.3 of the Education Code is amended to read:

51226.3. (a) The State Department of Education shall incorporate, into publications that provide examples of curriculum resources for teacher use, those materials developed by publishers of nonfiction, trade books, and primary sources, or other public or private organizations, that are age-appropriate and consistent with the subject frameworks on history and social science that deal with civil rights, human rights violations, genocide, slavery, and the Holocaust.

(b) The Legislature encourages the incorporation of survivor, rescuer, liberator, and witness testimony into the teaching of human rights, genocide, and the Holocaust.

(c) The Legislature encourages all state and local professional development activities to provide teachers with content background and resources to assist in teaching about civil rights, human rights violations, genocide, slavery, and the Holocaust.

(d) The Legislature encourages all state and local professional development activities to provide teachers with content background and resources to assist in teaching about the Great Irish Famine of 1845–50.

(e) The Great Irish Famine of 1845–50 shall be considered in the next cycle in which the history/social science curriculum framework and its accompanying instructional materials are adopted.

(f) The Model Curriculum for Human Rights and Genocide adopted by the State Board of Education, pursuant to Section 51226, shall be made available to schools in grades 7 to 12, inclusive, as soon as funding is available for this purpose. In addition, the State Department of Education shall make the curriculum available on its Web site.

SEC. 60. Section 51700 of the Education Code is amended to read:

51700. (a) There is hereby established the Reading First Plan to provide reading instruction to pupils in kindergarten and grades 1 to 3, inclusive, and to special education pupils in kindergarten and grades 1 to 12, inclusive.

(b) The plan shall be administered by the State Department of Education and shall be funded from moneys allocated pursuant to Title I of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(c) The Reading First Plan submitted to the Secretary for Education pursuant to Title I of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) shall do all of the following:

(1) Authorize a local educational agency that meets all the requirements of Section 6362(c)(6) of Title 20 of the United States Code to be eligible for Reading First funding if pupils enrolled in kindergarten

or any of grades 1 to 3, inclusive, and special education pupils enrolled in kindergarten or any of grades 1 to 12, inclusive, are provided with standards-aligned textbooks or basic instructional materials aligned with the reading/language arts content standards pursuant to Section 60605 by the beginning of the first school term that commences no later than 24 months after those materials are adopted by the State Board of Education.

(2) Authorize a local educational agency to use scientifically based reading research supplemental instructional materials for pupils enrolled in kindergarten or any of grades 1 to 3, inclusive, and special education pupils enrolled in kindergarten or any of grades 1 to 12, inclusive, that are aligned with the reading/language arts content standards adopted pursuant to Section 60605. The local educational agency shall provide an explanation in its application of how its use of these supplemental instructional materials supports the reading/language arts instructional materials adopted by the State Board of Education for pupils enrolled in kindergarten or any of grades 1 to 3, inclusive, and special education pupils enrolled in kindergarten or any of grades 1 to 12, inclusive.

(3) Authorize an eligible local educational agency to receive a grant in the amount of up to six thousand five hundred dollars (\$6,500) per teacher in kindergarten or in any of grades 1 to 3, inclusive, unless otherwise required pursuant to Section 6362(c)(2)(A) of Title 20 of the United States Code. In addition, to the extent that a local educational agency needs additional funding consistent with the maximum amount allowable under the federal No Child Left Behind Act (20 U.S.C. Sec. 6301 et. seq.), authorize the local educational agency to submit a plan justifying that need to the State Department of Education and the Department of Finance for their joint approval. A grant awarded pursuant to this paragraph shall be used to enhance reading instruction, including, but not limited to, the following purposes:

(A) Purchasing and implementing scientifically based reading research instructional and supplemental materials in reading language arts, pursuant to requirements specified in the Reading First Plan and paragraph (2).

(B) Participating in professional development in reading and language arts, pursuant to requirements specified in the Reading First Plan. A Reading First funded agency may not claim funding for teachers of kindergarten or any of grades 1 to 3, inclusive, or teachers of special education pupils for the Mathematics and Reading Professional Development Program established pursuant to Article 3 (commencing with Section 99230) of Chapter 5 of Part 65.

(C) Hiring reading coaches or reading content experts, or both.

(D) Purchasing reading and language arts assessments.

(E) Other purposes, as specified in Section 6362(c)(7) of Title 20 of the United States Code.

(d) A local educational agency shall submit an expenditure plan as part of its Reading First application that includes details about the manner in which it is going to use its funding.

SEC. 61. Section 52053 of the Education Code is amended to read: 52053. (a) The Immediate Intervention/Underperforming Schools Program is hereby established. By August 15, 1999, the Superintendent of Public Instruction, with the approval of the State Board of Education, shall invite schools that scored below the 50th percentile on the achievement tests administered pursuant to Section 60640 both in the spring of 1998 and in the spring of 1999 to participate in the Immediate Intervention/Underperforming Schools Program. A school invited to participate may take any action not otherwise prohibited under state or federal law and that would not require reimbursement by the Commission on State Mandates to improve pupil performance.

(b) The total number of schools participating in the program in 1999 shall be 430. Unless subdivision (d) applies, schools that apply will be selected based on the order in which they apply within ranks of deciles, not to exceed 86 per decile, within the following grade level categories:

- (1) No more than 301 elementary schools.
- (2) No more than 78 middle schools.
- (3) No more than 52 high schools.

(c) The 86 schools selected within each decile range pursuant to subdivision (b) shall proportionately represent elementary, middle, and high schools and shall provide statewide proportionate geographic representation of urban and rural schools.

(d) If fewer than the number of schools in any grade level category apply, schools that scored below the 50th percentile in those grade level categories that did not apply for the program shall randomly be selected by the Superintendent of Public Instruction, with the approval of the State Board of Education, to participate based on their proportional representation in the state until the number of schools in each grade level category set forth in subdivision (b) is achieved.

(e) If more than the requisite number of schools apply for any grade level category, the Superintendent of Public Instruction shall select an array of schools that reflect a broad range of academic performance of schools that scored below the 50th percentile, until the number of schools in each grade level category set forth in subdivision (b) is achieved.

(f) A school selected to participate on or before September 1, 1999, shall be awarded a planning grant from funds appropriated pursuant to paragraph (1) of subdivision (a) of Section 2 of Chapter 3 of the Statutes of 1999, First Extraordinary Session, in the amount of fifty thousand

dollars (\$50,000). A school selected to receive federal funds pursuant to paragraph (2) of subdivision (a) of Section 2 of Chapter 3 of the Statutes of 1999, First Extraordinary Session, shall be awarded an implementation grant in an amount of at least fifty thousand dollars (\$50,000) pursuant to Public Law 105-78.

(g) Schools receiving funding under paragraph (2) of subdivision (a) of Section 2 of Chapter 3 of the Statutes of 1999, First Extraordinary Session, shall comply with Public Law 105-78.

(h) By September 15, 2000, and each year thereafter, the Superintendent of Public Instruction, with the approval of the State Board of Education, shall identify schools that failed to meet their Academic Performance Index (API) growth targets and that have an API score below the 50th percentile in the previous school year relative to all other public elementary, middle, or high schools. The Superintendent of Public Instruction shall invite these schools to participate in the Immediate Intervention/Underperforming Schools Program. A school invited to participate may take any action to improve pupil performance not otherwise prohibited under state or federal law and that would not require reimbursement by the Commission on State Mandates.

(i) The total number of schools selected for participation in the program shall be no more than the number that can be funded through the total appropriation for the planning grants referenced in subdivision (l) below.

(j) If fewer schools apply for participation than can be funded, the Superintendent of Public Instruction, with the approval of the State Board of Education, shall randomly select the balance of schools from schools eligible to participate that did not apply. Insofar as possible, the schools randomly selected should reflect a representative proportion of elementary, middle, and high schools, as well as a broad range of academic achievement.

(k) If more schools apply for participation than can be funded, the schools shall be selected in the order in which they apply. Insofar as possible, the schools selected should reflect a representative proportion of elementary, middle, and high schools, as well as a broad range of academic achievement.

(l) A school selected to participate on or before October 15, 2000, and each year thereafter, shall be awarded a planning grant from funds appropriated pursuant to Section 2 of Chapter 3 of the Statutes of 1999, First Extraordinary Session, of fifty thousand dollars (\$50,000).

(m) Schools selected for participation in the program shall be notified by the Superintendent of Public Instruction no later than October 15 of each year.

SEC. 62. Section 52056 of the Education Code is amended to read:

52056. (a) The High Achieving/Improving Schools Program is hereby established. Commencing in June 2000, and every June thereafter, the Superintendent of Public Instruction, with approval of the State Board of Education, shall rank all public schools based on the Academic Performance Index established pursuant to Section 52052. The schools shall be ranked by the value of the API in decile categories by the grade level of instruction provided and shall include three categories: elementary, middle, and high school. The schools shall also be ranked by the value of the API when compared to schools with similar characteristics. Commencing in June 2001, the Superintendent of Public Instruction shall also report the target annual growth rates of schools and the actual growth rates attained by the schools. For purposes of this section, similar characteristics include, but are not limited to, the following characteristics, insofar as data is available from the State Department of Education's data: pupil mobility, pupil ethnicity, pupil socioeconomic status, percentage of teachers who are fully credentialed, percentage of teachers who hold emergency credentials, percentage of pupils who are English language learners, average class size per grade level, and whether the schools operate multitrack year-round educational programs. The Superintendent of Public Instruction shall annually publish these rankings on the Internet.

(b) All schools shall report their ranking, including a description of the components of the API, in their annual school accountability report card pursuant to Sections 33126 and 35256.

(c) Following the annual publication of the API and school rankings by the Superintendent of Public Instruction, the governing board of each school district shall discuss the results of the annual ranking at the next regularly scheduled meeting.

SEC. 63. Section 52071 of the Education Code is amended to read:

52071. (a) Phase I grant proposals shall include the following components:

(1) Proposal summary that describes the five-year reform and redesign plan to be developed.

(2) Problem analysis and goals, that shall include, but are not limited to, the following:

(A) How the pupils in the district have performed on the high school exit examination.

(B) How this proposal will link reform efforts being implemented in the elementary and middle schools of that district to ensure progress toward pupil success on the high school exit examination.

(C) How this proposal will link reform efforts being implemented in the district to ensure progress toward all of the following:

(i) High schools meeting Academic Performance Index growth targets.

(ii) Improved high school pupil assessment scores pursuant to Section 60640.

(iii) Improved high school graduation rates.

(iv) Decreased high school pupil suspension and expulsion rates.

(3) Proposed membership in the district-community partnership.

(4) Description of the proposed work-funding needs and the ability of the district-community partnership to leverage existing funds and to seek new funds to implement the reform and redesign plan that is developed in Phase I.

(5) Administration and governance of the district-community partnership.

(6) Budget summary delineating proposed expenditures of the planning grant funds received.

(b) The criteria to be used by the Superintendent of Public Instruction and the Secretary for Education in consultation with the advisory committee to evaluate all grant proposals and to select eight participating school districts shall include, but not be limited to, the following:

(1) Quality of ideas, vision, and goals for effective high schools for all pupils.

(2) Clarity of problem definition and analysis of structural and capacity barriers.

(3) Strength of leadership within the district administration and the proposed community partnership for building effective high schools for all pupils.

(4) Demonstrated willingness to engage constituencies at the schools including principals, teachers, pupils, and parents, and to engage constituencies in the communities in planning high school reform.

(5) Capacity of the district-community partnership members individually and collectively to overcome system barriers and building public will.

(6) Prior district progress in elementary and middle school change including pupil performance.

(7) Capacity of the school district to manage the district-community partnership and the planning process.

(8) Ability of the district-community partnership to work effectively with each other.

(9) Alignment of the proposal with California state educational standards and preparation for the high school exit examination.

(c) Priority for selection shall be given to those district proposals that contain all of the following:

(1) Districts with one or more high schools ranked in the first or second decile on the Academic Performance Index.

(2) Proposals that have one or more high schools participating in the Immediate Intervention/Underperforming School Program established by Article 3 (commencing with Section 52053) of Chapter 6.1 or the High Priority Schools Grant Program contained in Article 3.5 (commencing with Section 52055.600) of Chapter 6.1, and have identified in their proposal strategies to integrate these reform efforts into the reform and redesign plan required pursuant to this chapter.

(d) In consultation with the advisory committee, the Superintendent of Public Instruction and the Secretary for Education shall select, based on the criteria pursuant to subdivision (b), from those school districts that submit proposals, eight school districts to each receive a planning grant to develop in Phase I of this chapter. The eight school districts selected to participate, when considered as a group, shall be representative of the various geographic regions and the demographics of the state.

SEC. 64. Section 52073 of the Education Code is amended to read: 52073. (a) Proposals for Phase I grants shall be submitted to the Superintendent of Public Instruction on or before April 30, 2003. The Superintendent of Public Instruction shall announce Phase I planning grant awards by June 30, 2003, and the grants shall be awarded by August 1, 2003. The high school reform and redesign plans developed in Phase I of this program shall be submitted to the Superintendent of Public Instruction by June 30, 2004.

(b) Reform and redesign plans submitted by June 30, 2004, shall be evaluated by the Superintendent of Public Instruction and the Secretary for Education, in consultation with the advisory committee, using the criteria pursuant to subdivision (b) of Section 52071, as well as all of the following criteria:

(1) Clear delineation of a five-year reform and redesign plan that, at minimum, contains all of the following:

(A) The specific actions necessary for the implementation of the reform and redesign plan.

(B) Specified benchmarks that demonstrate successful implementation of the reform and redesign plan over the five-year period.

(C) A five-year implementation timeline or schedule.

(D) A clear demonstration of linking existing reform efforts being implemented in the school district to ensure progress toward all of the following:

(i) Pupils being successful in the high school exit examination pursuant to Section 60850.

(ii) High schools meeting API growth targets pursuant to Section 52052.

(iii) High school pupils improving assessment scores pursuant to Section 60640.

(iv) Improved high school graduation rates.

(v) Decreasing high school pupil suspension and expulsion rates.

(2) A five-year expenditure and revenue budget for the implementation of the reform and redesign plan that includes, but is not limited to, the following:

(A) A one dollar (\$1) match for every one dollar (\$1) of grant funding received from the state.

(B) Projected annual cost for implementing of the five-year plan.

(C) Use of existing state and federal funds including, but not limited to, funds received under the Immediate Intervention/Underperforming Schools Program established by Article 3 (commencing with Section 52053) of Chapter 6.1, the High Priority Schools Grant Program contained in Article 3.5 (commencing with Section 52055.600) of Chapter 6.1, and Title I and the Comprehensive School Reform Program of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(3) A listing of indicators that measure annual progress linked to those elements of the plan described in subdivision (e) of Section 52070. These indicators shall include, but are not limited, to the following:

(A) Participating high schools meeting annual API growth targets.

(B) Pupils being successful in the high school exit examination.

(C) Improved high school pupil test scores as indicated on the annual assessments pursuant to Section 60640.

(D) Improved high school graduation rates.

(E) Decrease in high school pupil suspension and expulsion rates.

(c) The Superintendent of Public Instruction and Secretary for Education, in consultation with the advisory committee, may develop additional criteria for evaluating Phase I reform and redesign plans prior to Phase II implementation.

(d) School districts shall be notified no later than August 1, 2004, as to the acceptance of their reform and redesign plan for Phase II implementation.

SEC. 65. Section 53082 of the Education Code is amended to read:

53082. (a) (1) For purposes of this chapter, "local partnership" means a defined system designed to deliver the school-to-career programs funded pursuant to this chapter. A local partnership may include, but is not limited to, a collaborative effort between educators, employers, local government entities, and the public.

(2) For purposes of this chapter, "local partnership geographic area" means the geographic area that an established local partnership is designed to serve.

(b) To be eligible for a grant pursuant to this chapter, a local entity shall, in the grant application, submit a detailed plan demonstrating the following:

(1) All pupils shall be eligible and have access to the activities developed in the geographic region. "All pupils" means every pupil, including, but not limited to, pupils who are college bound, at high risk, disabled pupils, special education pupils, male and female pupils pursuing nontraditional careers, gifted pupils, pupils with limited English proficiency, and economically disadvantaged pupils.

(2) The ability to leverage funds and contributions from public and private entities, including, but not limited to, the Improving America's Schools Act of 1994 (20 U.S.C. Sec. 6301), Carl Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. Sec. 2301), and the Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801).

(3) The ability to build on and integrate other beneficial workforce development and educational programs currently operating in the state, including, but not limited to, tech prep programs as provided through the Carl D. Perkins Vocational and Applied Technology Education Amendments of 1998 (P.L. 105-332), Partnership Academies established pursuant to Article 5 (commencing with Section 54690) of Chapter 9 of Part 29, Regional Occupational Centers and programs established pursuant to Article 1 (commencing with Section 52300) of Chapter 9, Project WorkAbility conducted pursuant to Article 3 (commencing with Section 56470) of Chapter 4.7 of Part 30, youth apprenticeship programs, and adult education programs.

(4) The ability to provide school-based learning, work-based learning, and service-based learning at an appropriate level for that local partnership geographic area.

(5) A significant level of participation and contributions from business and organized labor, including, but not limited to, internal school-to-career coordinator salaries, pupil wages in paid work-based learning, supplies, and equipment necessary for relevant school-to-career activities.

(6) The ability to be as inclusive as possible and engage all interested, appropriate, and relevant parties in the activities of the local partnership. The local partnership shall demonstrate participation from representatives of local educational agencies, representatives of local postsecondary educational institutions, representatives of local vocational education schools, local educators, parent organizations, employers, employer organizations, and organized labor. The Interagency Partnership for School-to-Career Programs may, as it deems necessary, require additional participation from other parties, including, but not limited to, community-based organizations, national trade associations, industrial extension centers, rehabilitation agencies and

organizations, proprietary institutions of higher education, local government agencies, parent organizations, teacher organizations, private industry councils, and federally recognized Native American tribes and Native American organizations.

(7) An instructional program advising pupils of an employee's and employer's rights and obligations in the workplace.

(8) Accountability measurements shall demonstrate increased academic performance, postsecondary enrollment, decreased dropout rates, transition to appropriate employment, apprenticeship, or any other job training school when applicable, and measurements of pupil, parent, and employer satisfaction.

SEC. 66. Section 54201 of the Education Code is amended to read:

54201. (a) The State Department of Education shall calculate the per pupil amount that was received by each school district pursuant to the court-ordered desegregation claims filed pursuant to Sections 42243.6 and 42247, and the per pupil amount that was received based on voluntary integration claims filed pursuant to Sections 42247 and 42249 for the 2000–01 fiscal year. This amount shall be determined by dividing the total funds by the actual average daily attendance as reported on the second principal apportionment for the 2000–01 fiscal year.

(b) The amount determined pursuant to subdivision (a) for each school district, adjusted by the percentage increase calculated pursuant to Section 42238.1, multiplied by the districts' total average daily attendance for each fiscal year shall be the total per pupil funding received for the Targeted Instructional Improvement Grant Program. This amount shall be adjusted annually thereafter by the percentage increase calculated pursuant to Section 42238.1. For the 2001–02 fiscal year, and each fiscal year thereafter, the total amount a school district shall receive in any fiscal year is at a minimum the same total amount it received in the 2000–01 fiscal year adjusted annually pursuant to Section 42238.1.

SEC. 67. Section 56021.1 of the Education Code is amended to read:

56021.1. "Consent," as provided in subsection (b) of Section 300.500 of Title 34 of the Code of Federal Regulations, means all of the following:

(a) The parent or guardian has been fully informed of all information relevant to the activity for which consent is sought, in his or her native language, or other mode of communication.

(b) The parent or guardian understands and agrees in writing to the carrying out of the activity for which his or her consent is sought; and the consent describes that activity and lists the records, if any, that will be released and to whom.

(c) The parent or guardian understands that the granting of consent is voluntary on the part of the parent or guardian and may be revoked at any time. If a parent or guardian revokes consent, that revocation is not retroactive to negate an action that has occurred after the consent was given and before the consent was revoked.

SEC. 68. Section 56046 of the Education Code is amended to read:

56046. (a) An employee of a school district, county office of education, or a special education local planning area may not directly or indirectly use or attempt to use the official authority or influence of the employee for the purpose of intimidating, threatening, coercing, or attempting to intimidate, threaten, or coerce, any person, including, but not limited to, a teacher, a provider of designated instruction and services, a paraprofessional, an instructional aide, a behavioral aide, a health aide, other educators or staff of the local educational agency, a private individual or entity under contract with the local educational agency, or a subordinate of the employee, for the purpose of interfering with the action of that person at any time, to assist a parent or guardian of a pupil with exceptional needs to obtain services or accommodations for that pupil.

(b) If a person described in subdivision (a), believes an employee or agent of a local educational agency is in violation of subdivision (a) because of using or attempting to use official authority or influence, that person may file a complaint under the Uniform Complaint Procedures as set forth in Title 5 of the California Code of Regulations. If a person files a complaint pursuant to this subdivision, the state shall intervene directly and the conditions for intervention in Section 4650 of Title 5 of the California Code of Regulations are not applicable.

(c) This section does not limit or alter any right a person described in subdivision (a) may have to file a complaint pursuant to either a governing board-adopted grievance process or a collectively bargained grievance process.

(d) This section does not do any of the following:

(1) Limit or alter the right or duty of a public school official to direct or discipline an employee or contractor.

(2) Prevent a local educational agency from enforcing a law or regulation regarding conflicts of interest, incompatible activities, or the confidentiality of pupil records.

(e) (1) For the purposes of this section, "services or accommodations" includes information that would assist a parent or guardian to obtain a free appropriate public education for his or her child as guaranteed by the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.), or other services or accommodations guaranteed under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 794) and the federal Americans with Disabilities Act (42

U.S.C. Sec. 12101 et seq.), as well as state laws regarding individuals with exceptional needs.

(2) For the purpose of this section, “use of official authority or influence” includes promising to confer or conferring any benefit, affecting or threatening to affect any reprisal, or taking, directing others to take, recommending, processing, or approving any personnel action, including, but not limited to, appointment, promotion, transfer, assignment, performance evaluation, suspension, or other disciplinary action. “Use of official authority or influence” does not include good faith advocacy by an employee of a public school agency, to any person including another agency employee or contractor, regarding the services, if any, to be provided to a pupil under the laws referred to in paragraph (1).

(f) This section does not diminish the rights, privileges, or remedies of a public school employee under any other federal or state law or under an employment contract or collective bargaining agreement.

(g) A school employee’s or contractor’s assistance offered to a parent or guardian of a pupil with exceptional needs to obtain services or accommodations for that pupil may not interfere with the school employee’s or contractor’s regular duties for the local educational agency.

SEC. 69. Section 56341.5 of the Education Code is amended to read:

56341.5. (a) Each district, special education local plan area, or county office convening a meeting of the individualized education program team shall take steps to ensure that no less than one of the parents or guardians of the individual with exceptional needs are present at each individualized education program meeting or are afforded the opportunity to participate.

(b) Parents or guardians shall be notified of the individualized education program meeting early enough to ensure an opportunity to attend.

(c) The individualized education program meeting shall be scheduled at a mutually agreed upon time and place. The notice of the meeting under subdivision (b) shall indicate the purpose, time, and location of the meeting and who shall be in attendance. Parents or guardians may also be informed in the notice of the right to bring other people to the meeting who have knowledge or special expertise regarding the individual with exceptional needs.

(d) For an individual with exceptional needs beginning at age 14, or younger, if appropriate, the meeting notice shall also indicate that a purpose of the meeting will be the development of a statement of the transition services needs of the individual required by subdivision (a) of Section 56345.1 and indicate that the individual with exceptional needs

is also invited to attend. In accordance with paragraph (3) of subsection (b) of Section 300.345 of the Code of Federal Regulations, for an individual with exceptional needs beginning at 16 years of age or younger, if appropriate, the meeting notice shall also indicate that a purpose of the meeting is the consideration of needed transition services for the individual required by subdivision (b) of Section 56345.1 and indicate that the individual with exceptional needs is invited to attend. If the pupil does not attend the individualized education program meeting, the district, special education local plan area, or county office shall take steps to ensure that the pupil's preferences and interests are considered in accordance with paragraph (2) of subsection (b) of Section 300.344 of Title 34 of the Code of Federal Regulations.

(e) The meeting notice shall also identify any other local agency in accordance with paragraph (3) of subsection (b) of Section 300.344 of Title 34 of the Code of Federal Regulations.

(f) If no parent or guardian can attend the meeting, the district, special education local plan area, or county office shall use other methods to ensure parent or guardian participation, including individual or conference telephone calls.

(g) A meeting may be conducted without a parent or guardian in attendance if the district, special education local plan area, or county office is unable to convince the parent or guardian that he or she should attend. In this event, the district, special education local plan area, or county office shall maintain a record of its attempts to arrange a mutually agreed-upon time and place, as follows:

(1) Detailed records of telephone calls made or attempted and the results of those calls.

(2) Copies of correspondence sent to the parents or guardians and any responses received.

(3) Detailed records of visits made to the home or place of employment of the parent or guardian and the results of those visits.

(h) The district, special education local plan area, or county office shall take whatever action is necessary to ensure that the parent or guardian understands the proceedings at a meeting, including arranging for an interpreter for parents or guardians with deafness or whose native language is a language other than English.

(i) The district, special education local plan area, or county office shall give the parent or guardian a copy of the individualized education program, at no cost to the parent or guardian.

SEC. 70. Section 56383 of the Education Code is amended to read: 56383. Pursuant to subsection (b) of Section 300.349 of Title 34 of the Code of Federal Regulations, after an individual with exceptional needs is placed in a nonpublic, nonsectarian school under Section 56366, any meetings to review and revise the pupil's individualized education

program may be conducted by the nonpublic, nonsectarian school at the discretion of the district, special education local plan area, or county office of education. However, even if a nonpublic, nonsectarian school implements a child's individualized education program, responsibility for compliance with this part and with the Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and implementing regulations remains with the district, special education local plan area, or county office of education pursuant to subsection (c) of Section 300.349 of Title 34 of the Code of Federal Regulations.

SEC. 71. Section 59008 of the Education Code is amended to read:

59008. (a) The Department of Personnel Administration shall consider making salaries for teachers, specialists, and administrators of the California School for the Deaf competitive with the salaries of similarly qualified school teachers, specialists, and administrators who are employed by the encompassing school districts.

(b) For purposes of this section, "teachers," "teacher specialists," and "administrators" mean those individuals who hold the appropriate teaching, service, or teaching and administrative credential, as appropriate, as issued by the Commission on Teacher Credentialing, as determined by the employing state agency.

SEC. 72. Section 59104 of the Education Code is amended to read:

59104. (a) The Department of Personnel Administration shall consider making salaries for teachers, specialists, and administrators of the California School for the Blind competitive with the salaries of similarly qualified school teachers, specialists, and administrators who are employed by the encompassing school districts.

(b) For purposes of this section, "teachers," "teacher specialists," and "administrators" mean those individuals who hold the appropriate teaching, service, or teaching and administrative credential, as appropriate, as issued by the Commission on Teacher Credentialing, as determined by the employing state agency.

SEC. 73. Section 59205 of the Education Code is amended to read:

59205. (a) The Department of Personnel Administration shall consider making salaries for teachers, specialists, and administrators of the Diagnostic Center, Southern California, the Diagnostic Center, Central California, and the Diagnostic Center, Northern California, competitive with the salaries of similarly qualified school teachers, specialists, and administrators who are employed by the encompassing school districts.

(b) For purposes of this section, "teachers," "teacher specialists," and "administrators" mean those individuals who hold the appropriate teaching, service, or teaching and administrative credential, as appropriate, as issued by the Commission on Teacher Credentialing, as determined by the employing state agency.

SEC. 74. Section 60246 of the Education Code is amended to read:
60246. (a) The Controller shall, during each fiscal year, commencing with the 1983–84 fiscal year, transfer from the General Fund to the State Instructional Materials Fund, an amount of twenty-one dollars and eighteen cents (\$21.18) per pupil average daily attendance in the public elementary schools during the preceding fiscal year, as certified by the Superintendent of Public Instruction, except that this amount shall be adjusted annually, through and including fiscal year 1987–88, in conformance with the Consumer Price Index, all items, of the Bureau of Labor Statistics of the United States Department of Labor, measured for the calendar year next preceding the fiscal year to which it applies. Commencing with the 1990–91 fiscal year, the amount shall be adjusted annually by an amount equal to the percentage change determined pursuant to subdivision (b) of Section 42238.1.

(b) The amount transferred pursuant to subdivision (a) includes the designated percentage of the cash entitlements to be used to pay for unadopted state materials, tests, and in-service training.

(c) This section shall become inoperative on January 1, 2003, and, as of January 1, 2007, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 75. Section 60900 of the Education Code is amended to read:
60900. (a) The State Department of Education shall contract for the development of proposals which will provide for the retention and analysis of longitudinal pupil achievement data on the tests administered pursuant to Chapter 5 (commencing with Section 60600), Chapter 7 (commencing with Section 60810), and Chapter 9 (commencing with Section 60850). The longitudinal data shall be known as the California longitudinal pupil achievement data system.

(b) The proposals developed pursuant to subdivision (a) shall evaluate and determine whether it would be most effective, from both a fiscal and a technological perspective, for the state to own the California longitudinal pupil achievement data system. The proposals shall additionally evaluate and determine the most effective means of housing the California longitudinal pupil achievement data system.

(c) The California longitudinal pupil achievement data system shall be developed and implemented in accordance with all state rules and regulations governing information technology projects.

(d) The system or systems developed pursuant to this section shall be used to accomplish all of the following goals:

(1) To provide school districts and the State Department of Education access to data necessary to comply with federal reporting requirements delineated in the No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(2) To provide a better means of evaluating educational progress and investments over time.

(3) To provide local educational agencies information that can be used to improve pupil achievement.

(4) To provide an efficient, flexible, and secure means of maintaining longitudinal statewide pupil level data.

(e) In order to comply with federal law as delineated in the No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), the local educational agency shall retain individual pupil records for each test taker, including all of the following:

(1) All demographic data collected from the STAR test, high school exit examination, and English language development test.

(2) Pupil achievement data from assessments administered pursuant to the STAR, high school exit examination, and English language development testing programs. To the extent feasible, data should include subscore data within each content area.

(3) A unique pupil identification number to be identical to the pupil identifier developed pursuant to the California School Information Services, which shall be retained by each local educational agency and used to ensure the accuracy of information on the header sheets of the STAR tests, high school exit examination, and the English language development test.

(4) All data necessary to compile reports required by the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), including, but not limited to, dropout and graduation rates.

(5) Other data elements deemed necessary by the Superintendent of Public Instruction, with approval of the State Board of Education, to comply with the federal reporting requirements delineated in the No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), after review and comment by the advisory board convened pursuant to subdivision (h).

(f) The California longitudinal pupil achievement data system or systems shall have all of the following characteristics:

(1) The ability to sort by demographic element collected from the STAR tests, high school exit examination, and English language development test.

(2) The capability to be expanded to include pupil achievement data from multiple years.

(3) The capability to monitor pupil achievement on the STAR tests, high school exit examination, and English language development test from year to year and school to school.

(4) The capacity to provide data to the state and local educational agencies upon their request.

(g) Data elements and codes included in the system 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.

(h) The State Department of Education shall convene an advisory board consisting of representatives from the State Board of Education, the Secretary for Education, the Department of Finance, the State Privacy Ombudsman, the Legislative Analyst's office, representatives of parent groups, school districts, and local educational agencies, and education researchers to establish privacy and access protocols, provide general guidance, and make recommendations relative to data elements. The department is encouraged to seek representation broadly reflective of the general public of California.

(i) Subject to funding being provided in the annual Budget Act, the State Department of Education shall contract with a consultant for independent project oversight. The Director of Finance 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 advisory board, 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 California longitudinal pupil achievement data system is meeting the goals described in subdivision (b) and recommendations to improve the data system in ensuring the privacy of individual pupil information and providing the data needed by the state and school districts.

(j) This section shall be implemented using federal funds received pursuant to the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), which are appropriated for purposes of this section in Item 6110-113-0890 of Section 2.00 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002). The release of these funds is contingent on approval of an expenditure plan by the Department of Finance.

(k) For purposes of this chapter, a local educational agency shall include a county office of education, a school district, or charter school.

SEC. 76. Section 66025.3 of the Education Code is amended to read:

66025.3. (a) No campus of the University of California, the California State University, or the California Community Colleges shall charge any mandatory systemwide tuition or fees, including enrollment

fees, registration fees, differential fees, or incidental fees, to any of the following:

(1) Any dependent eligible to receive assistance under Article 2 (commencing with Section 890) of Chapter 4 of Division 4 of the Military and Veterans Code.

(2) (A) Any child of any veteran of the United States military who has a service-connected disability, has been killed in service, or has died of a service-connected disability, where the annual income of the child, including the value of any support received from a parent, does not exceed the national poverty level as defined in subdivision (c).

(B) Notwithstanding Section 893 of the Military and Veterans Code, the Department of Veterans Affairs may determine the eligibility for fee waivers for a child described in subparagraph (A).

(3) Any 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. For the purposes of this paragraph, "active service of the state" refers to a member of the California National Guard activated pursuant to Section 146 of the Military and Veterans Code.

(4) (A) Any undergraduate student who is a recipient of a Medal of Honor, commonly known as a Congressional Medal of Honor, or any undergraduate student who is a child of a recipient of a Medal of Honor and who is no more than 27 years old, if both of the following requirements are met:

(i) His or her annual income, including the value of any support received from a parent, does not exceed the national poverty level as defined in subdivision (c).

(ii) The recipient of the Medal of Honor who is or was the parent of the undergraduate student is, or at the time of his or her death was, a California resident as determined pursuant to Chapter 1 (commencing with Section 68000) of Part 41.

(B) The Department of Veterans Affairs shall determine the eligibility of any applicant for a fee waiver under this paragraph.

(b) A person who is eligible for a waiver of tuition or fees under this section may receive a waiver for each academic year during which he or she applies for that waiver, but an eligible person may not receive a waiver of tuition or fees for a prior academic year.

(c) As used in this section, the "national poverty level" is the poverty threshold for one person, as most recently calculated by the Bureau of the Census of the United States Department of Commerce.

(d) The waiver of tuition or fees under this section shall apply only to a person who is determined to be a resident of California pursuant to Chapter 1 (commencing with Section 68000) of Part 41.

(e) This section shall not apply to a dependent of a veteran within the meaning of paragraph (4) of subdivision (a) of Section 890 of the Military and Veterans Code.

(f) 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. 77. Section 67385.3 of the Education Code is amended to read:

67385.3. (a) (1) The California Campus Sexual Assault Task Force is hereby established to assess the status of California's college and university campuses with respect to the incidence of sexual assault. The task force shall have the mission and responsibility to accomplish both of the following:

(A) Develop a uniform system for the gathering of information pertaining to sexual assault required by paragraph (1) of subdivision (c) from California institutions of higher education.

(B) Create a set of model guidelines for addressing sexual assault issues in institutions of higher education in the State of California.

(2) The task force shall consider the data collected pursuant to its responsibilities, and create a "Campus Blueprint to Address Sexual Assault," and present that report in writing to the Legislature on or before April 1, 2004.

(b) The task force shall have 15 members.

(1) The following 14 members of the task force shall be appointed by the Governor:

(A) A representative of the University of California.

(B) A representative of the California State University.

(C) Two representatives of the California Community Colleges.

(D) A representative of the Sexual Assault Branch of the Office of Criminal Justice Planning.

(E) Two representatives of private institutions of higher education.

(F) Two at-large representatives of the public.

(G) Two representatives of rape crisis centers in the state.

(H) Two representatives of campus-based sexual assault programs in the state.

(I) A representative of the State Department of Health Services.

(2) One member of the task force shall be a representative of the Attorney General's office, appointed by the Attorney General.

(c) (1) The task force shall be staffed by the entity selected and contracted with pursuant to subdivision (e), and shall gather information pertinent to the report referenced in subdivision (a) from the various

campuses of the University of California, the California State University, and the California Community Colleges, and from a sample of private institutions of higher education in the state. This information shall include, but not be limited to, information related to all of the following:

- (A) Campus law enforcement policies that address sexual assault.
- (B) Campus law enforcement preparation regarding sexual assault issues.
- (C) Campus health policies that address sexual assault.
- (D) Faculty and employee education on sexual assault issues.
- (E) Sexual assault prevention education programs for students.
- (F) Victim-sensitive campus judicial policies addressing sexual assault.

(G) Compliance with, and policies regarding, the federal Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act (20 U.S.C. Sec. 1092(f)).

(2) The information gathered pursuant to this subdivision shall not include information the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, the provisions of the Evidence Code relating to privilege.

(3) The task force shall conduct public hearings, which shall provide opportunities for receiving input, regarding the proposed guidelines, from concerned stakeholders.

(d) The Office of Criminal Justice Planning shall administer the task force, and shall support the task force in producing the report referenced in subdivision (a).

(e) The Office of Criminal Justice Planning shall administer a competitive bidding process for the selection of an entity to perform research, for the report referenced in subdivision (a). The Office of Criminal Justice Planning is hereby authorized to enter into an agreement with the entity that is selected under this subdivision for the provision of these services.

(f) This section shall remain in effect only until January 1, 2005, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2005, deletes or extends that date.

SEC. 78. Section 70010 of the Education Code is amended to read:

70010. (a) The California Memorial Scholarship Program is hereby established. The program shall be administered by the Scholarshare Investment Board established pursuant to Section 69984. The program shall be funded by the California Memorial Scholarship Fund established pursuant to Section 5066 of the Vehicle Code.

(b) The purpose of the program is to provide scholarships for surviving dependents of California residents killed as a result of injuries sustained during the terrorist attacks of September 11, 2001. These

scholarships shall be used to defray the costs incurred by participants in the program at institutions of higher education. The Legislature finds and declares that the scholarships provided by this act are funded by voluntary donations provided by California vehicle owners.

SEC. 79. Section 94140 of the Education Code is amended to read: 94140. The authority shall have power to do all of the following:

(a) Adopt bylaws for the regulation of its affairs and the conduct of its business.

(b) Adopt and have an official common seal and alter it at pleasure.

(c) Sue and be sued in its own name, and plead and be impleaded.

(d) Borrow money, issue bonds and notes and other obligations of the authority, and provide for the rights of the holders thereof as provided in this chapter.

(e) Acquire, lease as lessee, hold, and dispose of real and personal property or any interest therein, in the exercise of its powers and the performance of its duties under this chapter.

(f) Acquire, in the name of the authority by purchase or otherwise, on the terms and conditions and in the manner as it deems proper, any land or interest therein and other property that it determines is reasonably necessary for any project, including any lands held by any county, municipality, or other governmental subdivision of the state; and to hold and use the same and to sell, convey, lease, or otherwise dispose of property so acquired, no longer necessary for the authority's purposes.

(g) Receive and accept, from any federal or other public agency or governmental entity, grants or loans for or in aid of the acquisition or construction of any project, and to receive and accept aid or contributions from any other source, of either money, property, labor, or other things of value, to be held, used, and applied only for the purposes for which the grants, loans, and contributions may be made.

(h) Prepare, or cause to be prepared, plans, specifications, designs, and estimates of costs for the construction and equipment of projects for participating colleges and participating nonprofit entities under this chapter, and from time to time to modify those plans, specifications, designs, or estimates.

(i) By contract or contracts or by its own employees to construct, acquire, reconstruct, rehabilitate and improve, and furnish and equip, projects for participating colleges and participating nonprofit entities.

(j) Employ consulting engineers, architects, accountants, construction and financial experts, superintendents, and other employees and agents that may be necessary in its judgment and to fix their compensation.

(k) Determine the location and character of any project to be undertaken pursuant to this chapter, and construct, reconstruct, repair, lease, as lessee or lessor, the same; enter into contracts for any or all of

those purposes; and designate a participating private college or participating nonprofit entity as its agent to determine the location and character of a project undertaken by the participating private college or participating nonprofit entity under this chapter and, as the agent of the authority, construct, reconstruct, maintain, repair, operate, lease, as lessee or lessor, and regulate the same, and, as agent of the authority, to enter into contracts for any and all of those purposes including contracts for the management and operation of the project.

(l) Establish rules and regulations for the use of a project or any portion thereof and to designate a participating private college or participating nonprofit entity as its agent to establish rules and regulations for the use of a project undertaken by the participating private college or participating nonprofit entity.

(m) Generally establish, revise from time to time, and charge and collect, rates, rents, fees, and other charges for the use of and for the services furnished or to be furnished by a project or any portion thereof and contract with holders of its bonds and with any other person, party, association, corporation, or other body, public or private, in respect thereof.

(n) Enter into any and all agreements or contracts, execute any and all instruments, and do and perform any and all acts or things necessary, convenient, or desirable for the purposes of the authority or to carry out any power expressly given in this chapter.

(o) Invest any moneys held in reserve or sinking funds, or any moneys not required for immediate use or disbursement, at the discretion of the authority, in obligations that are authorized by law for the investment of trust funds in the custody of the Treasurer.

(p) Charge, and equitably apportion among participating private colleges and participating nonprofit entities, its administrative costs and expenses incurred in the exercise of the powers and duties conferred by this chapter.

(q) Finance, directly or through an intermediary, or purchase or take assignments of, or make commitments to finance, directly or through an intermediary, or purchase or to take assignments of, student loans, to contract in advance for those student loans, and to contract in advance for that financing, purchase, or assignment, and to pay any amounts payable in respect thereto. A student loan shall be eligible for financing or purchase by the authority or for assignment hereunder regardless of the repayment status of the loan. Any pledge made to secure authority financing for student loan project purposes shall be valid and binding from the time the pledge is made. The revenues and receipts of property or interest in the property pledged and thereafter received by the authority, a participating college or public institution of higher education, a servicer, a trustee, or a custodian shall immediately be

subject to the lien of the pledge without any physical delivery thereof or further act, and the lien of any pledge shall be valid and binding against all parties having claims of any kind in tort, contract, or otherwise against the authority, participating college or public institution of higher education, servicer, trustee, or custodian irrespective of whether the parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded.

(r) Hold or invest in student loans, create pools of student loans, and sell bonds bearing interest on a taxable or tax-exempt basis or other interests backed by the pools of student loans.

(s) Contract or otherwise provide for the distribution, processing, origination, purchase, sale, servicing, securing, and collection of student loans, the payment of fees, charges, and administrative expenses in connection therewith, and the funding of reserves required or provided for in any resolution authorizing, or trust agreement securing, authority financing for student loan purposes.

(t) Assist in providing support to participating colleges or participating nonprofit entities to enhance the market acceptance of potential bond issues by the authority, including securing probable or actual credit ratings from nationally recognized bond rating agencies, providing or obtaining liquidity or credit enhancement, providing or securing bond reserve funds, performing any other action deemed necessary by the authority, and incurring necessary expenses, payable from available authority funds, for any of these purposes.

SEC. 80. Section 94154 of the Education Code is amended to read: 94154. The State of California pledges and agrees with the holders of the bonds, notes, and other obligations issued pursuant to authority contained in this chapter, and with those parties who may enter into contracts with the authority pursuant to this chapter, that the state will not limit, alter, or restrict the rights hereby vested in the authority and the participating private colleges and participating nonprofit entities to maintain, construct, reconstruct, and operate any project as defined in this chapter or to establish and collect the rents, fees, receipts, or other charges as may be convenient or necessary to produce sufficient revenues to meet the expenses of maintenance and operation thereof and to fulfill the terms of any agreements made with the holders of bonds authorized by this chapter, and with the parties who may enter into contracts with the authority pursuant to this chapter, or in any way impair the rights or remedies of the holders of those bonds or those parties until the bonds, together with interest thereon, are fully paid and discharged and the contracts are fully performed on the part of the authority. The authority as a public body corporate and politic may include the pledge herein made in its bonds and contracts.

SEC. 81. Section 94771 of the Education Code is amended to read:

94771. (a) The duty of administering and enforcing this chapter is vested in the Director of Consumer Affairs, who may assign and delegate those duties to a bureau chief, subject to the other provisions of this section.

(b) Every power granted to, or duty imposed upon, the bureau under this chapter may be exercised or performed in the name of the bureau, subject to any conditions and limitations the director may prescribe. The bureau chief may redelegate any of those powers or duties to his or her designee. The bureau chief shall be appointed by the Governor and confirmed by the Senate, and is exempt from the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code).

(c) The director, in accordance with the State Civil Service Act, may appoint and fix the compensation of clerical, inspection, investigation, evaluation, and auditing personnel, as may be necessary to carry out this chapter.

(d) The proceedings under this chapter shall be conducted by the bureau in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. To the extent of any conflict between any of the provisions of this chapter and Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, that Chapter 5 shall prevail.

(e) The director shall appoint an advisory committee that shall consist of representatives of institutions, student advocates, and employers who hire students, among other parties. The advisory committee shall be balanced to ensure that institutions and student advocates have approximate equal representation. Institutional representatives on the committee shall be in general proportion to the types of institutions approved or registered pursuant to this chapter and to the number of students served by each type of institution. The advisory committee shall advise the bureau concerning the bureau's administration, licensing, and enforcement functions under this chapter.

SEC. 82. Section 99235 of the Education Code is amended to read:

99235. (a) The Superintendent of Public Instruction shall notify local educational agencies that they are eligible to receive funding to provide instructional aides and paraprofessionals who directly assist with classroom instruction in mathematics and reading with professional development training in mathematics and reading, in an amount equal to one thousand dollars (\$1,000) per qualifying instructional aide. Funding will be provided to local educational agencies on a first-come, first-served basis. A local educational agency that chooses to participate in the program is eligible to receive funding for no greater than 29 percent of its instructional aides and paraprofessionals who directly assist with classroom instruction in

mathematics and reading in the 2004–05 fiscal year and up to 14.5 percent in the 2005–06 fiscal year. However, the statewide total number of instructional aides and paraprofessionals who directly assist with classroom instruction in mathematics and reading served under this program may not exceed 9,600 over the two fiscal years.

(b) Of the incentive provided pursuant to subdivision (a), a local educational agency may use not more than five hundred dollars (\$500) of the per instructional aide and paraprofessionals who directly assist with classroom instruction in mathematics and reading amount to provide an individual instructional aide stipend.

SEC. 83. Section 13102 of the Elections Code is amended to read:

13102. (a) All voting shall be by ballot. There shall be provided, at each polling place, at each election at which public officers are to be voted for, but one form of ballot for all candidates for public office, except that, for partisan primary elections, one form of ballot shall be provided for each qualified political party as well as one form of nonpartisan ballot, in accordance with subdivision (b).

(b) At partisan primary elections, each voter not registered as intending to affiliate with any one of the political parties participating in the election shall be furnished only a nonpartisan ballot, unless he or she requests a ballot of a political party and that political party, by party rule duly noticed to the Secretary of State, authorizes a person who has declined to state a party affiliation to vote the ballot of that political party. The nonpartisan ballot shall contain only the names of all candidates for nonpartisan offices and measures to be voted for at the primary election. Each voter registered as intending to affiliate with a political party participating in the election shall be furnished only a ballot of the political party with which he or she is registered and the nonpartisan ballot, both of which shall be printed together as one ballot in the form prescribed by Section 13207.

(c) A political party may adopt a party rule in accordance with subdivision (b) that authorizes a person who has declined to state a party affiliation to vote the ballot of that political party at the next ensuing partisan primary election. The political party shall notify the party chair immediately upon adoption of that party rule. The party chair shall provide written notice of the adoption of that rule to the Secretary of State not later than the 135th day prior to the partisan primary election at which the vote is authorized.

(d) The county elections official shall maintain a record of which political party's ballot was requested pursuant to subdivision (b), or whether a nonpartisan ballot was requested, by each person who declined to state a party affiliation. The record shall be made available to any person or committee who is authorized to receive copies of the

printed indexes of registration for primary and general elections pursuant to Section 2184.

(e) This section shall become operative on March 6, 2002.

SEC. 84. Section 13107 of the Elections Code is amended to read:

13107. (a) With the exception of candidates for Justice of the State Supreme Court or court of appeal, immediately under the name of each candidate, and not separated from the name by any line, may appear at the option of the candidate only one of the following designations:

(1) Words designating the elective city, county, district, state, or federal office which the candidate holds at the time of filing the nomination documents to which he or she was elected by vote of the people, or to which he or she was appointed, in the case of a superior court judge.

(2) The word "incumbent" if the candidate is a candidate for the same office which he or she holds at the time of filing the nomination papers, and was elected to that office by a vote of the people, or, in the case of a superior court judge, was appointed to that office.

(3) No more than three words designating either the current principal professions, vocations, or occupations of the candidate, or the principal professions, vocations, or occupations of the candidate during the calendar year immediately preceding the filing of nomination documents. For purposes of this section, all California geographical names shall be considered to be one word. Hyphenated words that appear in any generally available standard reference dictionary, published in the United States at any time within the 10 calendar years immediately preceding the election for which the words are counted, shall be considered as one word. Each part of all other hyphenated words shall be counted as a separate word.

(4) The phrase "appointed incumbent" if the candidate holds an office other than a judicial office by virtue of appointment, and the candidate is a candidate for election to the same office, or, if the candidate is a candidate for election to the same office or to some other office, the word "appointed" and the title of the office. In either instance, the candidate may not use the unmodified word "incumbent" or any words designating the office unmodified by the word "appointed." However, the phrase "appointed incumbent" shall not be required of a candidate who seeks reelection to an office which he or she holds and to which he or she was appointed, as a nominated candidate, in lieu of an election, pursuant to Sections 5326 and 5328 of the Education Code or Section 7228, 7423, 7673, 10229, or 10515 of this code.

(b) Neither the Secretary of State nor any other elections official shall accept a designation of which any of the following would be true:

(1) It would mislead the voter.

(2) It would suggest an evaluation of a candidate, such as outstanding, leading, expert, virtuous, or eminent.

(3) It abbreviates the word “retired” or places it following any word or words which it modifies.

(4) It uses a word or prefix, such as “former” or “ex-,” which means a prior status. The only exception is the use of the word “retired.”

(5) It uses the name of any political party, whether or not it has qualified for the ballot.

(6) It uses a word or words referring to a racial, religious, or ethnic group.

(7) It refers to any activity prohibited by law.

(c) If, upon checking the nomination documents, the elections official finds the designation to be in violation of any of the restrictions set forth in this section, the elections official shall notify the candidate by registered or certified mail return receipt requested, addressed to the mailing address appearing on the candidate’s nomination documents.

(1) The candidate shall, within three days from the date of receipt of the notice, appear before the elections official or, in the case of the Secretary of State, notify the Secretary of State by telephone, and provide an alternate designation.

(2) In the event the candidate fails to provide an alternate designation, no designation shall appear after the candidate’s name.

(d) No designation given by a candidate shall be changed by the candidate after the final date for filing nomination documents, except as specifically requested by the elections official as specified in subdivision (c) or as provided in subdivision (e).

(e) The designation shall remain the same for all purposes of both primary and general elections, unless the candidate, at least 98 days prior to the general election, requests in writing a different designation which the candidate is entitled to use at the time of the request.

(f) In all cases, words so used shall be printed in 8-point roman uppercase and lowercase type except that, if the designation selected is so long that it would conflict with the space requirements of Sections 13207 and 13211, the elections official shall use a type size for the designation for each candidate for that office sufficiently smaller to meet these requirements.

(g) Whenever a foreign language translation of a candidate’s designation is required under the Voting Rights Act of 1965 (42 U.S.C. Sec. 1971), as amended, to appear on the ballot in addition to the English language version, it shall be as short as possible, as consistent as is practicable with this section, and shall employ abbreviations and initials wherever possible in order to avoid undue length.

SEC. 85. Section 19227 of the Elections Code is amended to read:

19227. (a) The Secretary of State shall adopt rules and regulations governing any voting technology and systems used by the state or any political subdivision that provide blind and visually impaired individuals with access that is equivalent to that provided to individuals who are not blind or visually impaired, including the ability for the voter to cast and verify all selections made by both visual and nonvisual means.

(b) At each polling place, at least one voting unit approved pursuant to subdivision (a) by the Secretary of State shall provide access to individuals who are blind or visually impaired.

(c) A local agency is not required to comply with subdivision (b) unless sufficient funds are available to implement that provision. Funds received from the proceeds of the Voting Modernization Bond Act of 2002 (Article 3 (commencing with Section 19230)), from federal funds made available to purchase new voting systems, or from any other source except the General Fund, shall be used for that purpose.

SEC. 86. Section 3048 of the Family Code is amended to read:

3048. (a) Notwithstanding any other provision of law, in any proceeding to determine child custody or visitation with a child, every custody or visitation order shall contain all of the following:

(1) The basis for the court's exercise of jurisdiction.

(2) The manner in which notice and opportunity to be heard were given.

(3) A clear description of the custody and visitation rights of each party.

(4) A provision stating that a violation of the order may subject the party in violation to civil or criminal penalties, or both.

(5) Identification of the country of habitual residence of the child or children.

(b) (1) In cases in which the court becomes aware of facts which may indicate that there is a risk of abduction of a child, the court shall, either on its own motion or at the request of a party, determine whether measures are needed to prevent the abduction of the child by one parent. To make that determination, the court shall consider the risk of abduction of the child, obstacles to location, recovery, and return if the child is abducted, and potential harm to the child if he or she is abducted. To determine whether there is a risk of abduction, the court shall consider the following factors:

(A) Whether a party has previously taken, enticed away, kept, withheld, or concealed a child in violation of the right of custody or of visitation of a person, regardless of whether the party acted in compliance with Section 278.7 of the Penal Code or not.

(B) Whether a party has previously threatened to take, entice away, keep, withhold, or conceal a child in violation of the right of custody or of visitation of a person.

(C) Whether a party lacks strong ties to this state.

(D) Whether a party has strong familial, emotional, or cultural ties to another state or country, including foreign citizenship. This factor shall be considered only if evidence exists in support of another factor specified in this section.

(E) Whether a party has no financial reason to stay in this state, including whether the party is unemployed, is able to work anywhere, or is financially independent.

(F) Whether a party has engaged in planning activities that would facilitate the removal of a child from the state, including quitting a job, selling his or her primary residence, terminating a lease, closing a bank account, liquidating other assets, hiding or destroying documents, applying for a passport, or applying to obtain a birth certificate or school or medical records.

(G) Whether a party has a history of domestic violence, lack of parental cooperation, or child abuse.

(H) Whether a party has a criminal record.

(2) If the court makes a finding that there is a need for preventative measures after considering the factors listed in paragraph (1), the court shall consider taking one or more of the following measures to prevent the abduction of the child:

(A) Ordering supervised visitation.

(B) Requiring a parent to post a bond in an amount sufficient to serve as a financial deterrent to abduction, the proceeds of which may be used to offset the cost of recovery of the child in the event there is an abduction.

(C) Restricting the right of the custodial or noncustodial parent to remove the child from the county, the state, or the country.

(D) Restricting the right of the custodial parent to relocate with the child, unless the custodial parent provides advance notice to, and obtains the written agreement of, the noncustodial parent, or obtains the approval of the court, before relocating with the child.

(E) Requiring the surrender of passports and other travel documents.

(F) Prohibiting a parent from applying for a new or replacement passport for the child.

(G) Requiring a parent to notify a relevant foreign consulate or embassy of passport restrictions and to provide the court with proof of that notification.

(H) Requiring a party to register a California order in another state as a prerequisite to allowing a child to travel to that state for visits, or to obtain an order from another country containing terms identical to the

custody and visitation order issued in the United States (recognizing that these orders may be modified or enforced pursuant to the laws of the other country), as a prerequisite to allowing a child to travel to that country for visits.

(I) Obtaining assurances that a party will return from foreign visits by requiring the traveling parent to provide the court or the other parent or guardian with any of the following:

(i) The travel itinerary of the child.

(ii) Copies of round trip airline tickets.

(iii) A list of addresses and telephone numbers where the child can be reached at all times.

(iv) An open airline ticket for the left-behind parent in case the child is not returned.

(J) Including provisions in the custody order to facilitate use of the Uniform Child Custody Jurisdiction and Enforcement Act (Part 3 (commencing with Section 3400)) and the Hague Convention on the Civil Aspects of International Child Abduction (implemented pursuant to 42 U.S.C. Sec. 11601 et seq.), such as identifying California as the home state of the child or otherwise defining the basis for the California court's exercise of jurisdiction under Part 3 (commencing with Section 3400), identifying the United States as the country of habitual residence of the child pursuant to the Hague Convention, defining custody rights pursuant to the Hague Convention, obtaining the express agreement of the parents that the United States is the country of habitual residence of the child, or that California or the United States is the most appropriate forum for addressing custody and visitation orders.

(K) Authorizing the assistance of law enforcement.

(3) If the court imposes any or all of the conditions listed in paragraph (2), those conditions shall be specifically noted on the minute order of the court proceedings.

(4) If the court determines there is a risk of abduction that is sufficient to warrant the application of one or more of the prevention measures authorized by this section, the court shall inform the parties of the telephone number and address of the Child Abduction Unit in the office of the district attorney in the county where the custody or visitation order is being entered.

(c) The Judicial Council shall make the changes to its child custody order forms that are necessary for the implementation of subdivision (b). This subdivision shall become operative on July 1, 2003.

SEC. 87. Section 3118 of the Family Code is amended to read:

3118. (a) In any contested proceeding involving child custody or visitation rights, where the court has appointed a child custody evaluator or has referred a case for a full or partial court-connected evaluation, investigation, or assessment, and the court determines that there is a

serious allegation of child sexual abuse, the court shall require an evaluation, investigation, or assessment pursuant to this section. When the court has determined that there is a serious allegation of child sexual abuse, any child custody evaluation, investigation, or assessment conducted subsequent to that determination shall be considered by the court only if the evaluation, investigation, or assessment is conducted in accordance with the minimum requirements set forth in this section in determining custody or visitation rights, except as specified in paragraph (1). For purposes of this section, a serious allegation of child sexual abuse means an allegation of child sexual abuse, as defined in Section 11165.1 of the Penal Code, that is based in whole or in part on statements made by the child to law enforcement, a child welfare services agency investigator, any person required by statute to report suspected child abuse, or any other court-appointed personnel, or that is supported by substantial independent corroboration as provided for in subdivision (b) of Section 3011. When an allegation of child abuse arises in any other circumstances in any proceeding involving child custody or visitation rights, the court may require an evaluator or investigator to conduct an evaluation, investigation, or assessment pursuant to this section. The order appointing a child custody evaluator or investigator pursuant to this section shall provide that the evaluator or investigator have access to all juvenile court records pertaining to the child who is the subject of the evaluation, investigation, or assessment. The order shall also provide that any juvenile court records or information gained from those records remain confidential and shall only be released as specified in Section 3111.

(1) This section does not apply to any emergency court-ordered partial investigation that is conducted for the purpose of assisting the court in determining what immediate temporary orders may be necessary to protect and meet the immediate needs of a child. This section does apply when the emergency is resolved and the court is considering permanent child custody or visitation orders.

(2) This section does not prohibit a court from considering evidence relevant to determining the safety and protection needs of the child.

(3) Any evaluation, investigation, or assessment conducted pursuant to this section shall be conducted by an evaluator or investigator who meets the qualifications set forth in Section 3110.5.

(b) The evaluator or investigator shall, at a minimum, do all of the following:

(1) Consult with the agency providing child welfare services and law enforcement regarding the allegations of child sexual abuse, and obtain recommendations from these professionals regarding the child's safety and the child's need for protection.

(2) Review and summarize the child welfare services agency file. No document contained in the child welfare services agency file may be photocopied, but a summary of the information in the file, including statements made by the children and the parents, and the recommendations made or anticipated to be made by the child welfare services agency to the juvenile court, may be recorded by the evaluator or investigator, except for the identity of the reporting party. The evaluator's or investigator's notes summarizing the child welfare services agency information shall be stored in a file separate from the evaluator's or investigator's file and may only be released to either party under order of the court.

(3) Obtain from a law enforcement investigator all available information obtained from criminal background checks of the parents and any suspected perpetrator that is not a parent, including information regarding child abuse, domestic violence, or substance abuse.

(4) Review the results of a multidisciplinary child interview team (hereafter MDIT) interview if available, or if not, or if the evaluator or investigator believes the MDIT interview is inadequate for purposes of the evaluation, investigation, or assessment, interview the child or request an MDIT interview, and shall wherever possible avoid repeated interviews of the child.

(5) Request a forensic medical examination of the child from the appropriate agency, or include in the report required by paragraph (6) a written statement explaining why the examination is not needed.

(6) File a confidential written report with the clerk of the court in which the custody hearing will be conducted and which shall be served on the parties or their attorneys at least 10 days prior to the hearing. This report may not be made available other than as provided in this subdivision. This report shall include, but is not limited to, the following:

(A) Documentation of material interviews, including any MDIT interview of the child or the evaluator or investigator, written documentation of interviews with both parents by the evaluator or investigator, and interviews with other witnesses who provided relevant information.

(B) A summary of any law enforcement investigator's investigation, including information obtained from the criminal background check of the parents and any suspected perpetrator that is not a parent, including information regarding child abuse, domestic violence, or substance abuse.

(C) Relevant background material, including, but not limited to, a summary of a written report from any therapist treating the child for suspected child sexual abuse, excluding any communication subject to Section 1014 of the Evidence Code, reports from other professionals,

and the results of any forensic medical examination and any other medical examination or treatment that could help establish or disprove whether the child has been the victim of sexual abuse.

(D) The written recommendations of the evaluator or investigator regarding the therapeutic needs of the child and how to ensure the safety of the child.

(E) A summary of the following information: whether the child and his or her parents are or have been the subject of a child abuse investigation and the disposition of that investigation; the name, location, and telephone number of the children's services worker; the status of the investigation and the recommendations made or anticipated to be made regarding the child's safety; and any dependency court orders or findings that might have a bearing on the custody dispute.

(F) Any information regarding the presence of domestic violence or substance abuse in the family that has been obtained from a child protective agency in accordance with paragraphs (1) and (2), a law enforcement agency, medical personnel or records, prior or currently treating therapists, excluding any communication subject to Section 1014 of the Evidence Code, or from interviews conducted or reviewed for this evaluation, investigation, or assessment.

(G) Which, if any, family members are known to have been deemed eligible for assistance from the Victims of Crime Program due to child abuse or domestic violence.

(H) Any other information the evaluator or investigator believes would be helpful to the court in determining what is in the best interests of the child.

(c) If the evaluator or investigator obtains information as part of a family court mediation, that information shall be maintained in the family court file, which is not subject to subpoena by either party. If, however, the members of the family are the subject of an ongoing child welfare services investigation, or the evaluator or investigator has made a child welfare services referral, the evaluator or investigator shall so inform the family law judicial officer in writing and this information shall become part of the family law file. This subdivision may not be construed to authorize or require a mediator to disclose any information not otherwise authorized or required by law to be disclosed.

(d) In accordance with subdivision (d) of Section 11167 of the Penal Code, the evaluator or investigator may not disclose any information regarding the identity of any person making a report of suspected child abuse. Nothing in this section is intended to limit any disclosure of information by any agency that is otherwise required by law or court order.

(e) The evaluation, investigation, or assessment standards set forth in this section represent minimum requirements of evaluation and the court

shall order further evaluation beyond these minimum requirements when necessary to determine the safety needs of the child.

(f) If the court orders an evaluation, investigation, or assessment pursuant to this section, the court shall consider whether the best interests of the child require that a temporary order be issued that limits visitation with the parent against whom the allegations have been made to situations in which a third person specified by the court is present or whether visitation will be suspended or denied in accordance with Section 3011.

(g) An evaluation, investigation, or assessment pursuant to this section shall be suspended if a petition is filed to declare the child a dependent child of the juvenile court pursuant to Section 300 of the Welfare and Institutions Code, and all information gathered by the evaluator or investigator shall be made available to the juvenile court.

(h) This section may not be construed to authorize a court to issue any orders in a proceeding pursuant to this division regarding custody or visitation with respect to a minor child who is the subject of a dependency hearing in juvenile court or to otherwise supersede Section 302 of the Welfare and Institutions Code.

SEC. 88. Section 8802 of the Family Code is amended to read:

8802. (a) (1) Any of the following persons who desire to adopt a child may, for that purpose, file a petition in the county in which the petitioner resides or, if the petitioner is not a resident of this state, in the county in which the placing birth parent or birth parents resided when the adoption placement agreement was signed, or the county in which the placing birth parent or birth parents resided when the petition was filed:

(A) An adult who is related to the child or the child's half sibling by blood or affinity, including all relatives whose status is preceded by the words "step," "great," "great-great," or "grand," or the spouse of any of these persons, even if the marriage was terminated by death or dissolution.

(B) A person named in the will of a deceased parent as an intended adoptive parent where the child has no other parent.

(C) A person with whom a child has been placed for adoption.

(D) A legal guardian who has been the child's legal guardian for more than one year. However, if the parent nominated the guardian for a purpose other than adoption for a specified time period, or if the guardianship was established pursuant to Section 360 of the Welfare and Institutions Code, the guardianship shall have been in existence for not less than three years.

(2) If the child has been placed for adoption, a copy of the adoptive placement agreement shall be attached to the petition. The court clerk

shall immediately notify the department at Sacramento in writing of the pendency of the proceeding and of any subsequent action taken.

(b) The petition shall contain an allegation that the petitioners will file promptly with the department or delegated county adoption agency information required by the department in the investigation of the proposed adoption. The omission of the allegation from a petition does not affect the jurisdiction of the court to proceed or the validity of an adoption order or other order based on the petition.

(c) The caption of the adoption petition shall contain the names of the petitioners, but not the child's name. The petition shall state the child's sex and date of birth and the name the child had before adoption.

(d) If the child is the subject of a guardianship petition, the adoption petition shall so state and shall include the caption and docket number or have attached a copy of the letters of the guardianship or temporary guardianship. The petitioners shall notify the court of any petition for guardianship or temporary guardianship filed after the adoption petition. The guardianship proceeding shall be consolidated with the adoption proceeding.

(e) The order of adoption shall contain the child's adopted name, but not the name the child had before adoption.

SEC. 89. Section 9210 of the Family Code is amended to read:

9210. (a) Except as otherwise provided in subdivisions (b) and (c), a court of this state has jurisdiction over a proceeding for the adoption of a minor commenced under this part if any of the following applies:

(1) Immediately before commencement of the proceeding, the minor lived in this state with a parent, a guardian, a prospective adoptive parent, or another person acting as parent, for at least six consecutive months, excluding periods of temporary absence, or, in the case of a minor under six months of age, lived in this state with any of those individuals from soon after birth and there is available in this state substantial evidence concerning the minor's present or future care.

(2) Immediately before commencement of the proceeding, the prospective adoptive parent lived in this state for at least six consecutive months, excluding periods of temporary absence, and there is available in this state substantial evidence concerning the minor's present or future care.

(3) The agency that placed the minor for adoption is located in this state and both of the following apply:

(A) The minor and the minor's parents, or the minor and the prospective adoptive parent, have a significant connection with this state.

(B) There is available in this state substantial evidence concerning the minor's present or future care.

(4) The minor and the prospective adoptive parent are physically present in this state and the minor has been abandoned or it is necessary in an emergency to protect the minor because the minor has been subjected to or threatened with mistreatment or abuse or is otherwise neglected.

(5) It appears that no other state would have jurisdiction under requirements substantially in accordance with paragraphs (1) to (4), inclusive, or another state has declined to exercise jurisdiction on the ground that this state is the more appropriate forum to hear a petition for adoption of the minor, and there is available in this state substantial evidence concerning the minor's present or future care.

(b) A court of this state may not exercise jurisdiction over a proceeding for adoption of a minor if at the time the petition for adoption is filed a proceeding concerning the custody or adoption of the minor is pending in a court of another state exercising jurisdiction substantially in conformity with this part, unless the proceeding is stayed by the court of the other state because this state is a more appropriate forum or for another reason.

(c) If a court of another state has issued a decree or order concerning the custody of a minor who may be the subject of a proceeding for adoption in this state, a court of this state may not exercise jurisdiction over a proceeding for adoption of the minor, unless both of the following apply:

(1) The requirements for modifying an order of a court of another state under this part are met, the court of another state does not have jurisdiction over a proceeding for adoption substantially in conformity with paragraphs (1) to (4), inclusive, of subdivision (a), or the court of another state has declined to assume jurisdiction over a proceeding for adoption.

(2) The court of this state has jurisdiction under this section over the proceeding for adoption.

SEC. 90. Section 9212 of the Family Code is amended to read:

9212. (a) Sections 9210 and 9211 apply to interstate adoptions if the prospective adoptive parents reside outside of the state.

(b) This section shall become operative only if Assembly Bill 746 of the 2001-02 Regular Session is enacted. If Assembly Bill 746 is not enacted, the application of Sections 9210 and 9211 is not intended to expand jurisdiction to apply to interstate adoptions if the prospective adoptive parents reside outside of the state.

SEC. 91. Section 17506 of the Family Code is amended to read:

17506. (a) There is in the Department of Justice the California Parent Locator Service and Central Registry that shall collect and disseminate all of the following, with respect to any parent, putative parent, spouse, or former spouse:

(1) The full and true name of the parent together with any known aliases.

(2) Date and place of birth.

(3) Physical description.

(4) Social security number.

(5) Employment history and earnings.

(6) Military status and Veterans Administration or military service serial number.

(7) Last known address, telephone number, and date thereof.

(8) Driver's license number, driving record, and vehicle registration information.

(9) Criminal, licensing, and applicant records and information.

(10) (A) Any additional location, asset, and income information, including income tax return information obtained pursuant to Section 19285.1 of the Revenue and Taxation Code, and to the extent permitted by federal law, the address, telephone number, and social security number obtained from a public utility, cable television corporation, a provider of electronic digital pager communication, or a provider of cellular telephone services that may be of assistance in locating the parent, putative parent, abducting, concealing, or detaining parent, spouse, or former spouse, in establishing a parent and child relationship, in enforcing the child support liability of the absent parent, or enforcing the spousal support liability of the spouse or former spouse to the extent required by the state plan pursuant to Section 17604.

(B) For purposes of this subdivision, "income tax return information" means all of the following regarding the taxpayer:

(i) Assets.

(ii) Credits.

(iii) Deductions.

(iv) Exemptions.

(v) Identity.

(vi) Liabilities.

(vii) Nature, source, and amount of income.

(viii) Net worth.

(ix) Payments.

(x) Receipts.

(xi) Address.

(xii) Social security number.

(b) Pursuant to a letter of agreement entered into between the Department of Child Support Services and the Department of Justice, the Department of Child Support Services shall assume responsibility for the California Parent Locator Service and Central Registry. The letter of agreement shall, at a minimum, set forth all of the following:

(1) Contingent upon funding in the Budget Act, the Department of Child Support Services shall assume responsibility for leadership and staff of the California Parent Locator Service and Central Registry commencing July 1, 2003.

(2) All employees and other personnel who staff or provide support for the California Parent Locator Service and Central Registry shall, at the time of the transition, at their option, become the employees of the Department of Child Support Services at their existing or equivalent classification, salaries, and benefits.

(3) Until the department's automation system for the California Parent Locator Service and Central Registry functions is fully operational, the department shall use the automation system operated by the Department of Justice.

(4) Any other provisions necessary to ensure continuity of function and meet or exceed existing levels of service.

(c) To effectuate the purposes of this section, the California Child Support Automation System, the California Parent Locator Service and Central Registry, and the Franchise Tax Board shall utilize the federal Parent Locator Service to the extent necessary, and may request and shall receive from all departments, boards, bureaus, or other agencies of the state, or any of its political subdivisions, and those entities shall provide, that assistance and data that will enable the Department of Child Support Services and other public agencies to carry out their powers and duties to locate parents, spouses, and former spouses, and to identify their assets, to establish parent-child relationships, and to enforce liability for child or spousal support, and for any other obligations incurred on behalf of children, and shall also provide that information to any local child support agency in fulfilling the duties prescribed in Section 270 of the Penal Code, and in Chapter 8 (commencing with Section 3130) of Part 2 of Division 8 of this code, relating to abducted, concealed, or detained children. The California Child Support Automation System shall be entitled to the same cooperation and information as the California Parent Locator Service and Central Registry to the extent allowed by law. The California Child Support Automation System shall be allowed access to criminal record information only to the extent that access is allowed by state and federal law.

(d) (1) To effectuate the purposes of this section, and notwithstanding any other provision of California law, regulation, or tariff, and to the extent permitted by federal law, the California Parent Locator Service and Central Registry and the California Child Support Automation System may request and shall receive from public utilities, as defined in Section 216 of the Public Utilities Code, customer service information, including the full name, address, telephone number, date of birth, employer name and address, and social security number of

customers of the public utility, to the extent that this information is stored within the computer database of the public utility.

(2) To effectuate the purposes of this section, and notwithstanding any other provision of California law, regulation, or tariff, and to the extent permitted by federal law, the California Parent Locator Service and Central Registry and the California Child Support Automation System shall request and shall receive from cable television corporations, as defined in Section 215.5 of the Public Utilities Code, the providers of electronic digital pager communication, as defined in Section 629.51 of the Penal Code, and the providers of cellular telephone services, as defined in Section 17538.9 of the Business and Professions Code, customer service information, including the full name, address, telephone number, date of birth, employer name and address, and social security number of customers of the cable television corporation, customers of the providers of electronic digital pager communication, and customers of the providers of cellular telephone services.

(3) In order to protect the privacy of utility, cable television, electronic digital pager communication, and cellular telephone customers, a request to a public utility, cable television corporation, provider of electronic digital pager communication, or provider of cellular telephone services for customer service information pursuant to this section shall meet the following requirements:

(A) Be submitted to the public utility, cable television corporation, provider of electronic digital pager communication, or provider of cellular telephone services in writing, on a transmittal document prepared by the California Parent Locator Service and Central Registry or the California Child Support Automation System and approved by all of the public utilities, cable television corporations, providers of electronic digital pager communication, and providers of cellular telephone services. The transmittal shall be deemed to be an administrative subpoena for customer service information.

(B) Have the signature of a representative authorized by the California Parent Locator Service and Central Registry or the California Child Support Automation System.

(C) Contain at least three of the following data elements regarding the person sought:

- (i) First and last name, and middle initial, if known.
- (ii) Social security number.
- (iii) Driver's license number.
- (iv) Birth date.
- (v) Last known address.
- (vi) Spouse's name.

(D) The California Parent Locator Service and Central Registry and the California Child Support Automation System shall ensure that each

public utility, cable television corporation, provider of electronic digital pager communication services, and provider of cellular telephone services has at all times a current list of the names of persons authorized to request customer service information.

(E) The California Child Support Automation System and the California Parent Locator Service and Central Registry shall ensure that customer service information supplied by a public utility, cable television corporation, providers of electronic digital pager communication, or provider of cellular telephone services is applicable to the person who is being sought before releasing the information pursuant to subdivision (d).

(4) The public utility, cable television corporation, electronic digital pager communication provider, or cellular telephone service provider may charge a fee to the California Parent Locator Service and Central Registry or the California Child Support Automation System for each search performed pursuant to this subdivision to cover the actual costs to the public utility, cable television corporation, electronic digital pager communication provider, or cellular telephone service provider for providing this information.

(5) No public utility, cable television corporation, electronic digital pager communication provider, or cellular telephone service provider or official or employee thereof, shall be subject to criminal or civil liability for the release of customer service information as authorized by this subdivision.

(e) Notwithstanding Section 14202 of the Penal Code, any records established pursuant to this section shall be disseminated only to the Department of Child Support Services, the California Child Support Automation System, the California Parent Locator Service and Central Registry, the parent locator services and central registries of other states as defined by federal statutes and regulations, a local child support agency of any county in this state, and the federal Parent Locator Service. The California Child Support Automation System shall be allowed access to criminal offender record information only to the extent that access is allowed by law.

(f) (1) At no time shall any information received by the California Parent Locator Service and Central Registry or by the California Child Support Automation System be disclosed to any person, agency, or other entity, other than those persons, agencies, and entities specified pursuant to Section 17505, this section, or any other provision of law.

(2) This subdivision shall not otherwise affect discovery between parties in any action to establish, modify, or enforce child, family, or spousal support, that relates to custody or visitation.

(g) (1) The Department of Justice, in consultation with the Department of Child Support Services, shall promulgate rules and

regulations to facilitate maximum and efficient use of the California Parent Locator Service and Central Registry. Upon implementation of the California Child Support Automation System, the Department of Child Support Services shall assume all responsibility for promulgating rules and regulations for use of the California Parent Locator Service and Central Registry.

(2) The Department of Child Support Services, the Public Utilities Commission, the cable television corporations, providers of electronic digital pager communication, and the providers of cellular telephone services shall develop procedures for obtaining the information described in subdivision (c) from public utilities, cable television corporations, providers of electronic digital pager communication, and providers of cellular telephone services and for compensating the public utilities, cable television corporations, providers of electronic digital pager communication, and providers of cellular telephone services for providing that information.

(h) The California Parent Locator Service and Central Registry may charge a fee not to exceed eighteen dollars (\$18) for any service it provides pursuant to this section that is not performed or funded pursuant to Section 651 and following of Title 42 of the United States Code.

(i) This section shall be construed in a manner consistent with the other provisions of this article.

SEC. 92. Section 1226 of the Financial Code is amended to read:

1226. The limitations of Section 1221 shall not apply to the following and the following shall not be included among the obligations of a person for the purpose of applying these limitations:

(a) Loans secured by obligations of the United States or by obligations unconditionally guaranteed both as to principal and interest by the United States, having a market value at least 10 percent in excess of the loans secured thereby.

(b) Loans in an amount and of a type or class previously approved in writing by the commissioner that are secured by not less than a like amount of obligations of the United States or by obligations unconditionally guaranteed both as to principal and interest by the United States.

(c) Loans to the extent that they are covered by guarantees or by commitments to take over or to purchase without recourse made by (1) any Federal Reserve bank, (2) the United States, (3) any department, bureau, board, commission, agency, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States, or (4) any small business development corporation, urban development corporation, or rural development corporation incorporated pursuant to the California Job Creation Law (Part 5

(commencing with Section 14000) of Division 3 of Title 1 of the Corporations Code).

(d) Drafts or bills of exchange drawn in good faith against actual existing values with negotiable bills of lading attached, whether or not accepted by the drawee.

(e) Bankers' acceptances of other banks which are eligible for rediscount with a Federal Reserve bank.

(f) Obligations resulting from daily clearances through any clearinghouse association.

(g) Obligations that are fully guaranteed or fully insured or covered by a commitment to fully guarantee or fully insure by the Federal Housing Administrator.

(h) Obligations described in Section 1336.

(i) Obligations, including portions thereof, to the extent secured by a segregated deposit account in the lending bank, provided a security interest in the deposit has been perfected under applicable law, and subject to all of the following conditions:

(1) Where the deposit is eligible for withdrawal before the secured obligation matures, the lending bank shall establish internal procedures to prevent release of the security without the lending bank's prior consent.

(2) A deposit that is denominated and payable in a currency other than that of the obligation that it secures may be eligible for this exception if the currency is freely convertible to United States dollars.

(A) This exception applies only to that portion of the obligation that is covered by the United States dollar value of the deposit.

(B) The lending bank shall establish procedures to periodically revalue foreign currency deposits to ensure that the loan or extension of credit remains fully secured at all times.

SEC. 93. The heading of Article 1 (commencing with Section 3100) of Chapter 17 of Division 1 of the Financial Code is amended to read:

Article 1. Liquidation by the Commissioner

SEC. 94. Section 1019 of the Fish and Game Code is amended to read:

1019. (a) Subject to an appropriation of funds by the Legislature for that purpose, for parcels wholly within its jurisdiction acquired on or after January 1, 2002, the department shall prepare draft management plans for public review within 18 months of the recordation date.

(b) (1) On or before February 1 of each year, the department shall submit a list of lands acquired during the previous two fiscal years and the status of the management plans for each acquisition to the fiscal committees of each house of the Legislature.

(2) Each fiscal committee in the Legislature shall consider the lists described in paragraph (1) in its budget decisions for the department.

SEC. 95. Section 2081.7 of the Fish and Game Code is amended to read:

2081.7. (a) Notwithstanding Sections 3511, 4700, 5050, and 5515, and contingent upon the fulfillment of the conditions listed in subdivisions (b), (c), and (d), the department may authorize, under Chapter 1.5 (commencing with Section 2050) or Chapter 10 (commencing with Section 2800), the take of species resulting from impacts attributable to the implementation of the Quantification Settlement Agreement, as defined in subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002, on all of the following:

(1) The salinity, elevation, shoreline habitat, or water quality of the Salton Sea.

(2) The quantity and quality of water flowing in the All-American Canal, the Coachella Canal, the Imperial Valley and Coachella Valley drains, the New and Alamo Rivers, the Coachella Valley Stormwater Channel, and the habitat sustained by those flows.

(3) Agricultural lands in the Imperial Valley.

(4) The quantity and quality of water flowing in the Colorado River, the habitat sustained by those flows, and the collection of that water for delivery to authorized users.

(b) The Quantification Settlement Agreement is executed by the appropriate parties on or before December 31, 2002.

(c) After consultation with the Department of Water Resources and an opportunity for public review and comment, the department determines, based on the best available science, that the implementation of the Quantification Settlement Agreement during the first 15 years that the agreement is in effect (1) will not result in a material increase in projected salinity levels at the Salton Sea, and (2) the agreement will not foreclose alternatives for reclamation of the Salton Sea as summarized in Section 101(b)(1)(A) of the Salton Sea Reclamation Act of 1998 (P.L. 105-372).

(d) All of the following conditions are met:

(1) The requirements of subdivision (b) and (c) of Section 2081 are satisfied as to the species for which take is authorized.

(2) The take authorization provides for the development and implementation, in cooperation with federal and state agencies, of an adaptive management process for monitoring the effectiveness of, and adjusting as necessary, the measures to minimize and fully mitigate the impacts of the authorized take. The adjusted measures are subject to Section 2052.1.

(3) The take authorization provides for the development and implementation in cooperation with state and federal agencies of an

adaptive management process that substantially contributes to the long-term conservation of the species for which take is authorized. Preparation of the adaptive management program and implementation of the program is the responsibility of the department. The department's obligation to prepare and implement the adaptive management program is conditioned upon the availability of funds pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002, if it is approved by the voters at the statewide general election to be held November 5, 2002 (Proposition 50), or other funds that may be appropriated by the Legislature or approved by the voters for that purpose. The failure to appropriate funds does not relieve the applicant of the obligations of paragraphs (1) and (2). However, the applicant shall not be required to fund any program pursuant to this paragraph.

(4) The requirements of paragraph (1) may be satisfied if the take is authorized under Chapter 10 (commencing with Section 2800).

(e) (1) The Secretary of the Resources Agency shall use all available authority to enter into a memorandum of understanding (MOU) between the Secretary of the Interior, the Salton Sea Authority, and the Governor, as provided in Section 101(b)(1)(B)(i) of the Salton Sea Reclamation Act of 1998 (P.L. 105-372) for the purpose of developing, selecting, and implementing alternatives for projects that realize the objectives of Section 101(b)(1)(A) of the Salton Sea Reclamation Act of 1998 (P.L. 105-372). The memorandum of understanding shall be consistent with the authority granted to the Secretary of the Interior under the Salton Sea Reclamation Act of 1998 (P.L. 105-372). The memorandum of understanding, at a minimum, shall establish all of the following:

(A) Criteria for evaluation and selection of alternatives that will allow for consideration of a range of alternatives including, but not limited to, an alternative designed to sustain avian biodiversity at the Salton Sea, but not maintain elevation for the whole sea, an alternative to maintain salinity at or below current conditions and elevation near 230 feet below mean sea level under a variety of inflow conditions, and a most cost-effective technical alternative.

(B) Criteria for determining the magnitude and practicability of costs of construction, operation, and maintenance of each alternative evaluated.

(C) A process, with established deadlines, for release of a report regarding the potential alternatives, the selection of a preferred alternative, including a proposed funding plan to implement the preferred alternative, to be analyzed pursuant to the National Environmental Policy Act and California Environmental Quality Act, the release of the draft environmental impact statement/environmental impact report (EIS/EIR) analyzing the alternatives, the release of the

final EIR/EIS, and the issuance of a final alternatives report to Congress and the Legislature on or before January 1, 2007.

(2) The Secretary of the Resources Agency shall establish an advisory committee representing the parties interested in the future of the Salton Sea. The Resources Agency shall consult with the advisory committee throughout all stages of the alternative selection process.

(f) Subsequent to the issuance of the take authorization referred to in subdivision (a), the applicant shall be relieved of any condition included in the take authorization to satisfy division (c), upon fulfillment of either of the following conditions:

(1) If the department finds that increases in salinity at the Salton Sea will no longer adversely affect piscivorous birds at the Salton Sea, the department may enter into an agreement with the Imperial Irrigation District that phases out the district's water or irrigation runoff to the Salton Sea.

(2) The department makes a finding that a Salton Sea reclamation plan has been funded and implemented that eliminates the need for the Imperial Irrigation District to undertake measures that mitigate impacts to piscivorous birds at the Salton Sea.

(g) This section shall not be construed to exempt from any other provision of law the Quantification Settlement Agreement and the Agreement for Transfer of Conserved Water by and between the Imperial Irrigation District and the San Diego County Water Authority, dated April 29, 1998.

SEC. 96. Section 2086 of the Fish and Game Code is amended to read:

2086. (a) The department, in cooperation with the Department of Food and Agriculture, agricultural commissioners, extension agents, farmers, ranchers, and other agricultural experts, shall adopt regulations that authorize locally designed voluntary programs for routine and ongoing agricultural activities on farms or ranches that encourage habitat for candidate, threatened, and endangered species, and wildlife generally. Agricultural commissioners, extension agents, farmers, ranchers, or other agricultural experts, in cooperation with conservation groups, may propose such programs to the department. The department shall propose regulations for those programs not later than July 1, 1998.

(b) Programs authorized under subdivision (a) shall do all of the following:

(1) Include management practices that will, to the maximum extent practicable, avoid and minimize take of candidate, endangered, and threatened species, while encouraging the enhancement of habitat.

(2) Be supported by the best available scientific information for both agricultural and conservation practices.

(3) Be consistent with the policies and goals of this chapter.

(4) Be designed to provide sufficient flexibility to maximize participation and to gain the maximum wildlife benefits without compromising the economics of agricultural operations.

(5) Include terms and conditions to allow farmers or ranchers to cease participation in a program without penalty. The terms and conditions shall include reasonable measures to minimize take during withdrawal from the program.

(c) Any taking of candidate, threatened, or endangered species incidental to routine and ongoing agricultural activities that occurs while the management practices specified by paragraph (1) of subdivision (b) are followed, is not prohibited by this chapter.

(d) (1) The department shall automatically renew the authorization for these voluntary programs every five years, unless the Legislature amends or repeals this section in which case the program shall be revised to conform to this section.

(2) Commencing in 2000, and every five years thereafter, the department shall report to the appropriate policy committees of the Legislature regarding the effect of the programs. The department shall consult with the Department of Food and Agriculture in evaluating the programs and preparing the report. The report shall address factors such as the temporary and permanent acreage benefiting from the programs, include an estimate of the amount of land upon which routine and ongoing agricultural activities are conducted, provide examples of farmer and rancher cooperation, and include recommendations to improve the voluntary participation by farmers and ranchers.

(e) If the authorization for these programs is not renewed or is modified under subdivision (d), persons participating in the program shall be allowed to cease participating in the program in accordance with the terms and conditions specified in paragraph (5) of subdivision (b), without penalty.

SEC. 97. Section 2118 of the Fish and Game Code is amended to read:

2118. It is unlawful to import, transport, possess, or release alive into this state, except under a revocable, nontransferable permit as provided in this chapter and the regulations pertaining thereto, any wild animal of the following species:

- (a) Class Aves: (birds)
 - Family Cuculidae (cuckoos)
 - All Species.
 - Family Alaudidae (larks)
 - Skylark, *Alauda arvensis*
 - Family Corvidae (crows, jays, magpies)

All species.

Family Turdidae (thrushes)

European blackbird, *Turdus merula*

Missel (or mistle), thrush, *Turdus viscivorus*

Family Sturnidae (starlings and mynas or mynahs)

All species of the family, except hill myna (or hill mynah),

Gracula religiosa (sometimes referred to as *Eulabes religiosa*)

Family Ploceidae (weavers)

The following species:

Spanish sparrow, *Passer hispaniolensis*

Italian sparrow, *Passer italiae*

European tree sparrow, *Passer montanus*

Cape sparrow, *Passer capensis*

Madagascar weaver, *Foudia madagascariensis*

Baya weaver, *Ploceus baya*

Hawaiian rice bird, *Munia nisoria*

Red-billed quelea, *Quelea quelea*

Red-headed quelea, *Quelea erythropis*

Family Fringillidae (sparrows, finches, buntings)

Yellowhammer, *Emberiza citrinella*

(b) Class Mammalia (mammals)

Order Primates

All species except those in family Hominidae

Order Edentata (sloths, anteaters, armadillos, etc.)

All species.

Order Marsupialia (marsupials or pouched mammals)

All species.

Order Insectivora (shrews, moles, hedgehogs, etc.)

All species.

Order Dermoptera (gliding lemurs)

All species.

Order Chiroptera (bats)

All species.

Order Monotremata (spiny anteaters, platypuses)

All species.

Order Pholidota (pangolins, scaly anteaters)

All species.

Order Lagomorpha (pikas, rabbits, hares)

All species, except domesticated races of rabbits.

Order Rodentia (rodents)

All species, except domesticated golden hamsters, also known as Syrian hamster, *Mesocricetus auratus*; domesticated races of rats or mice (white or albino; trained, dancing or spinning, laboratory-reared); and domestic strains of guinea pig (*Cavia porcellus*).

Order Carnivora (carnivores)

All species, except domestic dogs (*Canis familiaris*) and domestic cats (*Felis catus*).

Order Tubulidentata (aardvarks)

All species.

Order Proboscidea (elephants)

All species.

Order Hyracoidea (hyraxes)

All species.

Order Sirenia (dugongs, manatees)

All species.

Order Perissodactyla (horses, zebras, tapirs, rhinoceroses, etc.)

All species except those of the family Equidae.

Order Artiodactyla (swine, peccaries, camels, deer, elk, except elk (genus *Cervus*) which are subject to Section 2118.2, moose, antelopes, cattle, goats, sheep, etc.)

All species except: domestic swine of the family Suidae; American bison, and domestic cattle, sheep and goats of the family Bovidae; races of big-horned sheep (*Ovis canadensis*) now or formerly indigenous to this state.

Mammals of the orders Primates, Edentata,

Dermoptera, Monotremata, Pholidota, Tubulidentata, Proboscidea, Perissodactyla, Hyracoidea, Sirenia and Carnivora are restricted for the welfare of the animals, except animals of the families Viverridae and Mustelidae in the order Carnivora are restricted because such animals are undesirable and a menace to native wildlife, the agricultural interests of the state, or to the public health or safety.

- (c) Class amphibia (frogs, toads, salamanders)
 - Family Bufonidae (toads)
 - Giant toad or marine toad, *Bufo marinus*
- (d) Class Monorhina (lampreys)
 - All species.
- (e) Class Osteichthyes (bony fishes)
 - Family Serranidae (bass)
 - White perch, *Morone* or *Roccus americana*
 - Family Clupeidae (herring)
 - Gizzard shad, *Dorosoma cepedianum*
 - Family Sciaenidae (croakers)
 - Freshwater sheepshead, *Aplodinotus grunniens*
 - Family Characidae (characins)
 - Banded tetra, *Astyanax fasciatus*
 - All species of piranhas
 - Family Lepisosteidae (gars)
 - All species.
 - Family Amiidae (bowfins)
 - All species.
- (f) Class Reptilia (snakes, lizards, turtles, alligators)
 - Family Crocodylidae
 - All species.
- (g) Class Crustacea (crustaceans)
 - Genus *Cambarus* (crayfishes)
 - All species.
 - Genus *Astacus* (crayfishes)
 - All species.
 - Genus *Astacopsis* (crayfishes)
 - All species.
- (h) Class Gastropoda (slugs, snails, clams)
 - All species of slugs.
 - All species of land snails.

(i) Other classes, orders, families, genera, and species of wild animals which may be designated by the commission in cooperation with the Department of Food and Agriculture, (1) when the class, order, family, genus, or species is proven to be undesirable and a menace to native wildlife or the agricultural interests of the state, or (2) to provide for the welfare of wild animals.

(j) Except as expressly authorized in this code, any live nonindigenous Atlantic salmon or the roe thereof into the Smith River watershed.

(k) Classes, families, genera, and species in addition to those listed in this section may be added to or deleted from the above lists from time to time by commission regulations in cooperation with the Department of Food and Agriculture.

SEC. 98. Section 3508 of the Fish and Game Code is amended to read:

3508. It is unlawful to break, train, hold field trials with, or practice dogs on any wild game bird or domesticated game bird during the closed season on that bird except as authorized by the commission.

SEC. 99. Section 6954 of the Fish and Game Code is amended to read:

6954. (a) The department, in cooperation with the council, and using existing funds and current personnel of the department, shall support and coordinate the development of a comprehensive plan for dealing with aquatic invasive species in California. The plan shall address the following aspects of prevention and containment of aquatic invasive species:

(1) Prevention, including education of, and outreach to, the general public and policymakers.

(2) Monitoring and detection.

(3) Control and eradication.

(4) Inspection.

(5) Enforcement.

(b) The plan prepared pursuant to subdivision (a) shall follow, to the extent possible, the guidelines of the Aquatic Nuisance Species Task Force set forth in Section 4722 of Title 16 of the United States Code.

(c) The council shall submit its first working version of the plan to the Legislature on or before January 1, 2004.

SEC. 100. Section 9221 of the Food and Agricultural Code is amended to read:

9221. An application for a license for any establishment that produces, or proposes to produce, biologics shall be made on forms to be issued by the secretary. The application shall contain all of the following:

(a) The name and address of the person who owns the place, establishment, or institution in which it is proposed to produce biologics.

(b) The name and address of the person who shall be in charge of biologics production.

(c) The type of biologics that shall be produced.

(d) A full description of the building, including its location, facilities, equipment, and apparatus to be used in biologics production.

(e) A written protocol for a commercial blood bank for animals that addresses all of the following:

(1) Maximum length of time for donation by animal donors, or minimum health parameters for animal donors.

(2) Frequency and volume of blood collected from animal blood donors.

(3) Socialization and exercise programs for animal blood donors.

(4) Method of identification of each animal, including microchip or tattoo.

(5) Ongoing veterinary care, including an annual physical exam and vaccination schedule for animals held in blood donor facilities.

(6) Husbandry standards for feeding, watering, sanitation, housing, handling, and care in transit, with minimums based on the standards set forth pursuant to the federal Animal Welfare Act in Part 3 (commencing with Section 3.1) of Subchapter A of Chapter 1 of Title 9 of the Code of Federal Regulations.

(7) Implementation of a permissive adoption program.

(f) An “oversight letter” identifying the oversight veterinarian who will be responsible for oversight of the facility. The letter shall be from the oversight veterinarian, and shall be maintained on file by the secretary. Oversight veterinarians shall be licensed to practice veterinary medicine in California. In the event of a change of the oversight veterinarian, it is the oversight veterinarian’s responsibility to give notice to the secretary of the termination of the oversight veterinarian within 30 days of the termination date of the oversight veterinarian. An oversight letter from the incoming oversight veterinarian shall be submitted to the secretary within 30 days of the termination date of the prior oversight veterinarian.

(g) Additional information that the secretary finds is necessary for the proper administration and enforcement of this chapter.

SEC. 101. Section 12999.5 of the Food and Agricultural Code is amended to read:

12999.5. (a) In lieu of civil prosecution by the director, the commissioner may levy a civil penalty against a person violating Division 6 (commencing with Section 11401), Article 10 (commencing with Section 12971) or Article 10.5 (commencing with Section 12980) of this chapter, Section 12995, Article 1 (commencing with Section 14001) of Chapter 3, Chapter 7.5 (commencing with Section 15300), or a regulation adopted pursuant to any of these provisions, of not more than one thousand dollars (\$1,000) for each violation. Any violation determined by the commissioner to be a serious violation as defined in Section 6130 of Title 3 of the California Code of Regulations is subject to a fine of not more than five thousand dollars (\$5,000) for each violation. It is unlawful and grounds for denial of a permit under Section 14008 for any person to refuse or neglect to pay a civil penalty levied pursuant to this section once the order is final.

(b) If a person has received a civil penalty for pesticide drift in a school area subject to Section 11503.5 that results in a serious violation as defined in subdivision (a), the commissioner shall charge a fee, not to exceed fifty dollars (\$50), for processing and monitoring each subsequent pesticide application that may pose a risk of pesticide drift made in a school area subject to Section 11503.5. The Agricultural Commissioner shall continue to impose the fee for each subsequent application that may pose a risk of drift, until the person has completed 24 months without another serious violation as defined in subdivision (a).

(c) Before a civil penalty is levied, the person charged with the violation shall be given a written notice of the proposed action including the nature of the violation and the amount of the proposed penalty, and shall have the right to request a hearing within 20 days after receiving notice of the proposed action. A notice of the proposed action that is sent by certified mail to the last known address of the person charged shall be considered received even if delivery is refused or the notice is not accepted at that address. If a hearing is requested, notice of the time and place of the hearing shall be given at least 10 days before the date set for the hearing. At the hearing, the person shall be given an opportunity to review the commissioner's evidence and to present evidence on his or her own behalf. If a hearing is not timely requested, the commissioner may take the action proposed without a hearing.

(d) If the person upon whom the commissioner levied a civil penalty requested and appeared at a hearing, the person may appeal the commissioner's decision to the director within 30 days of the date of receiving a copy of the commissioner's decision. The following procedures apply to the appeal:

(1) The appeal shall be in writing and signed by the appellant or his or her authorized agent, state the grounds for the appeal, and include a

copy of the commissioner's decision. The appellant shall file a copy of the appeal with the commissioner at the same time it is filed with the director.

(2) The appellant and the commissioner may, at the time of filing the appeal or within 10 days thereafter or at a later time prescribed by the director, present the record of the hearing including written evidence that was submitted at the hearing and a written argument to the director stating grounds for affirming, modifying, or reversing the commissioner's decision.

(3) The director may grant oral arguments upon application made at the time written arguments are filed.

(4) If an application to present an oral argument is granted, written notice of the time and place for the oral argument shall be given at least 10 days before the date set therefor. The times may be altered by mutual agreement of the appellant, the commissioner, and the director.

(5) The director shall decide the appeal on the record of the hearing, including the written evidence and the written argument described in paragraph (2), that he or she has received. If the director finds substantial evidence in the record to support the commissioner's decision, the director shall affirm the decision.

(6) The director shall render a written decision within 45 days of the date of appeal or within 15 days of the date of oral arguments or as soon thereafter as practical.

(7) On an appeal pursuant to this section, the director may affirm the commissioner's decision, modify the commissioner's decision by reducing or increasing the amount of the penalty levied so that it is within the director's guidelines for imposing civil penalties, or reverse the commissioner's decision. Any civil penalty increased by the director shall not be higher than that proposed in the commissioner's notice of proposed action given pursuant to subdivision (c). A copy of the director's decision shall be delivered or mailed to the appellant and the commissioner.

(8) Any person who does not request a hearing pursuant to subdivision (c) may not file an appeal pursuant to this subdivision.

(9) Review of a decision of the director may be sought by the appellant within 30 days of the date of the decision pursuant to Section 1094.5 of the Code of Civil Procedure.

(e) The commissioner may levy a civil penalty pursuant to subdivisions (a), (c), and (d) against a person violating paragraph (1), (2), or (8) of subdivision (a) of Section 1695 of the Labor Code, which pertains to registration with the commissioner, carrying proof of that registration, and filing changes of address with the commissioner.

(f) After the exhaustion of the appeal and review procedures provided in this section, the commissioner or his or her representative may file a

certified copy of a final decision of the commissioner that directs the payment of a civil penalty and, if applicable, a copy of any decision of the director or his or her authorized representative rendered on an appeal from the commissioner's decision and a copy of any order that denies a petition for a writ of administrative mandamus, with the clerk of the superior court of any county. Judgment shall be entered immediately by the clerk in conformity with the decision or order. No fees shall be charged by the clerk of the superior court for the performance of any official service required in connection with the entry of judgment pursuant to this section.

SEC. 102. Section 79008 of the Food and Agricultural Code is amended to read:

79008. Opportunity exists for increasing the stability and reliability of the sea urchin fishery. The success of those efforts is uniquely dependent upon effective fishery and resource management, fishery biological research, industry engagement in management decisions, and fishery promotion. A stable and reliable sea urchin fishery provides an important source of jobs for many people in this state and economic activity in many small coastal communities, and serves to ensure the preservation of historically and culturally significant coastal dependent industry.

SEC. 103. Section 3309.5 of the Government Code is amended to read:

3309.5. (a) It shall be unlawful for any public safety department to deny or refuse to any public safety officer the rights and protections guaranteed to him or her by this chapter.

(b) The superior court shall have initial jurisdiction over any proceeding brought by any public safety officer against any public safety department for alleged violations of this chapter.

(c) (1) In any case where the superior court finds that a public safety department has violated any of the provisions of this chapter, the court shall render appropriate injunctive or other extraordinary relief to remedy the violation and to prevent future violations of a like or similar nature, including, but not limited to, the granting of a temporary restraining order, preliminary, or permanent injunction prohibiting the public safety department from taking any punitive action against the public safety officer.

(2) If the court finds that a bad faith or frivolous action or a filing for an improper purpose has been brought pursuant to this chapter, the court may order sanctions against the party filing the action, the party's attorney, or both pursuant to Sections 128.6 and 128.7 of the Code of Civil Procedure. Those sanctions may include, but not be limited to, reasonable expenses, including attorney's fees, incurred by a public safety department, as the court deems appropriate. Nothing in this

paragraph is intended to subject actions or filings under this section to rules or standards that are different from those applicable to other civil actions or filings subject to Section 128.6 or 128.7 of the Code of Civil Procedure.

(d) In addition to the extraordinary relief afforded by this chapter, upon a finding by a superior court that a public safety department, its employees, agents, or assigns, with respect to acts taken within the scope of employment, maliciously violated any provision of this chapter with the intent to injure the public safety officer, the public safety department shall, for each and every violation, be liable for a civil penalty not to exceed twenty-five thousand dollars (\$25,000) to be awarded to the public safety officer whose right or protection was denied and for reasonable attorney's fees as may be determined by the court. If the court so finds, and there is sufficient evidence to establish actual damages suffered by the officer whose right or protection was denied, the public safety department shall also be liable for the amount of the actual damages. Notwithstanding these provisions, a public safety department may not be required to indemnify a contractor for the contractor's liability pursuant to this subdivision if there is, within the contract between the public safety department and the contractor, a "hold harmless" or similar provision that protects the public safety department from liability for the actions of the contractor. An individual shall not be liable for any act for which a public safety department is liable under this section.

SEC. 104. Section 3517.61 of the Government Code is amended to read:

3517.61. Notwithstanding Section 3517.6, for state employees in State Bargaining Unit 6, in any case where the provisions of Section 70031 of the Education Code, subdivision (i) of Section 3513, or Section 14876, 18714, 19080.5, 19100, 19143, 19261, 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. In any case where the provisions of Section 19997.2, 19997.3, 19997.8, 19997.9, 19997.10, 19997.11, 19997.12, 19997.13, or 19997.14 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. Where 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 above, those provisions of the memorandum of understanding shall not become effective unless approved by the Legislature.

SEC. 105. Section 3562 of the Government Code is amended to read:

3562. As used in this chapter:

(a) "Arbitration" means a method of resolving a rights dispute under which the parties to a controversy must accept the award of a third party.

(b) "Board" means the Public Employment Relations Board established pursuant to Section 3513.

(c) "Certified organization" means an employee organization that has been certified by the board as the exclusive representative of the employees in an appropriate unit after a proceeding under Article 5 (commencing with Section 3573).

(d) "Confidential employee" means any employee who is required to develop or present management positions with respect to meeting and conferring or whose duties normally require access to confidential information which contributes significantly to the development of those management positions.

(e) "Employee" or "higher education employee" means any employee of the Regents of the University of California, the Directors of the Hastings College of the Law, or the Trustees of the California State University. However, managerial and confidential employees and employees whose principal place of employment is outside the State of California at a worksite with 100 or fewer employees shall be excluded from coverage under this chapter. The board may find student employees whose employment is contingent on their status as students are employees only if the services they provide are unrelated to their

educational objectives, or that those educational objectives are subordinate to the services they perform and that coverage under this chapter would further the purposes of this chapter.

(f) (1) "Employee organization" means any organization of any kind in which higher education employees participate and that exists for the purpose, in whole or in part, of dealing with higher education employers concerning grievances, labor disputes, wages, hours, and other terms and conditions of employment of employees. An organization that represents one or more employees whose principal worksite is located outside the State of California is an employee organization only if it has filed with the board and with the employer a statement agreeing, in consideration of obtaining the benefits of status as an employee organization pursuant to this chapter, to submit to the jurisdiction of the board. The board shall promulgate the form of the statement.

(2) "Employee organization" shall also include any person that an employee organization authorizes to act on its behalf. An academic senate, or other similar academic bodies, or divisions thereof, shall not be considered employee organizations for the purposes of this chapter.

(g) "Employer" or "higher education employer" means the regents in the case of the University of California, the directors in the case of the Hastings College of the Law, and the trustees in the case of the California State University, including any person acting as an agent of an employer.

(h) "Employer representative" means any person or persons authorized to act on behalf of the employer.

(i) "Exclusive representative" means any recognized or certified employee organization or person it authorizes to act on its behalf.

(j) "Impasse" means that the parties have reached a point in meeting and conferring at which their differences in positions are such that further meetings would be futile.

(k) "Managerial employee" means any employee having significant responsibilities for formulating or administering policies and programs. No employee or group of employees shall be deemed to be managerial employees solely because the employee or group of employees participates in decisions with respect to courses, curriculum, personnel, and other matters of educational policy. A department chair or head of a similar academic unit or program who performs the foregoing duties primarily on behalf of the members of the academic unit or program shall not be deemed a managerial employee solely because of those duties.

(l) "Mediation" means the efforts of a third person, or persons, functioning as intermediaries, to assist the parties in reaching a voluntary resolution to an impasse.

(m) "Meet and confer" means the performance of the mutual obligation of the higher education employer and the exclusive

representative of its employees to meet at reasonable times and to confer in good faith with respect to matters within the scope of representation and to endeavor to reach agreement on matters within the scope of representation. The process shall include adequate time for the resolution of impasses. If agreement is reached between representatives of the higher education employer and the exclusive representative, they shall jointly prepare a written memorandum of the understanding, which shall be presented to the higher education employer for concurrence. However, these obligations shall not compel either party to agree to any proposal or require the making of a concession.

(n) "Person" means one or more individuals, organizations, associations, corporations, boards, committees, commissions, agencies, or their representatives.

(o) "Professional employee" means:

(1) Any employee engaged in work: (A) predominantly intellectual and varied in character as opposed to routine mental, manual, mechanical, or physical work; (B) involving the consistent exercise of discretion and judgment in its performance; (C) of a character so that the output produced or the result accomplished cannot be standardized in relation to a given period of time; and (D) requiring knowledge of an advanced type in a field of science or learning customarily acquired by a prolonged course of specialized intellectual instruction and study in an institution of higher learning or a hospital, as distinguished from a general academic education or from an apprenticeship or from training in the performance of routine mental, manual, or physical processes.

(2) Any employee who: (A) has completed the courses of specialized intellectual instruction and study described in subparagraph (D) of paragraph (1), and (B) is performing related work under the supervision of a professional person to qualify himself or herself to become a professional employee as defined in paragraph (1).

(p) "Recognized organization" means an employee organization that has been recognized by an employer as the exclusive representative of the employees in an appropriate unit pursuant to Article 5 (commencing with Section 3573).

(q) (1) For purposes of the University of California only, "scope of representation" means, and is limited to, wages, hours of employment, and other terms and conditions of employment. The scope of representation shall not include any of the following:

(A) Consideration of the merits, necessity, or organization of any service, activity, or program established by law or resolution of the regents or the directors, except for the terms and conditions of employment of employees who may be affected thereby.

(B) The amount of any fees that are not a term or condition of employment.

(C) Admission requirements for students, conditions for the award of certificates and degrees to students, and the content and supervision of courses, curricula, and research programs, as those terms are intended by the standing orders of the regents or the directors.

(D) Procedures and policies to be used for the appointment, promotion, and tenure of members of the academic senate, the procedures to be used for the evaluation of the members of the academic senate, and the procedures for processing grievances of members of the academic senate. The exclusive representative of members of the academic senate shall have the right to consult and be consulted on matters excluded from the scope of representation pursuant to this subparagraph. If the academic senate determines that any matter in this subparagraph should be within the scope of representation, or if any matter in this subparagraph is withdrawn from the responsibility of the academic senate, the matter shall be within the scope of representation.

(2) All matters not within the scope of representation are reserved to the employer and may not be subject to meeting and conferring, provided that nothing herein may be construed to limit the right of the employer to consult with any employees or employee organization on any matter outside the scope of representation.

(r) (1) For purposes of the California State University only, "scope of representation" means, and is limited to, wages, hours of employment, and other terms and conditions of employment. The scope of representation shall not include:

(A) Consideration of the merits, necessity, or organization of any service, activity, or program established by statute or regulations adopted by the trustees, except for the terms and conditions of employment of employees who may be affected thereby.

(B) The amount of any student fees that are not a term or condition of employment.

(C) Admission requirements for students, conditions for the award of certificates and degrees to students, and the content and conduct of courses, curricula, and research programs.

(D) Criteria and standards to be used for the appointment, promotion, evaluation, and tenure of academic employees, which shall be the joint responsibility of the academic senate and the trustees. The exclusive representative shall have the right to consult and be consulted on matters excluded from the scope of representation pursuant to this subparagraph. If the trustees withdraw any matter in this subparagraph from the responsibility of the academic senate, the matter shall be within the scope of representation.

(E) The amount of rental rates for housing charged to California State University employees.

(2) All matters not within the scope of representation are reserved to the employer, and may not be subject to meeting and conferring, provided that nothing herein may be construed to limit the right of the employer to consult with any employees or employee organization on any matter outside the scope of representation.

SEC. 106. Section 3593 of the Government Code is amended to read:

3593. (a) If the dispute is not settled within 30 days after the appointment of the panel, or, upon agreement by both parties, within a longer period, the panel shall make findings of fact and recommend terms of settlement, which recommendations shall be advisory only. Any findings of fact and recommended terms of settlement shall be submitted in writing to the parties privately before they are made public. The panel, subject to the rules and regulations of the board, may make those findings and recommendations public 10 days thereafter. During this 10-day period, the parties are prohibited from making the panel's findings and recommendations public.

(b) The costs for the services of the panel chairperson, including per diem fees, if any, and actual and necessary travel and subsistence expenses, shall be borne by the board. Any other mutually incurred costs shall be borne equally by the employer and the exclusive representative. Each party shall bear the costs it incurs for the panel member it selects.

(c) (1) This subdivision applies only to disputes relating to the faculty and librarians of the University of California and the Hastings College of the Law. For the purposes of this subdivision, "faculty" means teachers employed to teach courses and authorize the granting of credit for the successful completion of courses, and excludes employees whose employment is contingent on their status as students.

(2) Irrespective of whether the panel makes its findings and recommendations public pursuant to subdivision (a), the Regents of the University of California and the Directors of the Hastings College of the Law, as appropriate, shall make the findings and recommendations of the panel public after the 10-day period prescribed by subdivision (a) has ended. These findings and recommendations shall be posted in a prominent public place, and copies of the findings and recommendations shall be made available to any person attending the next regularly scheduled public meeting of the regents or the directors, as appropriate. The publicly distributed agenda of the next regularly scheduled meeting of the regents or the directors, as appropriate, shall reference the availability of these findings and recommendations.

(3) It is the intent of the Legislature that the regents or the directors, as appropriate, shall act upon the findings and recommendations of the panel at an open and public meeting within 90 days of their submission to the parties by the panel.

SEC. 107. Section 6527 of the Government Code is amended to read:

6527. (a) Notwithstanding any other provision of law, where two or more health care districts have joined together to pool their self-insurance claims or losses, a nonprofit corporation that provides health care services that may be carried out by a health care district may participate in the pool, provided that its participation in an existing joint powers agreement, as authorized by this section, shall be permitted only after the public agency members, or public agency representatives on the governing body of the joint powers entity make a finding, at a public meeting, that the agreement provides both of the following:

(1) The primary activities conducted under the joint powers agreement will be substantially related to and in furtherance of the governmental purposes of the public agency.

(2) The public agency participants will maintain control over the activities conducted under the joint powers agreement through public agency control over governance, management, or ownership of the joint powers authority.

(b) Any public agency or private entity entering into a joint powers agreement under this section shall establish or maintain a reserve fund to be used to pay losses incurred under the agreement. The reserve fund shall contain sufficient moneys to maintain the fund on an actuarially sound basis.

(c) In any risk pooling arrangement created under this section, the aggregate payments made under each program shall not exceed the amount available in the pool established for that program.

(d) A public meeting shall be held prior to the dissolution or termination of any enterprise operating under this section to consider the disposition, division, or distribution of any property acquired as a result of exercise of the joint exercise of powers.

(e) Nothing in this section shall be construed to do any of the following:

(1) Relieve a public benefit corporation that is a health facility from charitable trust obligations.

(2) Exempt such a public benefit corporation from existing law governing joint ventures, or the sale, transfer, lease, exchange, option, conveyance, or other disposition of assets.

(3) Grant any power to any private, nonprofit hospital that participates in an agreement authorized under this section to levy any tax or assessment.

(4) Permit any entity, other than a private, nonprofit hospital corporation or a public agency, to participate as a party to an agreement authorized under this section.

(5) Permit an agency or entity created pursuant to a joint powers agreement entered into pursuant to this section to act in a manner inconsistent with the laws that apply to public agencies, including, but not limited to, the California Public Records Act (Chapter 3.5 (commencing with Section 6250)), the Ralph M. Brown Act (Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5), and the Political Reform Act of 1974 (Title 9 (commencing with Section 81000)).

(f) Notwithstanding any other provision of law, the Self-Insurers' Security Fund established pursuant to Article 2.5 (commencing with Section 3740) of Chapter 4 of Part 1 of Division 4 of the Labor Code shall owe no duties or obligations to any entity that participates as a party to an agreement authorized pursuant to this section, or to its employees, and shall not be required, under any circumstances, to assume the worker's compensation liabilities of this entity if it becomes insolvent or otherwise unable to pay those liabilities.

(g) For purposes of this section, "self-insurance claims or losses" includes, but is not limited to, claims or losses incurred pursuant to Chapter 4 (commencing with Section 3700) of Part 1 of Division 4 of the Labor Code.

SEC. 108. Section 7579.5 of the Government Code is amended to read:

7579.5. (a) A local educational agency shall appoint a surrogate parent for a child in accordance with clause (iii) of paragraph (2) of subsection (c) of Section 300.515 of Title 34 of the Code of Federal Regulations under one or more of the following circumstances:

(1) (A) The child is adjudicated a dependent or ward of the court pursuant to Section 300, 601, or 602 of the Welfare and Institutions Code upon referral of the child to the local educational agency for special education and related services, or if the child already has a valid individualized education program, (B) the court has specifically limited the right of the parent or guardian to make educational decisions for the child, and (C) the child has no responsible adult to represent him or her pursuant to Section 361 or 726 of the Welfare and Institutions Code or Section 56055 of the Education Code.

(2) No parent for the child can be identified.

(3) The local educational agency, after reasonable efforts, cannot discover the location of a parent.

(b) When appointing a surrogate parent, the local educational agency shall, as a first preference, select a relative caretaker, foster parent, or court-appointed special advocate, if any of these individuals exists and is willing and able to serve. If none of these individuals is willing or able to act as a surrogate parent, the local educational agency shall select the surrogate parent of its choice. If the child is moved from the home of the

relative caretaker or foster parent who has been appointed as a surrogate parent, the local educational agency shall appoint another surrogate parent if a new appointment is necessary to ensure adequate representation of the child.

(c) For the purposes of this section, the surrogate parent shall serve as the child's parent and shall have the rights relative to the child's education that a parent has under Title 20 (commencing with Section 1400) of the United States Code and pursuant to Part 300 of Title 34 (commencing with Section 300.1) of the Code of Federal Regulations. The surrogate parent may represent the child in matters relating to special education and related services, including the identification, assessment, instructional planning and development, educational placement, reviewing and revising the individualized education program, and in all other matters relating to the provision of a free appropriate public education of the child. Notwithstanding any other provision of law, this representation shall include the provision of written consent to the individualized education program including nonemergency medical services, mental health treatment services, and occupational or physical therapy services pursuant to this chapter.

(d) The surrogate parent is required to meet with the child at least one time. He or she may also meet with the child on additional occasions, attend the child's individualized education program meetings, review the child's educational records, consult with persons involved in the child's education, and sign any consent relating to individualized education program purposes.

(e) As far as practical, a surrogate parent should be culturally sensitive to his or her assigned child.

(f) The surrogate parent shall comply with federal and state law pertaining to the confidentiality of student records and information and shall use discretion in the necessary sharing of the information with appropriate persons for the purpose of furthering the interests of the child.

(g) The surrogate parent may resign from his or her appointment only after he or she gives notice to the local educational agency.

(h) The local educational agency shall terminate the appointment of a surrogate parent if (1) the person is not properly performing the duties of a surrogate parent or (2) the person has an interest that conflicts with interests of the child entrusted to his or her care.

(i) Individuals who would have a conflict of interest in representing the child, as specified under federal regulations, may not be appointed as a surrogate parent. "An individual who would have a conflict of interest," for purposes of this section, means a person having any interests that might restrict or bias his or her ability to advocate for all

of the services required to ensure that the child has a free appropriate public education.

(j) Except for individuals who have a conflict of interest in representing the child, and notwithstanding any other law or regulation, individuals who may serve as surrogate parents include, but are not limited to, foster care providers, retired teachers, social workers, and probation officers who are not employees of the State Department of Education, the local educational agency, or any other agency that is involved in the education or care of the child.

(1) A public agency authorized to appoint a surrogate parent under this section may select a person who is an employee of a nonpublic agency that only provides noneducational care for the child and who meets the other standards of this section.

(2) A person who otherwise qualifies to be a surrogate parent under this section is not an employee of the local educational agency solely because he or she is paid by the local educational agency to serve as a surrogate parent.

(k) The surrogate parent may represent the child until (1) the child is no longer in need of special education, (2) the minor reaches 18 years of age, unless the child chooses not to make educational decisions for himself or herself, or is deemed by a court to be incompetent, (3) another responsible adult is appointed to make educational decisions for the minor, or (4) the right of the parent or guardian to make educational decisions for the minor is fully restored.

(l) The surrogate parent and the local educational agency appointing the surrogate parent shall be held harmless by the State of California when acting in their official capacity except for acts or omissions that are found to have been wanton, reckless, or malicious.

(m) The State Department of Education shall develop a model surrogate parent training module and manual that shall be made available to local educational agencies.

(n) Nothing in this section may be interpreted to prevent a parent or guardian of an individual with exceptional needs from designating another adult individual to represent the interests of the child for educational and related services.

(o) If funding for implementation of this section is provided, it may only be provided from Item 6110-161-0890 of Section 2.00 of the annual Budget Act.

SEC. 109. Section 8314 of the Government Code is amended to read:

8314. (a) It is unlawful for any elected state or local officer, including any state or local appointee, employee, or consultant, to use or permit others to use public resources for a campaign activity, or personal or other purposes which are not authorized by law.

(b) For purposes of this section:

(1) "Personal purpose" means those activities the purpose of which is for personal enjoyment, private gain or advantage, or an outside endeavor not related to state business. "Personal purpose" does not include the incidental and minimal use of public resources, such as equipment or office space, for personal purposes, including an occasional telephone call.

(2) "Campaign activity" means an activity constituting a contribution as defined in Section 82015 or an expenditure as defined in Section 82025. "Campaign activity" does not include the incidental and minimal use of public resources, such as equipment or office space, for campaign purposes, including the referral of unsolicited political mail, telephone calls, and visitors to private political entities.

(3) "Public resources" means any property or asset owned by the state or any local agency, including, but not limited to, land, buildings, facilities, funds, equipment, supplies, telephones, computers, vehicles, travel, and state-compensated time.

(4) "Use" means a use of public resources which is substantial enough to result in a gain or advantage to the user or a loss to the state or any local agency for which a monetary value may be estimated.

(c) (1) Any person who intentionally or negligently violates this section is liable for a civil penalty not to exceed one thousand dollars (\$1,000) for each day on which a violation occurs, plus three times the value of the unlawful use of public resources. The penalty shall be assessed and recovered in a civil action brought in the name of the people of the State of California by the Attorney General or by any district attorney or any city attorney of a city having a population in excess of 750,000. If two or more persons are responsible for any violation, they shall be jointly and severally liable for the penalty.

(2) If the action is brought by the Attorney General, the moneys recovered shall be paid into the General Fund. If the action is brought by a district attorney, the moneys recovered shall be paid to the treasurer of the county in which the judgment was entered. If the action is brought by a city attorney, the moneys recovered shall be paid to the treasurer of that city.

(3) No civil action alleging a violation of this section may be commenced more than four years after the date the alleged violation occurred.

(d) Nothing in this section shall prohibit the use of public resources for providing information to the public about the possible effects of any bond issue or other ballot measure on state activities, operations, or policies, provided that (1) the informational activities are otherwise authorized by the constitution or laws of this state, and (2) the information provided constitutes a fair and impartial presentation of

relevant facts to aid the electorate in reaching an informed judgment regarding the bond issue or ballot measure.

(e) The incidental and minimal use of public resources by an elected state or local officer, including any state or local appointee, employee, or consultant, pursuant to this section shall not be subject to prosecution under Section 424 of the Penal Code.

SEC. 110. Section 8592.4 of the Government Code is amended to read:

8592.4. The committee shall determine which agencies need new or upgraded communication equipment in order to enter into an agreement for interoperability or other shared use of public safety spectrum and shall establish a program for equipment purchase. In establishing this program, the board shall recommend the purchase of equipment that will enable the migration to accepted industry standards for interoperability consistent with the public safety digital communications standards of the American National Standards Institute and the Telecommunications Information Association.

SEC. 111. Section 8670.40 of the Government Code is amended to read:

8670.40. (a) The State Board of Equalization shall collect a fee in an amount determined by the administrator to be sufficient to carry out the purposes set forth in subdivision (e), and a reasonable reserve for contingencies. The annual assessment may not exceed five cents (\$0.05) per barrel of crude oil or petroleum products.

(b) (1) The oil spill prevention and administration fee shall be imposed upon every person owning crude oil at the time that the crude oil is received at a marine terminal from within or outside the state, and upon every person owning petroleum products at the time that those petroleum products are received at a marine terminal from outside this state. The fee shall be collected by the marine terminal operator from the owner of the crude oil or petroleum products based on each barrel of crude oil or petroleum products so received by means of a vessel operating in, through, or across the marine waters of the state. In addition, every operator of a pipeline shall pay the oil spill prevention and administration fee for each barrel of crude oil originating from a production facility in marine waters and transported in the state by means of a pipeline operating across, under, or through the marine waters of the state. The fees shall be remitted to the board by the terminal or pipeline operator on the 25th day of the month based upon the number of barrels of crude oil or petroleum products received at a marine terminal or transported by pipeline during the preceding month. No fee shall be imposed pursuant to this section with respect to any crude oil or petroleum products if the person who would be liable for that fee, or responsible for its collection, establishes that the fee has been collected

by a terminal operator registered under this chapter or paid to the board with respect to the crude oil or petroleum product.

(2) Every owner of crude oil or petroleum products is liable for the fee until it has been paid to the board, except that payment to a marine terminal operator registered under this chapter is sufficient to relieve the owner from further liability for the fee.

(3) On or before January 20, the administrator shall annually prepare a plan that projects revenues and expenses over three fiscal years, including the current year. Based on the plan, the administrator shall set the fee so that projected revenues, including any interest, are equivalent to expenses as reflected in the current Budget Act and in the proposed budget submitted by the Governor. In setting the fee, the administrator may allow for a surplus if the administrator finds that revenues will be exhausted during the period covered by the plan or that the surplus is necessary to cover possible contingencies.

(c) The moneys collected pursuant to subdivision (a) shall be deposited into the fund.

(d) The board shall collect the fee and adopt regulations for implementing the fee collection program.

(e) The fee described in this section shall be collected solely for all of the following purposes:

(1) To implement oil spill prevention programs through rules, regulations, leasing policies, guidelines, and inspections and to implement research into prevention and control technology.

(2) To carry out studies that may lead to improved oil spill prevention and response.

(3) To finance environmental and economic studies relating to the effects of oil spills.

(4) To reimburse the member agencies of the State Interagency Oil Spill Committee for costs arising from implementation of this chapter, Article 3.5 (commencing with Section 8574.1) of Chapter 7, and Division 7.8 (commencing with Section 8750) of the Public Resources Code.

(5) To implement, install, and maintain emergency programs, equipment, and facilities to respond to, contain, and clean up oil spills and to ensure that those operations will be carried out as intended.

(6) To respond to an imminent threat of a spill in accordance with the provisions of Section 8670.62 pertaining to threatened discharges. The cumulative amount of any expenditure for this purpose shall not exceed the amount of one hundred thousand dollars (\$100,000) in any fiscal year unless the administrator receives the approval of the Director of Finance and notification is given to the Joint Legislative Budget Committee. Commencing with the 1993-94 fiscal year, and each fiscal year thereafter, it is the intent of the Legislature that the annual Budget

Act contain an appropriation of one hundred thousand dollars (\$100,000) from the fund for the purpose of allowing the administrator to respond to threatened oil spills.

(7) To reimburse the board for costs incurred to implement this chapter and to carry out Part 24 (commencing with Section 46001) of Division 2 of the Revenue and Taxation Code.

(8) To reimburse the costs incurred by the State Lands Commission in implementing the Oil Transfer and Transportation Emission and Risk Reduction Act of 2002 (Division 7.9 (commencing with Section 8780) of the Public Resources Code).

(f) The moneys deposited in the fund shall not be used for responding to an oil spill.

SEC. 112. Section 10201 of the Government Code is amended to read:

10201. The Legislative Counsel shall be selected by concurrent resolution at the beginning of each regular session and shall serve until his or her successor is selected and qualified.

SEC. 113. Section 10202 of the Government Code is amended to read:

10202. If a vacancy occurs while the Legislature is not in session, a committee consisting of the Speaker of the Assembly, the Speaker pro Tempore of the Assembly, the President pro Tempore of the Senate and the chairperson of the Appropriations Committee of the Senate shall select the Legislative Counsel to serve until the Legislature in session makes a selection for the office.

SEC. 114. Section 10203 of the Government Code is amended to read:

10203. The Legislative Counsel shall be chosen without reference to party affiliations and solely on the ground of fitness to perform the duties of his or her office.

SEC. 115. Section 10204 of the Government Code is amended to read:

10204. The annual salary of the Legislative Counsel is twenty-five thousand dollars (\$25,000), or such greater amount as may be prescribed by the Joint Rules Committee. The Legislative Counsel shall be repaid all actual expenses incurred or paid by him or her in the discharge of his or her duties.

SEC. 116. Section 10206 of the Government Code is amended to read:

10206. The permanent office of the Legislative Counsel shall be in the State Capitol in Sacramento, where he or she shall be provided with suitable and sufficient offices convenient to the chambers of the Senate and Assembly. For the convenience of Members of the Legislature, and

when in his or her judgment the conduct of his or her work requires, he or she may maintain temporary offices at other places in the state.

SEC. 117. Section 11121 of the Government Code is amended to read:

11121. As used in this article, "state body" means each of the following:

(a) Every state board, or commission, or similar multimember body of the state that is created by statute or required by law to conduct official meetings and every commission created by executive order.

(b) A board, commission, committee, or similar multimember body that exercises any authority of a state body delegated to it by that state body.

(c) An advisory board, advisory commission, advisory committee, advisory subcommittee, or similar multimember advisory body of a state body, if created by formal action of the state body or of any member of the state body, and if the advisory body so created consists of three or more persons.

(d) A board, commission, committee, or similar multimember body on which a member of a body that is a state body pursuant to this section serves in his or her official capacity as a representative of that state body and that is supported, in whole or in part, by funds provided by the state body, whether the multimember body is organized and operated by the state body or by a private corporation.

SEC. 118. Section 12965 of the Government Code is amended to read:

12965. (a) In the case of failure to eliminate an unlawful practice under this part through conference, conciliation, or persuasion, or in advance thereof if circumstances warrant, the director in his or her discretion may cause to be issued in the name of the department a written accusation. The accusation shall contain the name of the person, employer, labor organization, or employment agency accused, which shall be known as the respondent, shall set forth the nature of the charges, shall be served upon the respondent together with a copy of the verified complaint, as amended, and shall require the respondent to answer the charges at a hearing.

For any complaint treated by the director as a group or class complaint for purposes of investigation, conciliation, and accusation pursuant to Section 12961, an accusation shall be issued, if at all, within two years after the filing of the complaint. For any complaint alleging a violation of Section 51.7 of the Civil Code, an accusation shall be issued, if at all, within two years after the filing of the complaint. For all other complaints, an accusation shall be issued, if at all, within one year after the filing of a complaint. If the director determines, pursuant to Section 12961, that a complaint investigated as a group or class complaint under

Section 12961 is to be treated as a group or class complaint for purposes of conciliation and accusation as well, that determination shall be made and shall be communicated in writing within one year after the filing of the complaint to each person, employer, labor organization, employment agency, or public entity alleged in the complaint to have committed an unlawful practice.

(b) If an accusation is not issued within 150 days after the filing of a complaint, or if the department earlier determines that no accusation will issue, the department shall promptly notify, in writing, the person claiming to be aggrieved that the department shall issue, on his or her request, the right-to-sue notice. This notice shall indicate that the person claiming to be aggrieved may bring a civil action under this part against the person, employer, labor organization, or employment agency named in the verified complaint within one year from the date of that notice. If the person claiming to be aggrieved does not request a right-to-sue notice, the department shall issue the notice upon completion of its investigation, and not later than one year after the filing of the complaint. A city, county, or district attorney in a location having an enforcement unit established on or before March 1, 1991, pursuant to a local ordinance enacted for the purpose of prosecuting HIV/AIDS discrimination claims, acting on behalf of any person claiming to be aggrieved due to HIV/AIDS discrimination, may also bring a civil action under this part against the person, employer, labor organization, or employment agency named in the notice. The superior and municipal courts of the State of California shall have jurisdiction of those actions, and the aggrieved person may file in any of these courts. An action may be brought in any county in the state in which the unlawful practice is alleged to have been committed, in the county in which the records relevant to the practice are maintained and administered, or in the county in which the aggrieved person would have worked or would have had access to the public accommodation but for the alleged unlawful practice, but if the defendant is not found within any of these counties, an action may be brought within the county of the defendant's residence or principal office. A copy of any complaint filed pursuant to this part shall be served on the principal offices of the department and of the commission. The remedy for failure to send a copy of a complaint is an order to do so. Those actions may not be filed as class actions or may not be maintained as class actions by the person or persons claiming to be aggrieved where those persons have filed a civil class action in the federal courts alleging a comparable claim of employment discrimination against the same defendant or defendants. In actions brought under this section, the court, in its discretion, may award to the prevailing party reasonable attorney's fees and costs, including expert

witness fees, except where the action is filed by a public agency or a public official, acting in an official capacity.

(c) (1) If an accusation includes a prayer either for damages for emotional injuries as a component of actual damages, or for administrative fines, or for both, or if an accusation is amended for the purpose of adding a prayer either for damages for emotional injuries as a component of actual damages, or for administrative fines, or both, the respondent may within 30 days after service of the accusation or amended accusation, elect to transfer the proceedings to a court in lieu of a hearing pursuant to subdivision (a) by serving a written notice to that effect on the department, the commission, and the person claiming to be aggrieved. The commission shall prescribe the form and manner of giving written notice.

(2) No later than 30 days after the completion of service of the notice of election pursuant to paragraph (1), the department shall dismiss the accusation and shall, either itself or, at its election, through the Attorney General, file in the appropriate court an action in its own name on behalf of the person claiming to be aggrieved as the real party in interest. In this action, the person claiming to be aggrieved shall be the real party in interest and shall have the right to participate as a party and be represented by his or her own counsel. Complaints filed pursuant to this section shall be filed in the appropriate superior court in any county in which unlawful practices are alleged to have been committed, in the county in which records relevant to the alleged unlawful practices are maintained and administered, or in the county in which the person claiming to be aggrieved would have worked or would have had access to public accommodation, but for the alleged unlawful practices. If the defendant is not found in any of these counties, the action may be brought within the county of the defendant's residence or principal office. Those actions shall be assigned to the court's delay reduction program, or otherwise given priority for disposition by the court in which the action is filed.

(3) A court may grant as relief in any action filed pursuant to this subdivision any relief a court is empowered to grant in a civil action brought pursuant to subdivision (b), in addition to any other relief that, in the judgment of the court, will effectuate the purpose of this part. This relief may include a requirement that the employer conduct training for all employees, supervisors, and management on the requirements of this part, the rights and remedies of those who allege a violation of this part, and the employer's internal grievance procedures.

(4) The department may amend an accusation to pray for either damages for emotional injury or for administrative fines, or both, provided that the amendment is made within 30 days of the issuance of the original accusation.

(d) (1) Notwithstanding subdivision (b), the one-year statute of limitations, commencing from the date of the right-to-sue notice by the Department of Fair Employment and Housing, to the person claiming to be aggrieved, shall be tolled when all of the following requirements have been met:

(A) A charge of discrimination or harassment is timely filed concurrently with the Equal Employment Opportunity Commission and the Department of Fair Employment and Housing.

(B) The investigation of the charge is deferred by the Department of Fair Employment and Housing to the Equal Employment Opportunity Commission.

(C) A right-to-sue notice is issued to the person claiming to be aggrieved upon deferral of the charge by the Department of Fair Employment and Housing to the Equal Employment Opportunity Commission.

(2) The time for commencing an action for which the statute of limitations is tolled under paragraph (1) expires when the federal right-to-sue period to commence a civil action expires, or one year from the date of the right-to-sue notice by the Department of Fair Employment and Housing, whichever is later.

(3) This subdivision is intended to codify the holding in *Downs v. Department of Water and Power of City of Los Angeles* (1997) 58 Cal.App.4th 1093.

(e) (1) Notwithstanding subdivision (b), the one-year statute of limitations, commencing from the date of the right-to-sue notice by the Department of Fair Employment and Housing, to the person claiming to be aggrieved, shall be tolled when all of the following requirements have been met:

(A) A charge of discrimination or harassment is timely filed concurrently with the Equal Employment Opportunity Commission and the Department of Fair Employment and Housing.

(B) The investigation of the charge is deferred by the Equal Employment Opportunity Commission to the Department of Fair Employment and Housing.

(C) After investigation and determination by the Department of Fair Employment and Housing, the Equal Employment Opportunity Commission agrees to perform a substantial weight review of the determination of the department or conducts its own investigation of the claim filed by the aggrieved person.

(2) The time for commencing an action for which the statute of limitations is tolled under paragraph (1) shall expire when the federal right-to-sue period to commence a civil action expires, or one year from the date of the right-to-sue notice by the Department of Fair Employment and Housing, whichever is later.

SEC. 119. Section 14838.5 of the Government Code is amended to read:

14838.5. (a) Notwithstanding the advertising, bidding, and protest provisions of Chapter 6 (commencing with Section 14825) of this code and Chapter 2 (commencing with Section 10290) and Chapter 3 (commencing with Section 12100) of Part 2 of Division 2 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 five thousand dollars (\$5,000), but less than one hundred thousand dollars (\$100,000), to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, as long as the agency obtains price quotations from two or more certified small businesses, including microbusinesses, or from two or more disabled veterans business enterprises.

(b) In carrying out subdivision (a), state agencies shall consider a responsive offer timely received from a responsible certified small business, including a microbusiness, or from a disabled veteran business enterprise.

(c) If the estimated cost to the state is less than five thousand dollars (\$5,000) 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. 120. Section 14838.7 of the Government Code is amended to read:

14838.7. (a) Notwithstanding the advertising and bidding provisions of Chapter 6 (commencing with Section 14825) of this code and Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code, a state agency may award a contract for construction, including the erection, construction, alteration, repair, or improvement of any state structure, building, road, or other state improvement of any kind that has an estimated value of greater than five thousand dollars (\$5,000) but less than the cost limit, as specified in subdivision (b) of Section 10105 of the Public Contract Code, to a certified small business, including a microbusiness, or to a disabled veteran business enterprise, as long as the agency obtains written bid submittals from two or more certified small businesses, including microbusinesses, or from two or more disabled veteran business enterprises.

(b) In implementing subdivision (a), state agencies shall consider a responsive offer timely received from a responsible certified small business, including a microbusiness, or from a disabled veteran business enterprise.

(c) If the estimated cost to the state is less than five thousand dollars (\$5,000) for the public work construction project, a state agency shall obtain at least two written bid submittals from responsible contractors whenever there is reason to believe a response from a single source is not a fair and reasonable price.

SEC. 121. Section 14981 of the Government Code is amended to read:

14981. On or before February 1, 2005, the department shall submit a report to the appropriate policy and fiscal committees of the Legislature on activities that have been or will be undertaken pursuant to this chapter. The report shall include, but not be limited to, all of the following:

(a) The number and a description of contracts entered into with manufacturers and suppliers of drugs pursuant to Section 14977.1, including any discounts, rebates, or refunds obtained.

(b) The number and a description of entities that elect to participate in the coordinated purchasing program pursuant to Section 14977.5.

(c) Other options and strategies that have been or will be implemented pursuant to Sections 14978 and 14980.

(d) Estimated costs and savings attributable to activities that have been or will be undertaken pursuant to this chapter.

SEC. 122. Section 19142 of the Government Code is amended to read:

19142. (a) Every person accepts and holds a position in the state civil service subject to mandatory reinstatement of another person.

(b) Upon reinstatement of a person any necessary separations are effected under the provisions of Section 19997.3 governing layoff and demotion except that (1) an employee who is not to be separated from state service need not receive advance notification as provided in Section 19997.13, and (2) seniority may not be counted as provided in Section 19997.3 when this would result in the layoff of the person who has the reinstatement right. Under that circumstance, qualifying service in classes at substantially the same or higher salary level is the only state service that may be counted for purposes of determining who is to be separated.

SEC. 123. Section 19775.17 of the Government Code is amended to read:

19775.17. (a) In addition to the benefits provided pursuant to Sections 19775 and 19775.1, a state employee who, as a member of the California National Guard or a United States military reserve organization, is ordered to active duty by Presidential determination that it is necessary to augment the active forces for any operational mission, or when in time of national emergency declared by the President or

otherwise authorized by law, shall have the benefits provided for in subdivision (b).

(b) Any state employee to which subdivision (a) applies, while on active duty, shall receive from the state, for the duration of the event as authorized pursuant to Sections 12302 and 12304 of Title 10 of the United States Code, but not for more than 180 calendar days, as part of his or her compensation both of the following:

(1) The difference between the amount of his or her military pay and allowances and the amount the employee would have received as a state employee, including any merit raises that would otherwise have been granted during the time the individual was on active duty. The amount an employee, as defined in Section 18526, would have received as a state employee, including any merit raises that would otherwise have been granted during the time the individual was on active duty, shall be determined by the Department of Personnel Administration.

(2) All benefits that he or she would have received had he or she not served on active duty unless the benefits are prohibited or limited by vendor contracts.

(c) Any individual receiving compensation pursuant to subdivision (b) who does not reinstate to state service following active duty, shall have that compensation treated as a loan payable with interest at the rate earned on the Pooled Money Investment Account. This subdivision shall not apply to compensation received pursuant to Section 19775.

(d) Benefits provided under paragraph (1) of subdivision (b) shall only be provided to a state employee who was not eligible to participate in a federally sponsored income protection program for National Guard personnel or military reserve personnel, or both, called into active duty, as determined by the Department of Personnel Administration. For a state employee eligible to participate in a federally sponsored income protection program, and whose monthly salary as a state employee was higher than the sum of his or her military pay and allowances and the maximum allowable benefit under the federally sponsored income protection program, the state employee shall receive the amount payable under paragraph (1) of subdivision (b), but that amount shall be reduced by the maximum allowable benefit under the federally sponsored income protection program. For individuals who elected the federally sponsored income protection program, the state shall reimburse for the cost of the insurance premium for the period of time on active duty, not to exceed 180 calendar days.

(e) For purposes of this section, "state employee" means an employee as defined in Section 18526 or an officer or employee of the legislative, executive, or judicial department of the state.

(f) This section shall not apply to any state employee entitled to additional compensation or benefits pursuant to Section 19775.16 or

19775.18 of this code, or Section 395.08 of the Military and Veterans Code.

SEC. 124. Section 19775.18 of the Government Code is amended to read:

19775.18. (a) In addition to the benefits provided pursuant to Sections 19775 and 19775.1, a state employee who, as a member of the California National Guard or a United States military reserve organization, is ordered to active duty on and after September 11, 2001, as a result of the War on Terrorism, shall have the benefits provided for in subdivision (b).

(b) Any state employee to which subdivision (a) applies, while on active duty, shall receive from the state, for the duration of the event known as the War on Terrorism, as authorized pursuant to Sections 12302 and 12304 of Title 10 of the United States Code, but not for more than 365 calendar days, as part of his or her compensation both of the following:

(1) The difference between the amount of his or her military pay and allowances and the amount the employee would have received as a state employee, including any merit raises that would otherwise have been granted during the time the individual was on active duty. The amount an employee, as defined in Section 18526, would have received as a state employee, including any merit raises that would otherwise have been granted during the time the individual was on active duty, shall be determined by the Department of Personnel Administration.

(2) All benefits that he or she would have received had he or she not served on active duty unless the benefits are prohibited or limited by vendor contracts.

(c) Any individual receiving compensation pursuant to subdivision (b) who does not reinstate to state service following active duty, shall have that compensation treated as a loan payable with interest at the rate earned on the Pooled Money Investment Account. This subdivision does not apply to compensation received pursuant to Section 19775.

(d) Benefits provided under paragraph (1) of subdivision (b) shall only be provided to a state employee who was not eligible to participate in a federally sponsored income protection program for National Guard personnel or military reserve personnel, or both, called into active duty, as determined by the Department of Personnel Administration. For a state employee eligible to participate in a federally sponsored income protection program, and whose monthly salary as a state employee was higher than the sum of his or her military pay and allowances and the maximum allowable benefit under the federally sponsored income protection program, the state employee shall receive the amount payable under paragraph (1) of subdivision (b), but that amount shall be reduced by the maximum allowable benefit under the federally sponsored

income protection program. For individuals who elected the federally sponsored income protection program, the state shall reimburse for the cost of the insurance premium for the period of time on active duty, not to exceed 365 calendar days. The Governor may, by Executive order, extend this period of time by no more than an additional 365 calendar days.

(e) For purposes of this section, "state employee" means an employee as defined in Section 18526 or an officer or employee of the legislative, executive, or judicial department of the state.

(f) This section does not apply to any state employee entitled to additional compensation or benefits pursuant to Section 19775.16 or 19775.17 of this code, or Section 395.08 of the Military and Veterans Code.

(g) This section does not apply to any active duty served after the close of the War on Terrorism.

SEC. 125. Section 19827 of the Government Code is amended to read:

19827. (a) (1) Notwithstanding any other provision of law to the contrary, in order to recruit and retain the highest qualified employees, the state shall pay sworn members of the California Highway Patrol who are rank-and-file members of State Bargaining Unit 5 the estimated average total compensation for each corresponding rank for the Los Angeles Police Department, Los Angeles County Sheriff's Office, San Diego Police Department, Oakland Police Department, and San Francisco Police Department. Total compensation shall include base salary, educational incentive pay, physical performance pay, longevity pay, and retirement contributions made by the employer on behalf of the employee.

(2) The state and the exclusive representative shall jointly survey annually and calculate the estimated average total compensation based on projected average total compensation for the above-named departments as of July 1 of the year in which the survey is conducted. The state and the exclusive representative shall utilize the survey methodology outlined in the "Description of Survey Process Pursuant to Government Code 19827 Regarding the Recruitment and Retention of California Highway Patrol Officers" dated July 1, 2001, and maintained as a permanent agreement between the state and the exclusive representative.

(3) Any increase in total compensation resulting from this section shall be implemented through a memorandum of understanding negotiated pursuant to the Ralph C. Dills Act (Chapter 10.3 (commencing with Section 3512) of Division 4 of Title 1). Notwithstanding the foregoing, failure of the parties to reach agreement for a memorandum of understanding pursuant to the Ralph C. Dills Act

shall not relieve the state of the duty to compensate sworn represented members of the California Highway Patrol in accordance with the formula set forth in this section.

(4) The total compensation for represented sworn members of the California Highway Patrol may deviate from the survey results by mutual agreement between the exclusive representative and the state pursuant to the collective bargaining process.

(5) If the provisions of this subdivision are in conflict with the provisions 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 the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

(b) When determining compensation for state excluded sworn classifications of the California Highway Patrol, it is the policy of the state to consider total compensation for corresponding ranks within jurisdictions specified in subdivision (a), as well as other factors, including internal comparisons.

SEC. 126. Section 19867 of the Government Code is amended to read:

19867. (a) The Legislature finds and declares that the interests of the state would be served by the Department of Personnel Administration meeting and conferring with the exclusive representatives of the various bargaining units to discuss the establishment of long-term care benefits for state employees.

(b) If long-term care insurance plans are not available to state employees within one year following the date on which any long-term care plan is first offered for enrollment by the Board of Administration of the Public Employees' Retirement System, state employees may enroll in the long-term care insurance plans offered by the Board of Administration of the Public Employees' Retirement System.

(c) If subdivision (b) is in conflict with a memorandum of understanding entered into pursuant to Section 3517.5, the memorandum of understanding shall prevail and control without further legislative action, except that if the prevailing provisions of a memorandum of understanding require the expenditure of funds, these provisions may not become effective unless approved by the Legislature in the annual Budget Act.

(d) The Department of Personnel Administration may enter into contracts with the Board of Administration of the Public Employees' Retirement System to allow active eligible state employees, and their spouses and parents, to enroll in any long-term care insurance plans offered by the Board of Administration.

SEC. 127. Section 19997.3 of the Government Code is amended to read:

19997.3. (a) Layoff shall be made in accordance with the relative seniority of the employees in the class of layoff. In determining seniority scores, one point shall be allowed for each complete month of full-time state service regardless of when the service occurred. Department rules shall establish all of the following:

(1) The extent to which seniority credits may be granted for less than full-time service.

(2) The seniority credit to be granted for service in a class that has been abolished, combined, divided, or otherwise altered under the authority of Section 18802.

(3) The basis for determining the sequence of layoff whenever the class and subdivision of layoff includes employees whose service is less than full time.

(4) Any other matters as are necessary or advisable to the operation of this chapter.

(b) For professional, scientific, administrative, management, and executive classes, the department shall prescribe standards and methods by rule whereby employee efficiency shall be combined with seniority in determining the order of layoffs and the order of names on reemployment lists. These standards and methods may vary for different classes, and shall take into consideration the needs of state service and practice in private industry and other public employment.

(c) If the provisions of this section are in conflict with the provisions 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 the provisions of a memorandum of understanding incur either present or future costs, or require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 128. Section 20057 of the Government Code is amended to read:

20057. "Public agency" also includes the following:

(a) The Commandant, Veterans' Home of California, with respect to employees of the Veterans' Home Exchange and other post fund activities whose compensation is paid from the post fund of the Veterans' Home of California.

(b) Any auxiliary organization operating pursuant to Chapter 7 (commencing with Section 89900) of Part 55 of the Education Code and in conformity with regulations adopted by the Trustees of the California State University and any auxiliary organization operating pursuant to Article 6 (commencing with Section 72670) of Chapter 6 of Part 45 of

the Education Code and in conformity with regulations adopted by the Board of Governors of the California Community Colleges.

(c) Any student body or nonprofit organization composed exclusively of students of the California State University or community college or of members of the faculty of the California State University or community college, or both, and established for the purpose of providing essential activities related to, but not normally included as a part of, the regular instructional program of the California State University or community college.

(d) A state organization of governing boards of school districts, the primary purpose of which is the advancing of public education through research and investigation.

(e) Any nonprofit corporation whose membership is confined to public agencies as defined in Section 20056.

(f) A section of the California Interscholastic Federation.

(g) Any credit union incorporated under Division 5 (commencing with Section 14000) of the Financial Code, or incorporated pursuant to federal law, with 95 percent of its membership limited to employees who are members of or retired members of this system or the State Teachers' Retirement Plan, and their immediate families, and employees of any credit union. For the purposes of this subdivision, "immediate family" means those persons related by blood or marriage who reside in the household of a member of the credit union who is a member of or retired member of this system or the State Teachers' Retirement Plan. The credit union shall pay any costs that are in addition to the normal charges required to enter into a contract with the board. All the payments made by the credit union that are in addition to the normal charges required shall be added to the total amount appropriated by the Budget Act for the administrative expense of this system. For purposes of this subdivision, a credit union shall not be deemed to be a public agency unless it has entered into a contract with the board pursuant to Chapter 5 (commencing with Section 20460) prior to January 1, 1988. After January 1, 1988, the board shall not enter into a contract with any credit union as a public agency.

(h) Any county superintendent of schools that was a contracting agency on July 1, 1983, and any school district or community college district that was a contracting agency with respect to local police officers, as defined in Section 20430, on July 1, 1983.

(i) Any school district or community college district that has established a police department, pursuant to Section 39670 or 72330 of the Education Code, and has entered into a contract with the board on or after January 1, 1990, for school safety members, as defined in Section 20444.

(j) A nonprofit corporation formed for the primary purpose of assisting the development and expansion of the educational, research, and scientific activities of a district agricultural association formed pursuant to Part 3 (commencing with Section 3801) of Division 3 of the Food and Agricultural Code, and the nonprofit corporation described in the California State Exposition and Fair Law (former Article 3 (commencing with Section 3551) of Chapter 3 of Part 2 of Division 3 of the Food and Agricultural Code, as added by Chapter 15 of the Statutes of 1967).

(k) (1) A public or private nonprofit corporation that operates a regional center for the developmentally disabled in accordance with Chapter 5 (commencing with Section 4620) of Division 4.5 of the Welfare and Institutions Code.

(2) A public or private nonprofit corporation, exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, that operates a rehabilitation facility for the developmentally disabled and provides services under a contract with either (A) a regional center for the developmentally disabled, pursuant to paragraph (3) of subdivision (a) of Section 4648 of the Welfare and Institutions Code, or (B) the Department of Rehabilitation, pursuant to Chapter 4.5 (commencing with Section 19350) of Part 2 of Division 10 of the Welfare and Institutions Code, upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1.

(3) A public or private nonprofit corporation described in this subdivision shall be deemed a "public agency" only for purposes of this part and only with respect to the employees of the regional center or the rehabilitation facility described in this subdivision. Notwithstanding any other provision of this part, the agency may elect by appropriate provision or amendment of its contract not to provide credit for service prior to the effective date of its contract.

(l) Independent data-processing centers formed pursuant to former Article 2 (commencing with Section 10550) of Chapter 6 of Part 7 of the Education Code, as it read on December 31, 1990. An agency included pursuant to this subdivision shall only provide benefits that are identical to those provided to a school member.

(m) Any local agency formation commission.

(n) A nonprofit corporation organized for the purpose of and engaged in conducting a citrus fruit fair as defined in Section 4603 of the Food and Agricultural Code.

(o) (1) A public or private nonprofit corporation that operates an independent living center providing services to severely handicapped people and established pursuant to federal Public Law 93-112, that receives the approval of the board, and that provides at least three of the following services:

(A) Assisting severely handicapped people to obtain personal attendants who provide in-home supportive services.

(B) Locating and distributing information about housing in the community usable by severely handicapped people.

(C) Providing information about financial resources available through federal, state, and local government, and private and public agencies to pay all or part of the cost of the in-home supportive services and other services needed by severely handicapped people.

(D) Counseling by people with similar disabilities to aid the adjustment of severely handicapped people to handicaps.

(E) Operation of vans or buses equipped with wheelchair lifts to provide accessible transportation to otherwise unreachable locations in the community where services are available to severely handicapped people.

(2) A public or private nonprofit corporation described in this subdivision shall be deemed a "public agency" only for purposes of this part and only with respect to the employees of the independent living center.

(3) Notwithstanding any other provisions of this part, the public or private nonprofit corporation may elect by appropriate provision or amendment of its contract not to provide credit for service prior to the effective date of its contract.

(p) A hospital that is managed by a city legislative body in accordance with Article 8 (commencing with Section 37650) of Chapter 5 of Part 2 of Division 3 of Title 4.

(q) (1) Except as provided in paragraph (2), "public agency" also includes any entity formed pursuant to the Federal Job Training Partnership Act of 1982 (29 U.S.C. Sec. 1501 et seq.) or Division 8 (commencing with Section 15000) of the Unemployment Insurance Code.

(2) "Public agency," for purposes of this part, does not include a private industry council as set forth in the Federal Job Training Partnership Act of 1982 (29 U.S.C. Sec. 1501 et seq.) or Division 8 (commencing with Section 15000) of the Unemployment Insurance Code.

(r) The Tahoe transportation district that is established by Article IX of Section 66801.

(s) The California Firefighter Joint Apprenticeship Program formed pursuant to Chapter 4 (commencing with Section 3070) of Division 3 of the Labor Code.

(t) A public health department or district that is managed by the governing body of a county of the 15th class, as defined by Sections 28020 and 28036, as amended by Chapter 1204 of the Statutes of 1971.

(u) A nonprofit corporation or association conducting an agricultural fair pursuant to Section 25905 may enter into a contract with the board for the participation of its employees as members of this system, upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1. The nonprofit corporation or association shall be deemed a “public agency” only for this purpose.

(v) An auxiliary organization established pursuant to Article 2.5 (commencing with Section 69522) of Chapter 2 of Part 42 of the Education Code upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1. The auxiliary organization is a “public agency” only for this purpose.

(w) The Western Association of Schools and Colleges upon obtaining a written advisory opinion from the United States Department of Labor as described in Section 20057.1. The association shall be deemed a “public agency” only for this purpose.

SEC. 129. Section 20501 of the Government Code is amended to read:

20501. Contracts with school employers may include school district employees in this system only with respect to service rendered in a status in which they are not eligible for membership in the State Teachers’ Retirement Plan.

SEC. 130. Section 20610 of the Government Code is amended to read:

20610. Every county superintendent of schools shall enter into a contract with the board for the inclusion in this system of (a) all of the employees of the office of county superintendent whose compensation is paid from the county school service fund other than employees electing pursuant to Section 1313 of the Education Code to continue in membership in a county system; and (b) all of the employees of school districts and community college districts existing on July 1, 1949, or thereafter formed, within his or her jurisdiction, other than school districts that are contracting agencies or that maintain a district, joint district, or other local retirement system, in respect to service rendered in a status in which they are not eligible for membership in the State Teachers’ Retirement Plan. The effective date of each contract shall be not later than July 1, 1949. For the purposes of this part those school district employees shall be considered to be employees of the county superintendent of schools having jurisdiction over the school district by which they are employed and service to the district shall be considered as service to the county superintendent of schools.

SEC. 131. Section 20611 of the Government Code is amended to read:

20611. A regional occupational center established pursuant to Chapter 9 (commencing with Section 52300) of Division 4 of the

Education Code by two or more school districts by a joint powers agreement shall be deemed a school district for purposes of this part. The board and the county superintendent of schools, upon the request of the governing body of any center in the county, shall amend the contract entered into under this chapter to include the employees of the center who are not eligible to membership in the State Teachers' Retirement Plan. Credit shall not be granted for any service in that employment prior to the effective date of the amendment. However, on the request of the governing body of the center, the amendment may provide that the membership of any person becoming a member in that employment on the effective date of the amendment shall be retroactive to the date of that person's entry into that employment. If the amendment provides for the retroactive membership, both the member and the center shall contribute to the retirement fund for the period the amounts they would have contributed had the amendment been in effect on the date of the entry into employment.

SEC. 132. Section 20677 of the Government Code is amended to read:

20677. (a) (1) The normal rate of contribution for a state miscellaneous member employed by the California State University, the University, or the legislative or judicial branch 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.

(2) 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.

(3) Notwithstanding paragraph (2), the normal rate of contribution for a local miscellaneous member subject to Section 21354.3, 21354.4, or 21354.5 shall be 8 percent of the compensation paid that member for service rendered on and after the date the member's contracting agency elects to be subject to that section.

(4) The normal rate of contribution as established under this subdivision for a local miscellaneous or school member whose service is included in the federal system, and whose service retirement allowance is reduced under Section 21353, 21354, 21354.1, 21354.3, 21354.4, or 21354.5 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. Notwithstanding the foregoing, effective January 1, 2001, the normal rate of contribution for school members whose service is included in the

federal system shall not be reduced pursuant to this paragraph as applied to compensation earned on or after that date.

(b) (1) The normal rate of contribution for a state miscellaneous member employed by the California State University, the University, or the legislative or judicial branch 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 employed by the California State University, the University, or the legislative or judicial branch, 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 (5) of subdivision (a).

SEC. 133. Section 20677.4 of the Government Code is amended to read:

20677.4. (a) (1) The normal rate of contribution for a state miscellaneous or state industrial 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 to that member for service rendered on or after July 1, 1976.

(2) The normal rate of contribution for a state miscellaneous or state 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 21354.1, 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) The normal rate of contribution for a state miscellaneous or state industrial 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 or after July 1, 1976.

(c) The normal rate of contribution for a state miscellaneous or state industrial member who is subject to Section 21076 or 21077 shall be 0 percent.

(d) 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.

(e) A member who elects to become subject to Section 21354.1, as applicable, 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 or 21073.1, as applicable.

(f) If the provisions of this section are in conflict with the provisions 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 the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless and until approved by the Legislature in the annual Budget Act.

(g) The Director of the Department of Personnel Administration may establish the normal rate of contribution for a state employee who is excepted from the definition of "state employee" in subdivision (c) of Section 3513, and an officer or employee of the executive branch of state government who is not a member of the civil service. The normal rate of contribution shall be the same for all members identified in this subdivision. The contribution rate shall be effective the beginning of the pay period indicated by the Director of the Department of Personnel Administration but shall be no earlier than the beginning of the pay period following the date the board receives notification.

SEC. 134. Section 20752 of the Government Code is amended to read:

20752. A member of the Judges' Retirement System, the Legislators' Retirement System, the State Teachers' Retirement Plan, the University of California Retirement System, or a county retirement system, who has withdrawn accumulated contributions from this system shall have the right to redeposit those contributions, subject to the same conditions as imposed for redeposits of accumulated contributions by Section 20750, including the right as he or she would have had under Section 20638 had he or she not withdrawn his or her contributions.

Provisions of this section extending a right to redeposit accumulated contributions withdrawn from this system shall also apply to members of any retirement system established under Chapter 2 (commencing with Section 45300) of Division 5 of Title 4 with respect to which an ordinance complying with Section 45310.5 has been filed with and accepted by the board or any retirement system established by or pursuant to the charter of a city or city and county or by any other public

agency of this state which system, in the opinion of the board, provides a similar modification of rights and benefits because of membership in this system and with respect to which the governing body of the city, city and county, or public agency and the board have entered into agreement pursuant to Section 20351.

A member who elects to redeposit under this section shall have the same rights with respect thereto as a member who has elected pursuant to Section 20731 to leave his or her accumulated contributions on deposit in the fund.

SEC. 135. Section 20902.5 of the Government Code is amended to read:

20902.5. (a) Notwithstanding any other provision of this part, whenever the Chief Justice, by formal action, determines that because of an impending curtailment of, or change in the manner of performing, judicial branch services, the best interests of the state would be served by encouraging the retirement of judicial branch state employees from the Administrative Office of the Courts, the Supreme Court, the Courts of Appeal, or the Habeas Corpus Resource Center and that sufficient economies could be realized to offset any costs to the judicial branch resulting from this action, an additional two years of service shall be credited to the affected members, if both of the following conditions exist:

(1) The member is credited with five or more years of service and retires during a period not to exceed 120 days or less than 60 days commencing no sooner than the operative date of the formal action of the Chief Justice that shall specify the period.

(2) The Administrative Office of the Courts transmits to the retirement fund an amount determined by the board that is equal to the actuarial equivalent of the difference between the allowance the member receives after the receipt of service credit under this section and the amount the member would have received without that service credit. The transfer to the retirement fund shall be made in a manner and time period acceptable to the employer and the board with respect to all eligible members who retire during the specified period.

(b) As used in this section, "member" means a state employee who is employed in an organizational unit of the judicial branch designated by the Chief Justice in the formal action crediting the additional service credit.

(c) The amount of service credit shall be two years regardless of credited service. Any member who qualifies under this section shall, upon subsequent reentry to this system, forfeit the service credit acquired under this section.

(d) This section is not applicable to any member otherwise eligible, if the member receives any unemployment insurance payments arising

out of employment with an employer subject to this part during a period extending one year beyond the operative date of the formal action of the Chief Justice or if the member is not eligible to retire without the additional credit available under this section.

SEC. 136. Section 21220 of the Government Code is amended to read:

21220. (a) A person who has been retired under this system, for service or for disability, shall not be employed in any capacity thereafter by the state, the university, a school employer, or by a contracting agency, unless the employment qualifies for service credit in the University of California Retirement System or the State Teachers' Retirement Plan, unless he or she has first been reinstated from retirement pursuant to this chapter, or unless the employment, without reinstatement, is authorized by this article. A retired person whose employment without reinstatement is authorized by this article shall acquire no service credit or retirement rights under this part with respect to the employment.

(b) Any retired member employed in violation of this article shall:

(1) Reimburse this system for any retirement allowance received during the period or periods of employment that are in violation of law.

(2) Pay to this system an amount of money equal to the employee contributions that would otherwise have been paid during the period or periods of unlawful employment, plus interest thereon.

(3) Contribute toward reimbursement of this system for administrative expenses incurred in responding to this situation, to the extent the member is determined by the executive officer to be at fault.

(c) Any public employer that employs a retired member in violation of this article shall:

(1) Pay to this system an amount of money equal to employer contributions that would otherwise have been paid for the period or periods of time that the member is employed in violation of this article, plus interest thereon.

(2) Contribute toward reimbursement of this system for administrative expenses incurred in responding to this situation, to the extent the employer is determined by the executive officer of this system to be at fault.

SEC. 137. Section 21362.3 of the Government Code is amended to read:

21362.3. (a) Notwithstanding subdivision (b) of Section 21362.2, for the California Highway Patrol Commissioner, with respect to service to all state employers under Section 21362.2, the benefit may not exceed 100 percent of final compensation.

(b) This section shall become inoperative on January 1, 2008, unless a later enacted statute deletes or extends that date.

SEC. 138. Section 21465 of the Government Code is amended to read:

21465. (a) Optional settlement 5 consists of a partial distribution of the actuarial present value of the portion, as specified in this section, of the member's unmodified monthly allowance, as prescribed in Section 21362, 21362.2, 21363, or 21363.1, or Section 21423 when a service retirement allowance is payable. The actuarial present value shall be based upon the investment return and postretirement mortality assumptions adopted by the board for that purpose. The member may elect to receive the actuarial present value of no less than 20 percent and no more than 50 percent of his or her unmodified allowance. The member may elect to receive the remaining portion of the unmodified allowance, not distributed as a lump-sum, under one of the settlements specified in this article for the remainder of his or her lifetime and thereafter to his or her designated beneficiary, unless this amount is solely limited to the survivor continuance portion. Under no circumstances shall the portion of the unmodified allowance equivalent to the survivor continuance pursuant to Section 21624 be distributed as a lump-sum. Under no circumstances shall the benefits provided under this section exceed the benefits that would have otherwise been provided under any other section in this article.

(b) This section shall only apply to the following members who retire on or after January 1, 1999:

(1) State peace officer/firefighter members in State Bargaining Unit 6.

(2) State peace officer/firefighter members in State Bargaining Unit 8 and state patrol members in State Bargaining Unit 5, provided that a memorandum of understanding has been agreed upon by the state and the recognized employee organization to become subject to this section.

(3) This section shall also apply to state peace officer/firefighter members and state patrol members in related supervisory and confidential positions, provided the Department of Personnel Administration has approved their inclusion.

SEC. 139. Section 22009.03 of the Government Code is amended to read:

22009.03. "Public agency" also includes a school district, a county superintendent of schools, and a regional occupational center or program established pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1, with respect to employees eligible for membership in the State Teachers' Retirement Plan.

This section shall become inoperative on July 1, 2004, and, as of January 1, 2005, is repealed, unless a later enacted statute, which becomes effective on or before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 140. Section 22009.1 of the Government Code is amended to read:

22009.1. "Retirement system" includes:

(a) A pension, annuity, retirement, or similar fund or system established by a public agency and covering only positions of that agency.

(b) The Public Employees' Retirement System with respect only to employees of the state and employees of the University of California in positions covered by that system.

(c) The Public Employees' Retirement System with respect to employees of all school districts in positions covered under each contract entered into by a county superintendent of schools and the system.

(d) The State Teachers' Retirement System with respect to all employees in positions subject to coverage by the State Teachers' Retirement Plan except employees of a public agency having any employees in positions covered by such system who are also in positions covered by a local retirement system for the retirement of teachers, or for membership in which public school teachers are eligible, operated by city, city and county, county, or other public agency or combination of public agencies of the state.

(e) The Legislators' Retirement System with respect to all employees in positions covered by that system.

(f) The Judges' Retirement System with respect to all employees in positions covered by that system.

(g) The University of California Retirement System only with respect to all employees in positions covered by that system.

(h) The San Francisco City and County Employees' Retirement System with respect to all employees in positions covered by that system.

(i) Any other retirement system with respect only to employees of any two or more of the public agencies having employees in positions covered by the system, as designated by the board and with regard to which the board authorizes conduct of a referendum.

(j) Any retirement system with respect only to employees of a hospital which is an integral part of a city incorporated between January 15, 1898, and July 15, 1898, in positions covered by the system, as designated by the board on request of the city.

(k) Except as otherwise provided in subdivisions (b) to (j), inclusive, any retirement system with respect to employees of each of the public agencies having employees in positions covered by the system.

(l) Each division or part of a retirement system, as defined in subdivisions (a), (b), (c), (e), (g), (h), (i), (j), (k), and (m), which is divided pursuant to this chapter into two parts:

(1) The part composed of the positions of members of a system who desire coverage under the federal system.

(2) The part composed of the positions of members of a system who do not desire coverage under the federal system.

(m) The State Teachers' Retirement System with respect to all employees of each public agency, as defined by Section 22009.03, in positions covered by the State Teachers' Retirement Plan. This subdivision shall become inoperative on July 1, 2004.

SEC. 141. Section 22018 of the Government Code is amended to read:

22018. (a) It is the intent of the Legislature that, to the extent possible, members of the State Teachers' Retirement Plan earn credit towards Medicare coverage.

(b) In accomplishing the goal specified in subdivision (a), the board shall make available to school districts, community college districts, and county superintendents of schools information concerning the procedure for earning credit for social security coverage for school-related service not credited under the Teachers' Retirement Law.

SEC. 142. Section 22156 of the Government Code is amended to read:

22156. (a) A division of the State Teachers' Retirement System is hereby authorized by the Legislature to provide Medicare coverage for employees of a public agency as defined in Section 22009.03, upon the request of the public agency.

(b) The division authorized by subdivision (a) shall be conducted pursuant to this article.

(c) A member of the State Teachers' Retirement Plan on whose behalf a request is made pursuant to subdivision (a), may elect to be covered by Medicare, pursuant to Section 218 of the federal Social Security Act (42 U.S.C. Sec. 418), and applicable federal regulations if (1) the member was employed in a position covered by the system on March 31, 1986, and (2) the member has not since been mandated into Medicare coverage due to the enactment of Public Law 99-272, and (3) the member is in a position covered or the member is eligible to elect to be covered by the retirement system on the date of the division.

(d) The public agency shall, immediately after the elections authorized in subdivision (b) have been made, make application pursuant to Chapter 2 (commencing with Section 22200) of this part for Medicare coverage for those members who have elected to receive Medicare coverage.

(e) The effective date of the coverage may be retroactive a maximum of five years but not earlier than January 1, 1987.

(f) This section shall become inoperative on July 1, 2004, and, as of January 1, 2005, is repealed, unless a later enacted statute, which

becomes effective on or before January 1, 2005, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 143. Section 22502 of the Government Code is amended to read:

22502. Agreements as defined in Section 22006, and all applications and agreements and contracts and any amendments thereto between the board and the Adjutant General, the Teachers' Retirement Board, the Regents of the University of California, and any public agency, except the state, executed by the board pursuant to this part are hereby excepted from the provisions of Section 13370, and of any other statutory provision that would otherwise require the approval of any such agreements and contracts and any amendments thereto by any other state officer or agency.

SEC. 144. Section 22754 of the Government Code is amended to read:

22754. As used in this part, the following definitions, unless the context otherwise requires, shall govern the interpretation of terms:

(a) "Board" means the Board of Administration of the Public Employees' Retirement System.

(b) "Employee" means:

(1) Any officer or employee of the State of California or of any agency, department, authority, or instrumentality of the state including the University of California, or any officer or employee who is a local or school member of the Public Employees' Retirement System employed by a contracting agency that has elected to be or otherwise has become subject to this part, or who is a member or retirant of the State Teachers' Retirement Plan employed by an employer who has elected to become subject to this part, or who is an employee or annuitant of a special district or county subject to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3) that has elected to become subject to this part, or who is an employee or annuitant of a special district, as defined in subdivision (i), that has elected to become subject to this part, except persons employed on an intermittent, irregular, or less than half-time basis, or employees similarly situated, or employees in respect to whom contributions by the state for any type of plan or program offering prepaid hospital and medical care are otherwise authorized by law.

(2) Any officer or employee who participates in the retirement system of a contracting agency as defined in paragraph (2) of subdivision (g) that has elected to become subject to this part, except persons employed less than half time or who are otherwise determined to be ineligible.

(3) Any annuitant of the Public Employees' Retirement System employed by a contracting agency as defined in subdivision (g) that has

elected to become subject to this part who is a person retired under Section 21228.

(4) Any officer or employee of a contracting agency as defined in paragraph (3) of subdivision (g) that has elected to become subject to this part, except persons who are determined to be ineligible.

(c) "Carrier" means a private insurance company holding a valid outstanding certificate of authority from the Insurance Commissioner of the state, a medical society or other medical group, a nonprofit hospital service plan qualifying under Chapter 11A (commencing with Section 11491) of Part 2 of Division 2 of the Insurance Code, or nonprofit membership corporation lawfully operating under Section 9200 or Section 9201 of the Corporations Code, or a health care service plan as defined under subdivision (f) of Section 1345 of the Health and Safety Code, or a health maintenance organization approved under Title XIII of the federal Public Health Services Act (42 U.S.C. Sec. 201 et seq.), that is lawfully engaged in providing, arranging, paying for, or reimbursing the cost of personal health services under insurance policies or contracts, medical and hospital service agreements, membership contracts, or the like, in consideration of premiums or other periodic charges payable to it.

(d) "Health benefits plan" means any program or entity that provides, arranges, pays for, or reimburses the cost of health benefits.

(e) "Annuitant" means:

(1) Any person who has retired within 120 days of separation from employment and who receives any retirement allowance under any state or University of California retirement system to which the state was a contributing party.

(2) A family member receiving an allowance as the survivor of an annuitant who has retired as provided in paragraph (1), or as the survivor of a deceased employee under Section 21541, 21546, or 21547 or similar provisions of any other state retirement system.

(3) Any employee who has retired under the retirement system provided by a contracting agency as defined in paragraph (2) or (3) of subdivision (g) and who receives a retirement allowance from that retirement system, or a surviving family member who receives the retirement allowance in place of the deceased.

(4) Any person who was a state member for 30 years or more and who, at the time of retirement, was a local member employed by a contracting agency.

(f) "Family member" means an employee's or annuitant's spouse and any unmarried child (including an adopted child, a stepchild, or recognized natural child who lives with the employee or annuitant in a regular parent-child relationship). The board shall, by regulation,

prescribe age limits and other conditions and limitations pertaining to unmarried children.

(g) "Contracting agency" means:

(1) Any contracting agency as defined in Section 20022, any county or special district subject to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3), and any special district, school district, county board of education, personnel commission of a school district, or a county superintendent of schools.

(2) Any public body or agency of, or within California not covered by the Public Employees' Retirement System or subject to the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3), that provides a retirement system for its employees funded wholly or in part by public funds and a trial court as defined in the Trial Court Employment Protections and Governance Act (Chapter 7 (commencing with Section 71600) of Title 8).

(3) The protection and advocacy agency described in subdivision (h) of Section 4900 of the Welfare and Institutions Code, if the agency obtains a written advisory opinion from the United States Department of Labor stating that the organization is an agency or instrumentality of the state or a political subdivision thereof within the meaning of the Chapter 18 (commencing with Section 1001) of Title 29 of the United States Code.

(h) "Employer" means the state, any contracting agency employing an employee, and any agency that has elected to become subject to this part pursuant to Section 22856.

(i) "Special district" means a nonprofit, self-governed public agency, within the State of California and comprised solely of public employees, performing a governmental rather than proprietary function.

SEC. 145. Section 22810 of the Government Code is amended to read:

22810. (a) An employee or annuitant may, under eligibility rules as the board may by regulation prescribe, enroll in an approved health benefits plan, either as an individual or for self and family, except that an employee of a contracting agency, or an annuitant who retired while an employee or who is the beneficiary of an employee, may enroll only in a health benefits plan for which the board has contracted. With respect to state officers and employees, the regulations shall provide that every employee or annuitant enrolled in a health benefits plan shall be enrolled in a major medical plan or shall provide for inclusion of major medical benefits in health benefits plans. The regulations may provide for the exclusion of employees on the basis of the nature and type of their employment or conditions pertaining thereto, including, but not limited

to, short-term appointments, seasonal or intermittent employment, and employment of a like nature, but no employee or group of employees may be excluded solely on the basis of the hazardous nature of the employment. Any enrollment shall authorize the deduction of the contributions required under this part from the employee's or annuitant's salary or retirement allowance.

(b) Any annuitant who satisfies the requirement to retire within 120 days of separation as specified in subdivision (e) of Section 22754 may continue his or her enrollment, enroll within 60 days of retirement, or enroll during any future open enrollment period, as provided by regulations of the board, without discrimination as to premium rates or benefits coverage. If the survivor of an annuitant who satisfied the requirement to retire within 120 days of separation as specified in subdivision (e) of Section 22754 is also an annuitant as defined in this part, he or she shall also be eligible to enroll within 60 days of the annuitant's death or during any future open enrollment period, as provided by regulation of the board, without discrimination as to premium rates or benefits coverage. The effective date of enrollment of persons who, at the time of becoming an annuitant or survivor, were not enrolled in a health benefits plan under this part shall be a prospective date determined by the board.

(c) Any permanent intermittent employee and any employee who works less than full time may continue his or her enrollment while retired from state employment if (1) he or she was enrolled prior to separation from state employment and (2) he or she lost eligibility prior to separation but continued his or her coverage under federal law.

(d) Any annuitant who becomes entitled to the survivor allowance under Section 21571 at the age of 62 years and who was enrolled in a health benefits plan at the death of the member on whose account the survivor allowance is payable may enroll in a health benefits plan without discrimination as to premium rates or benefits coverage.

(e) In the case of the death of an employee after application has been filed for coverage of family members but prior to the effective date of coverage, family members shall be deemed to have been covered on the date of the death of the employee, and if one of the family members is an annuitant he or she shall be enrolled as if the coverage applied for were continued without discrimination as to premium rates or benefits coverage.

(f) The board shall, by rule and regulation, make whatever provisions it deems necessary to eliminate or minimize the impact of adverse selection that would affect any plans approved or contracted for because of the enrollment of annuitants. This may include the reimbursement of surcharges for late enrollment in Part B of Medicare if the board

determines that payment of the surcharge would be less costly than continued enrollment in a basic plan.

SEC. 146. Section 22840.2 of the Government Code is amended to read:

22840.2. (a) There shall be maintained in the State Treasury the Public Employees' Health Care Fund, the purpose of which is to fund the health benefits plan or plans administered or approved by the board. The board may invest funds in the Public Employees' Health Care Fund in accordance with the provisions of law governing its investment of the retirement fund.

(b) The Public Employees' Health Care Fund shall consist of the following:

(1) Any self-funded or minimum premium plan premiums paid by public agencies, the state, and enrolled employees, annuitants, and family members, including premiums paid directly for continuation coverage authorized under the Consolidated Omnibus Budget and Reconciliation Act of 1986 or as thereafter amended, and as authorized by this part.

(2) Any reserve moneys from terminated plans designated by the board for payment to self-funded or minimum premium plans.

(c) Income, of whatever nature, earned on the Public Employees' Health Care Fund during any fiscal year, shall be credited to the fund.

(d) Notwithstanding Section 13340, the Public Employees' Health Care Fund is continuously appropriated, without regard to fiscal years, to pay benefits and claims costs, to pay the costs of administering self-funded or minimum premium plans, to refund those who made direct premium payments, and to pay other costs as the board may determine as necessary, consistent with its fiduciary duty.

(e) The Legislature finds and declares that the Public Employees' Health Care Fund is a trust fund held for the exclusive benefit of enrolled employees, annuitants, family members, the self-funded plan administrator, and those contracting to provide medical and hospital care services.

SEC. 147. Section 23119 of the Government Code is amended to read:

23119. The boundaries of Los Angeles County are as follows:

Beginning at a point in the southwesterly boundary line of the State of California, said point being on the southerly prolongation of the westerly boundary line of Rancho Topanga Malibu Sequit; thence northerly along said prolongation and westerly line of said rancho to the northwesterly corner thereof; thence northeasterly in a direct line to corner number seven of the boundary of Rancho Simi; thence easterly along line number seven, northerly along line number eight, easterly along line number nine of the boundary of Rancho Simi to corner

number ten of the boundary of Rancho Simi; thence following the boundary line as surveyed by E. T. Wright and J. T. Stow, county surveyors, in June and July, 1881 as shown on map recorded in book 43, page 25 et seq., miscellaneous records of Los Angeles County as follows: north 105.01 chains to a point; thence north 07 degrees 29 minutes W., 157.50 chains to a point; thence north 21 degrees 57 minutes W., to a point in the north line of Sec. 4, T. 8 N., R. 19 W., S. B. B. & M., distant westerly along said north line 1,400 feet, more or less, from the northeast corner of said Sec. 4, said point being common to the boundaries of Kern, Ventura, and Los Angeles; thence east along the north line of T. 8 N., S. B. B. & M., to the easterly line of Golden State Freeway (Interstate 5); thence southwesterly, southerly, and southeasterly along said easterly line to the south line of Sec. 3, T. 8 N., R. 19 W., S. B. B. & M.; thence easterly along said south line and the south line of Sec. 2, T. 8 N., R. 19 W., S. B. B. & M., to the southeast corner of said Sec. 2; thence northerly along the east line of said Sec. 2 to the north line of T. 8 N., S. B. B. & M.; thence easterly along the north line of T. 8 N., S. B. B. & M. to the northeast corner of T. 8 N., R. 8 W., S. B. B. & M., said corner being a point common to the boundaries of San Bernardino, Kern, and Los Angeles;

Thence south along the range line between R. 7 and 8 W., to the southeast corner of T. 6 N., R. 8 W., S. B. B. & M.; thence east along the township line between T. 5 and 6 N., to the northeast corner of T. 5 N., R. 8 W., S. B. B. & M.; thence south along the range line between R. 7 and 8 W., to a point in the east line of Sec. 12, T. 4 N., R. 8 W., S. B. B. & M., distant southerly 940 feet, measured along said east line, from the northeast corner of said Sec. 12; thence southerly in a direct line to the summit of San Antonio Peak; thence southerly along a straight line which passes through the northwest corner of Rancho Cucamonga to a point in said straight line distant south $11^{\circ}51'04''$ west thereon, 333.81 feet from its intersection with the north line of Tract 37, T. 2 N., R. 7 W., S. B. B. & M.; thence north $25^{\circ}38'59''$ west, 15.06 feet; thence south $70^{\circ}15'29''$ west, 47.76 feet; thence south $09^{\circ}57'30''$ east, 62.51 feet; thence south $34^{\circ}17'02''$ east, 36.94 feet to said straight line; thence continuing southerly along said straight line to a point in said straight line distant north $11^{\circ}51'04''$ east, 547.37 feet from its intersection with the south line of said Tract 37; thence south $84^{\circ}57'02''$ west, 35.25 feet; thence south $23^{\circ}47'27''$ west, 75.70 feet to the beginning of a nontangent curve concave to the southwest having a radius of 181.00 feet and to which beginning a radial line bears south $29^{\circ}24'24''$ west; thence southeasterly along said curve through a central angle of $12^{\circ}08'32''$ an arc distance of 38.36 feet to the beginning of a reverse curve concave to the northeast having a radius of 169.00 feet; thence southeasterly 16.07 feet along said curve through a central angle of $05^{\circ}26'52''$ to said straight

line; thence southwest in a direct line to the northwest corner of Rancho Cucamonga, thence southwesterly along the northwesterly boundary line of Rancho Cucamonga to the most westerly corner of Rancho Cucamonga; thence southwesterly in a direct line to the northeast corner of Rancho San Jose; thence southwesterly and westerly along the easterly and southerly boundary lines of Rancho San Jose to the range line between R. 8 and 9 W. in T. 2 S., S. B. B. & M.;

Thence south along the range line between R. 8 and 9 W., to the southeast corner of Sec. 12, T. 2 S., R. 9 W., S. B. B. & M., said corner being an angle point in the boundary line of Rancho Santa Ana del Chino; thence westerly, southwesterly, southerly, easterly, and southerly along the boundary line of Rancho Santa Ana del Chino to the southwest corner of Rancho Santa Ana del Chino, said corner being the center of Sec. 35, T. 2 S., R. 9 W., S. B. B. & M.; thence southeasterly in a straight line to a point in the south line of Sec. 36, T. 2 S., R. 9 W., S. B. B. & M., distant 52.84 feet easterly thereon from the southwest corner of said Sec. 36, said point being common to the boundaries of San Bernardino, Orange, and Los Angeles; thence westerly along the northern line of Orange to the southeasterly corner of Tract No. 46685 filed in Book 1209, pages 56 and 57, of Maps, in the office of the Recorder of the County of Los Angeles, said southeasterly corner being common to the boundaries of Orange and Los Angeles; thence northerly following along the boundary of said Tract No. 46685, the following courses: north $13^{\circ}53'07''$ east 100.12 feet, north $76^{\circ}01'25''$ west 1018.58 feet, north $85^{\circ}34'56''$ west 163.25 feet, and south $00^{\circ}57'29''$ west 47.01 feet to a point in the northerly line of Tract No. 25335, filed in Book 775, pages 35 and 36, of said Maps, said point distant westerly along said northerly line 10.26 feet from the northeasterly corner of said Tract No. 25335; thence northwesterly following along the boundary of said Tract No. 25335 the following courses: north $76^{\circ}00'59''$ west 1224.52 feet and south $00^{\circ}52'39''$ west 564.75 feet to a point on the boundary common to Orange and Los Angeles; thence westerly along the northern line of Orange to the southwesterly boundary line of the State of California; thence northwesterly along the southwesterly boundary line of the State of California to the point of beginning. Also the Islands of Santa Catalina and San Clemente.

SEC. 148. Section 26608.3 of the Government Code is amended to read:

26608.3. (a) In Shasta County, the board of supervisors by ordinance or resolution may transfer from the sheriff to the marshal of the Shasta County Superior Court the duty to serve all writs, notices, and other process issued by any state court, or other competent authority.

(b) After adoption of the ordinance or resolution pursuant to subdivision (a), and notwithstanding any other provision of law, in

Shasta County the marshal shall have the duty to serve all writs, notices, and other process issued by any state court or other competent authority, and the sheriff shall be relieved of any obligation imposed by Section 26608 and any liability imposed by Section 26663 or 26664.

(c) Nothing in this section shall be construed as limiting the responsibility or authority of a private person or registered process server from serving process and notices in the manner prescribed by law, nor shall it limit the authority of the sheriff or any other peace officer to serve warrants of arrest or other process specifically directed by a court to the sheriff or any other peace officer.

SEC. 149. Section 26638.5 of the Government Code, as added by Chapter 1072 of the Statutes of 2002, is amended and renumbered to read:

26638.15. Notwithstanding any other provision of law, the Board of Supervisors of Merced County may abolish, by ordinance, the Merced County Marshal's office and establish a court security division in the Merced County Sheriff's Department. If the board of supervisors chooses to abolish this office, the following provisions shall apply:

(a) The sheriff shall be appointing authority for all division personnel. The person selected by the sheriff to oversee the operation of court security services shall report directly to the sheriff, or his or her designee.

(b) Notwithstanding any other provision of law, all personnel of the marshal's office affected by the abolition of the marshal's office in Merced County shall become employees of the sheriff's department at their existing or equivalent classification, salaries, and benefits.

(c) Permanent employees of the marshal's office on the effective date of transfer of services from the marshal to the sheriff pursuant to this section shall be deemed to be qualified, and no other qualifications shall be required for employment or retention. Promotions for all personnel from the marshal's office shall be made pursuant to standards set by the sheriff. Probationary employees in the marshal's office on the effective date of the abolition shall not be required to serve a new probationary period. All probationary time served as an employee of the marshal shall be credited toward probationary time required as an employee of the sheriff's department.

(d) All county service with the marshal's office by employees of the marshal's office on the effective date of the abolition of the marshal's office shall be counted toward seniority in the court security division of the sheriff's department.

(e) No employee of the marshal's office on the effective date of a consolidation pursuant to this section shall lose peace officer status, or otherwise be adversely affected as a result of the abolition and merger of personnel into the sheriff's department.

(f) The personnel of the marshal's office who become employees of the sheriff's department may not be transferred from the division in the sheriff's department under which court security services are provided unless the transfer is voluntary.

(g) Personnel of the abolished marshal's office shall be entitled to request an assignment to another division within the sheriff's department, and that request shall be reviewed in the same manner as any other request from within the department.

SEC. 150. Section 30061 of the Government Code is amended to read:

30061. (a) There shall be established in each county treasury a Supplemental Law Enforcement Services Fund (SLESF), to receive all amounts allocated to a county for purposes of implementing this chapter.

(b) In any fiscal year for which a county receives money to be expended for the implementation of this chapter, the county auditor shall allocate moneys in the county's SLESF, including any interest or other return earned on the investment of those moneys, within 30 days of the deposit of those moneys into the fund, and shall allocate those moneys in accordance with the requirements set forth in this subdivision. However, the auditor shall not transfer those moneys to a recipient agency until the Supplemental Law Enforcement Oversight Committee certifies receipt of an approved expenditure plan from the governing board of that agency.

(1) Five and fifteen one hundredths percent (5.15%) to the county sheriff for county jail construction and operation. In the case of Madera, Napa, and Santa Clara Counties, this allocation shall be made to the county director or chief of corrections.

(2) Five and fifteen one hundredths percent (5.15%) to the district attorney for criminal prosecution.

(3) Thirty-nine and seven-tenths percent (39.7%) to the county and the cities within the county, and, in the case of San Mateo, Kern, Siskiyou, and Contra Costa Counties, also to the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, and the Kensington Police Protection and Community Services District, in accordance with the relative population of the cities within the county and the unincorporated area of the county, and the Broadmoor Police Protection District in the County of San Mateo, the Bear Valley Community Services District and the Stallion Springs Community Services District in Kern County, the Lake Shastina Community Services District in Siskiyou County, and the Kensington Police Protection and Community Services District in Contra Costa County, as specified in the most recent January estimate by the population research unit of the Department of Finance, and as adjusted

to provide a grant of at least one hundred thousand dollars (\$100,000) to each law enforcement jurisdiction. For a newly incorporated city whose population estimate is not published by the Department of Finance but which was incorporated prior to July 1 of the fiscal year in which an allocation from the SLESF is to be made, the city manager, or an appointee of the legislative body, if a city manager is not available, and the county administrative or executive officer shall prepare a joint notification to the Department of Finance and the county auditor with a population estimate reduction of the unincorporated area of the county equal to the population of the newly incorporated city by July 15, or within 15 days after the Budget Act is enacted, of the fiscal year in which an allocation from the SLESF is to be made. No person residing within the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, or the Kensington Police Protection and Community Services District shall also be counted as residing within the unincorporated area of the County of San Mateo, Kern, Siskiyou, or Contra Costa, or within any city located within those counties. The county auditor shall allocate a grant of at least one hundred thousand dollars (\$100,000) to each law enforcement jurisdiction. Moneys allocated to the county pursuant to this subdivision shall be retained in the county SLESF, and moneys allocated to a city pursuant to this subdivision shall be deposited in an SLESF established in the city treasury.

(4) Fifty percent (50%) to the county or city and county to implement a comprehensive multiagency juvenile justice plan as provided in this paragraph. This plan shall be developed by the local juvenile justice coordinating council in each county and city and county with the membership described in Section 749.22 of the Welfare and Institutions Code. If a plan has been previously approved by the Board of Corrections, the plan shall be reviewed and modified annually by the council. The plan or modified plan shall be approved by the county board of supervisors, and in the case of a city and county, the plan shall also be approved by the mayor. The plan or modified plan shall be submitted to the Board of Corrections by May 1, 2002, and annually thereafter.

(A) Juvenile justice plans shall include, but not be limited to, all of the following components:

(i) An assessment of existing law enforcement, probation, education, mental health, health, social services, drug and alcohol, and youth services resources that specifically target at-risk juveniles, juvenile offenders, and their families.

(ii) An identification and prioritization of the neighborhoods, schools, and other areas in the community that face a significant public safety risk from juvenile crime, such as gang activity, daylight burglary,

late-night robbery, vandalism, truancy, controlled substances sales, firearm-related violence, and juvenile substance abuse and alcohol use.

(iii) A local juvenile justice action strategy that provides for a continuum of responses to juvenile crime and delinquency and demonstrates a collaborative and integrated approach for implementing a system of swift, certain, and graduated responses for at-risk youth and juvenile offenders.

(iv) Programs identified in clause (iii) that are proposed to be funded pursuant to this subparagraph, including the projected amount of funding for each program.

(B) Programs proposed to be funded shall satisfy all of the following requirements:

(i) Be based on programs and approaches that have been demonstrated to be effective in reducing delinquency and addressing juvenile crime for any elements of response to juvenile crime and delinquency, including prevention, intervention, suppression, and incapacitation.

(ii) Collaborate and integrate services of all the resources set forth in clause (i) of subparagraph (A), to the extent appropriate.

(iii) Employ information sharing systems to ensure that county actions are fully coordinated, and designed to provide data for measuring the success of juvenile justice programs and strategies.

(iv) Adopt goals related to the outcome measures that shall be used to determine the effectiveness of the local juvenile justice action strategy.

(C) The plan shall identify the specific objectives of the programs proposed for funding and specified outcome measures to determine the effectiveness of the programs and provide an accounting for all program participants, including those who do not complete the programs. Outcome measures of the programs proposed to be funded shall include, but not be limited to, all of the following:

(i) The rate of juvenile arrests per 100,000 population.

(ii) The rate of successful completion of probation.

(iii) The rate of successful completion of restitution and court-ordered community service responsibilities.

(iv) Arrest, incarceration, and probation violation rates of program participants.

(v) Quantification of the annual per capita costs of the program.

(D) The Board of Corrections shall review plans or modified plans submitted pursuant to this paragraph within 30 days upon receipt of submitted or resubmitted plans or modified plans. The board shall approve only those plans or modified plans that fulfill the requirements of this paragraph, and shall advise a submitting county or city and county immediately upon the approval of its plan or modified plan. The board

shall offer, and provide if requested, technical assistance to any county or city and county that submits a plan or modified plan not in compliance with the requirements of this paragraph. The SLESF shall only allocate funding pursuant to this paragraph upon notification from the board that a plan or modified plan has been approved.

(E) To assess the effectiveness of programs funded pursuant to this paragraph using the program outcome criteria specified in subparagraph (C), the following periodic reports shall be submitted:

(i) Each county or city and county shall report, beginning October 15, 2002, and annually each October 15 thereafter, to the county board of supervisors and the Board of Corrections, in a format specified by the Board of Corrections, on the programs funded pursuant to this chapter and program outcomes as specified in subparagraph (C).

(ii) The Board of Corrections shall compile the local reports and, by March 15, 2003, and annually thereafter, make a report to the Governor and the Legislature on program expenditures within each county and city and county from the appropriation for the purposes of this paragraph, on the outcomes as specified in subparagraph (C) of the programs funded pursuant to this paragraph and the statewide effectiveness of the comprehensive multiagency juvenile justice plans.

(c) Subject to subdivision (d), for each fiscal year in which the county, each city, the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, and the Kensington Police Protection and Community Services District receive moneys pursuant to paragraph (3) of subdivision (b), the county, each city, and each district specified in this subdivision shall appropriate those moneys in accordance with the following procedures:

(1) In the case of the county, the county board of supervisors shall appropriate existing and anticipated moneys exclusively to provide frontline law enforcement services, other than those services specified in paragraphs (1) and (2) of subdivision (b), in the unincorporated areas of the county, in response to written requests submitted to the board by the county sheriff and the district attorney. Any request submitted pursuant to this paragraph shall specify the frontline law enforcement needs of the requesting entity, and those personnel, equipment, and programs that are necessary to meet those needs. The board shall, at a public hearing held in September in each year that the Legislature appropriates funds for purposes of this chapter, consider and determine each submitted request within 60 days of receipt, pursuant to the decision of a majority of a quorum present. The board shall consider these written requests separate and apart from the process applicable to proposed allocations of the county general fund.

(2) In the case of a city, the city council shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with written requests submitted by the chief of police of that city or the chief administrator of the law enforcement agency that provides police services for that city. These written requests shall be acted upon by the city council in the same manner as specified in paragraph (1) for county appropriations.

(3) In the case of the Broadmoor Police Protection District within the County of San Mateo, the Bear Valley Community Services District or the Stallion Springs Community Services District within Kern County, the Lake Shastina Community Services District within Siskiyou County, or the Kensington Police Protection and Community Services District within Contra Costa County, the legislative body of that special district shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with written requests submitted by the chief administrator of the law enforcement agency that provides police services for that special district. These written requests shall be acted upon by the legislative body in the same manner specified in paragraph (1) for county appropriations.

(d) For each fiscal year in which the county, a city, or the Broadmoor Police Protection District within the County of San Mateo, the Bear Valley Community Services District or the Stallion Springs Community Services District within Kern County, the Lake Shastina Community Services District within Siskiyou County, or the Kensington Police Protection and Community Services District within Contra Costa County receives any moneys pursuant to this chapter, in no event shall the governing body of any of those recipient agencies subsequently alter any previous, valid appropriation by that body, for that same fiscal year, of moneys allocated to the county or city pursuant to paragraph (3) of subdivision (b).

(e) Funds received pursuant to subdivision (b) shall be expended or encumbered in accordance with this chapter no later than June 30 of the following fiscal year. A local agency that has not met this requirement shall remit unspent SLESF moneys to the Controller for deposit into the General Fund.

(f) In the event that a county, a city, a city and county, or a qualifying special district does not comply with the requirements of this chapter to receive an SLESF allocation, the Controller shall revert those funds to the General Fund.

SEC. 151. Section 30063 of the Government Code is amended to read:

30063. (a) The Supplemental Law Enforcement Services Fund (SLESF) in each county or city is to be expended exclusively as required by this chapter. Moneys in that fund shall not be transferred to, or

intermingled with, the moneys in any other fund in the county or city treasury, except that moneys may be transferred from the SLESF to the county's or city's general fund to the extent necessary to facilitate the appropriation and expenditure of those transferred moneys in the manner required by this chapter.

(b) Moneys in an SLESF may only be invested in safe and conservative investments in accordance with those standards of prudent investment applicable to the investment of trust moneys. The treasurer of the county and each city shall provide a monthly SLESF investment report to either the police chief or the county sheriff and district attorney, as applicable.

(c) Each year, at least 30 days prior to the date of the duly noticed public hearing required pursuant to paragraph (1) of subdivision (c) of Section 30061, the county auditor and city treasurer shall detail and summarize allocations from the county's or city's SLESF, as applicable, in a written, public report filed with the Supplemental Law Enforcement Oversight Committee (SLEOC), the county board of supervisors, or the city council, as applicable, for the entirety of the immediately preceding fiscal year, and the county sheriff or police chief, as applicable.

(d) A summary of the annual reports required in subdivision (c) shall be submitted in a standardized format to be developed by the Controller, in conjunction with the California District Attorney's Association, California Police Chief's Association, California State Sheriff's Association, California Peace Officer's Association, California County Auditor's Association, and California Municipal Treasurer's Association, by each SLEOC to the Controller on or before October 15, 2001, and each year thereafter. The Controller shall make a copy of the summarized reports available to the Governor, the Legislature, and the Legislative Analyst's office.

(e) By March 1 of each year, the Legislative Analyst's office shall report to the Legislature on the types of expenditures made by local law enforcement agencies in the previous fiscal year pursuant to this chapter, and, to the extent feasible, on the effects of those expenditures on law enforcement and public safety.

(f) A county, a city, or a city and county that fails to submit the data required pursuant to subdivision (d) of this section or to report as required pursuant to clause (i) of subparagraph (E) of paragraph (4) of subdivision (b) of Section 30061 shall not continue to expend funds allocated pursuant to subdivision (b) of Section 30061 or interest earned pursuant to subdivision (b) of this section until that data and that report are submitted as required by this chapter.

(g) Notwithstanding subdivision (f), if the SLEOC fails to transmit the data to the Controller required pursuant to subdivision (d), the local law enforcement agency may submit its expenditure data directly to the

Controller no later than 15 days after the date specified in subdivision (d). If the local law enforcement agency has complied with other requirements in this chapter, it may continue to expend funds allocated and interest earned pursuant to this chapter.

SEC. 152. Section 31520.1 of the Government Code is amended to read:

31520.1. In any county subject to the provisions of Articles 6.8 (commencing with Section 31639) and 7.5 (commencing with Section 31662.2), the board of retirement shall consist of nine members and one alternate, one of whom shall be the county treasurer. The second and third members of the board shall be members of the association, other than safety members, elected by the members within 30 days after the retirement system becomes operative in a manner determined by the board of supervisors. The fourth, fifth, sixth, and ninth members shall be qualified electors of the county who are not connected with the county government in any capacity, except one may be a supervisor, and shall be appointed by the board of supervisors. A supervisor appointed as a member of the retirement board shall not serve beyond his or her term of office as supervisor. The seventh member shall be a safety member of the association elected by the safety members. The eighth member shall be a retired member elected by the retired members of the association in a manner to be determined by the board of supervisors. The alternate member shall be that candidate, if any, for the seventh member from the group under Section 31470.2 or 31470.4, which is not represented by a board member who received the highest number of votes of all candidates in that group. If there is no such candidate there shall be no alternate member. The first person chosen as the second and fourth members shall serve for a term of two years beginning with the date the system becomes operative, the third and fifth members shall serve for a term of three years beginning with that date, and the sixth, seventh, and alternate members shall serve for a term of two years beginning January 1, 1952, or the date on which a retirement system established by this chapter becomes operative, whichever is the later. The eighth and ninth members shall take office as soon as practicable for an initial term to expire concurrent with the expiration of the longest remaining term of an elected member. Thereafter the terms of office of the elected and appointed members and alternate are three years.

The alternate member provided for by this section shall vote as a member of the board only in the event the second, third, seventh, or eighth member is absent from a board meeting for any cause, or if there is a vacancy with respect to the second, third, seventh, or eighth member, the alternate member shall fill the vacancy until a successor qualifies. The alternate shall sit on the board in place of the seventh member when

a member of the same service is before the board for determination of his or her retirement.

The amendments to this section during the 1972 Regular Session shall not be construed to affect the continuation on the board of retired members appointed by the board of supervisors until the expiration of the term for which they were appointed.

SEC. 153. Section 31629.5 of the Government Code is amended to read:

31629.5. (a) Notwithstanding Sections 31628 and 31629, on and after January 1, 2003, a member who is credited with less than the number of years of service required for vesting shall have the right to elect to leave accumulated contributions on deposit in the retirement fund. Failure to make an election to withdraw accumulated contributions shall be deemed an election to leave accumulated contributions on deposit in the retirement fund.

(b) An election to allow accumulated contributions to remain in the retirement fund may be revoked by the member at any time except: (1) while the member is employed in county service in a position in which the member is not excluded from membership in this system with respect to that service; (2) while the member is in service as a member of a public retirement system supported, in whole or in part, by state funds; or (3) while the member is in service, entered within six months after discontinuing county service, as a member of a reciprocal retirement system. All accumulated contributions contributed up to the time of revocation may then be withdrawn.

(c) A member whose membership continues under this section is subject to the same age, service, and disability requirements that apply to other members for service or disability retirement. After the qualification of the member for retirement by reason of age, which shall be the lowest age applicable to any membership category in which the member has credited service, or disability, the member shall be entitled to receive a retirement allowance based upon the amount of the member's accumulated contributions and service standing to the member's credit at the time of retirement and on the employer contributions held for the member and calculated in the same manner as for other members.

(d) Service, solely for purposes of meeting minimum service qualifications for service or disability retirement, shall also include service credited as an employee of a reciprocal system when the member retires concurrently from all reciprocal retirement systems. A member whose combined service from all reciprocal retirement systems does not meet the minimum service qualifications may not receive a service or disability retirement from this system.

(e) Notwithstanding Section 31467, for purposes of this section, “accumulated contributions” means the sum of all member contributions standing to the credit of a member’s individual account, and interest thereon.

SEC. 154. Section 31787.6 of the Government Code is amended to read:

31787.6. A surviving spouse of a safety member who is killed in the performance of duty or who dies as the result of an accident or injury caused by external violence or physical force, incurred in the performance of his or her duty, shall be paid the following amount in addition to all other benefits provided by this chapter:

A one-time lump-sum benefit equal to an amount, provided from contributions by the county or district, equal to the annual compensation earnable by the deceased at his or her monthly rate of compensation at the time of his or her death.

This section is not applicable to members described in Section 31469.2.

SEC. 155. Section 45310.7 of the Government Code is amended to read:

45310.7. (a) On and after January 1, 2003, a member who is credited with less than the number of years of service required for vesting shall have the right to elect to leave accumulated contributions on deposit in the retirement fund of the city’s retirement system. Failure to make an election to withdraw accumulated contributions shall be deemed an election to leave accumulated contributions on deposit in the system’s retirement fund.

(b) An election to allow accumulated contributions to remain in the system’s retirement fund may be revoked by the member at any time except: (1) while the member is employed in service in a position in which the member is not excluded from membership in the system with respect to that service; (2) while the member is in service as a member of a public retirement system supported, in whole or in part, by state funds; or (3) while the member is in service in a reciprocal retirement system, entered within six months after discontinuing service in the city’s retirement system. All accumulated contributions made up to the time of revocation may then be withdrawn.

(c) A member whose membership continues under this section is subject to the same age, service, and disability requirements as apply to other members for service or disability retirement. After the qualification of the member for retirement by reason of age, which shall be the lowest age applicable to any membership category in which the member has credited service, or disability, the member shall be entitled to receive a retirement allowance based upon the amount of the member’s accumulated contributions and service standing to the

member's credit at the time of retirement and on the employer contributions held for the member and calculated in the same manner as for other members.

(d) Service, solely for purposes of meeting minimum service qualifications for service or disability retirement, shall also include service credited as an employee of a reciprocal system when the member retires concurrently from all reciprocal retirement systems. A member whose combined service from all reciprocal retirement systems does not meet the minimum service qualifications may not receive a service or disability retirement from this system.

(e) For purposes of this section, "accumulated contributions" means the sum of all member contributions standing to the credit of a member's individual account, and interest thereon.

(f) It is the intent of the Legislature in enacting this section to recognize that the state has a compelling interest in ensuring that its public agencies recruit and retain the highest caliber of public employees by allowing local public employees to retain the service credit that they earned through their service as local public employees in order to encourage them to return to public employment and continue to serve the public.

SEC. 156. Section 53216.8 of the Government Code, as added by Chapter 883 of the Statutes of 2002, is amended to read:

53216.8. (a) Any former member who left the service of a local agency with established reciprocity, and who became a member of a county retirement system, a retirement system established under the Public Employees' Retirement Law, or another reciprocal retirement system and who did not elect to, or was not eligible to, leave his or her contributions on deposit, may elect to redeposit those contributions if he or she is an active member of a reciprocal retirement system or the Public Employees' Retirement System at the time of redeposit. A former member may exercise this right by redepositing in the retirement fund of the local agency he or she left, the amount of accumulated contributions and interest that he or she withdrew from that retirement fund plus regular interest thereon from the date of separation.

(b) A former member who redeposits under this section shall have the same rights as a member who elected to leave his or her accumulated contributions on deposit in the local agency's fund. The deferred retirement allowance of the member shall be determined in accordance with provisions applicable to a member retiring directly from local agency employment on the date of his or her retirement.

(c) A former member who redeposits under this section shall be entitled to a reduced age at entry, commencing with contributions payable the first day of the month following the date the local agency receives notice of the redeposit, if applicable.

(d) This section does not apply to either of the following:

(1) A member or former member who is retired.

(2) A former member who is not in the service of an employer making him or her a member of a county retirement system, a retirement system established under the Public Employees' Retirement Law, or another reciprocal retirement system.

(e) This section shall only apply to either of the following:

(1) A former member who is in the service of an employer as an officer or employee of a law enforcement agency or fire department whose principal duties consist of active law enforcement or firefighting and prevention service, but excluding one whose principal duties are those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions do not clearly come within the scope of active law enforcement or firefighting and prevention service, even though the officer or employee is subject to occasional call, or is occasionally called upon, to perform duties within the scope of active law enforcement or firefighting and prevention service.

(2) A former member who is in the service of an employer and seeks to redeposit contributions for past employment as an officer or employee of a law enforcement agency or fire department in this system whose principal duties consisted of active law enforcement or firefighting and prevention service, but excluding one whose principal duties were those of a telephone operator, clerk, stenographer, machinist, mechanic, or otherwise, and whose functions did not clearly come within the scope of active law enforcement or firefighting and prevention service, even though the officer or employee was subject to occasional call, or was occasionally called upon, to perform duties within the scope of active law enforcement or firefighting and prevention service.

(f) For purposes of this section, a "former member" is a member who left service under a retirement system established under this article and who did not elect to, or was not eligible to, leave his or her contributions on deposit.

(g) Each retirement system subject to this section shall establish criteria to determine the eligibility of a former member to redeposit contributions, and the amount of contributions that may be redeposited, in those cases in which the system no longer maintains complete records with respect to the former member.

(h) It is the intent of the Legislature in enacting this section to recognize a statewide public obligation to all those whose duties as local public safety officers expose them to more than ordinary risks through their contribution to ensuring public safety and to ensure that those who do serve or have served as local public safety officers shall have the ability to receive pension benefits for past public service in other jurisdictions within the state.

SEC. 157. Section 53601.7 of the Government Code is amended to read:

53601.7. Notwithstanding the investment parameters of Sections 53601 and 53635, a local agency that is a county or a city and county may invest any portion of the funds that it deems wise or expedient, using the following criteria:

(a) No investment shall be made in any security, other than a security underlying a repurchase or reverse purchase agreement, that, at the time of purchase, has a term remaining to maturity in excess of 397 days, and that would cause the dollar-weighted average maturity of the funds in the investment pool to exceed 90 days.

(b) All corporate and depository institution investments shall meet or exceed the following credit rating criteria at time of purchase:

(1) Short-term debt shall be rated at least "A-1" by Standard & Poor's Corporation, "P-1" by Moody's Investors Service, Inc., or "F-1" by Fitch Ratings. If the issuer of short-term debt has also issued long-term debt, this long-term debt rating shall be rated at least "A," without regard to +/- or 1, 2, 3 modifiers, by Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Ratings.

(2) Long-term debt shall be rated at least "A," without regard to +/- or 1, 2, 3 modifiers, by Standard & Poor's Corporation, Moody's Investors Service, Inc., or Fitch Ratings.

(c) No more than 5 percent of the total assets of the investments held by a local agency may be invested in the securities of any one issuer, except the obligations of the United States government, United States government agencies, and United States government-sponsored enterprises. No more than 10 percent may be invested in any one mutual fund.

(d) Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. A later increase or decrease in a percentage resulting from a change in values or assets shall not constitute a violation of that restriction. If subsequent to purchase, securities are downgraded below the minimum acceptable rating level, the securities shall be reviewed for possible sale within a reasonable amount of time after the downgrade.

(e) Within the limitations set forth in this section, a local agency electing to invest its funds pursuant to this section may invest in the following securities:

(1) Direct obligations of the United States Treasury or any other obligation guaranteed as to principal and interest by the United States government.

(2) Bonds, notes, debentures, or any other obligations of, or securities issued by, any federal government agency, instrumentality, or government-sponsored enterprise.

(3) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or other entity of the state.

(4) Bonds, notes, warrants, or other indebtedness of the local agency, or any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(5) Bankers acceptance, otherwise known as bills of exchange or time drafts drawn on and accepted by a commercial bank, primarily used to finance international trade. Purchases of bankers acceptances may not exceed 180 days to maturity.

(6) Short-term unsecured promissory notes issued by corporations for maturities of 270 days or less. Eligible commercial paper is further limited to the following:

(A) Issuing corporations that are organized and operating within the United States, having total assets in excess of five hundred million dollars (\$500,000,000).

(B) Maturities for eligible commercial paper that may not exceed 270 days and may not represent more than 10 percent of the outstanding paper of an issuing corporation.

(7) A certificate representing a deposit of funds at a commercial bank for a specified period of time and for a specified return at maturity. Eligible certificates of deposit shall be issued by a nationally or state-chartered bank or a state or federal association, as defined in Section 5102 of the Financial Code, or by a state-licensed branch of a foreign bank. For purposes of this subdivision, certificates of deposits shall not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money may not invest local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decisionmaking authority in the administrative office, manager's office, budget office, auditor-controller's office, or treasurer's office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, other credit committee or the supervisory committee

of the state or federal credit union issuing the negotiable certificate of deposit.

(8) Repurchase agreements, reverse repurchase agreements, or securities lending agreements of any securities authorized by this section, if the agreements meet the requirements of this paragraph and the delivery requirements specified in Section 53601. Investments in repurchase agreements may be made, on any investment authorized by this section, when the term of the agreement does not exceed one year. The market value of the securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities, and the value shall be adjusted no less than quarterly. Because the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance with this section if the value of the underlying securities is brought back to 102 percent no later than the next business day. Reverse repurchase agreements may be utilized only when all of the following criteria are met:

(A) The security being sold on reverse repurchase agreement or securities lending agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to the sale.

(B) The total of all reverse repurchase agreements on investments owned by the local agency not purchased or committed to purchase does not exceed 20 percent of the market value of the portfolio.

(C) The agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

(D) Funds obtained or funds within the pool of an equivalent amount to that obtained from selling a security to a counterparty by way of a reverse repurchase agreement or securities lending agreement, may not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement or securities lending agreement, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement or securities lending agreement and the final maturity date of the same security.

(E) Investments in reverse repurchase agreements or similar investments in which the local agency sells securities prior to purchase with a simultaneous agreement to repurchase the security, shall only be made with prior approval of the governing body of the local agency and shall only be made with primary dealers of the Federal Reserve Bank of

New York or with a nationally or state-chartered bank that has or has had a significant banking relationship with a local agency.

“Securities,” for purposes of this paragraph, means securities of the same issuer, description, issue date, and maturity.

(9) All debt securities issued by a corporation or depository institution with a remaining maturity of not more than 397 days, including securities specified as “medium-term notes,” as well as other debt instruments originally issued with maturities longer than 397 days, but which, at time of purchase, have a final maturity of 397 days or less. Eligible medium-term notes shall be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

(10) (A) Shares of beneficial interest issued by diversified management companies that invest in the securities and obligations described in this subdivision and that comply with the investment restrictions of this section. However, notwithstanding these restrictions, a counterparty to a reverse repurchase agreement shall not be required to be a primary dealer of the Federal Reserve Bank of New York if the company’s board of directors finds that the counterparty presents a minimal risk of default. The value of the securities underlying a repurchase agreement may be 100 percent of the sales price if the securities are marked to market daily.

(B) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the federal Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.).

(C) All shares of beneficial interest described in this paragraph shall have met either of the following criteria:

(i) Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

(ii) Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission and who has not less than five years’ experience investing in money market instruments and with assets under management in excess of five hundred million dollars (\$500,000,000).

(11) Any mortgage pass-through security, collateralized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable passthrough certificate, or consumer receivable-backed bond.

Securities eligible for investment under this paragraph shall be issued by an issuer having an “A” or higher rating from the issuer’s debt as provided by a nationally recognized rating service and rated in a rating

category of “AA” or its equivalent or better by a nationally recognized rating.

(12) Contracts issued by insurance companies that provide the policyholder with the right to receive a fixed or variable rate of interest and the full return of principal at the maturity date.

(13) Any investments that would qualify under SEC Rule 2a-7 of the Investment Company Act of 1940 guidelines. These investments shall also meet the limitations detailed in this section.

(f) For purposes of this section, all of the following definitions shall apply:

(1) “Repurchase agreement” means a purchase of securities pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement.

(2) “Significant banking relationship” means any of the following activities of a bank:

(A) Involvement in the creation, sale, purchase, or retirement of a local agency’s bonds, warrants, notes, or other evidence of indebtedness.

(B) Financing of a local agency’s securities or funds as deposits.

(C) Acceptance of a local agency’s securities or funds as deposits.

(3) “Reverse repurchase agreement” means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

(4) “Securities lending agreement” means an agreement with a local agency that agrees to transfer securities to a borrower who, in turn agrees to provide collateral to the local agency. During the term of the agreement, both the securities and the collateral are held by a third party. At the conclusion of the agreement, the securities are transferred back to the local agency in return for the collateral.

(5) “Local agency” means a county or city and county.

(g) For purposes of this section, the base value of the local agency’s pool portfolio shall be that dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements, or other similar borrowing methods.

(h) For purposes of this section, the spread is the difference between the cost of funds obtained using the reverse repurchase agreement and the earnings obtained on the reinvestment of the funds.

(i) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 158. Section 53635 of the Government Code is amended to read:

53635. (a) This section shall apply to a local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other local agencies, including local agencies that have the same governing body. However, Section 53601 shall apply to all local agencies that pool money in deposits or investments exclusively with local agencies that have the same governing body.

This section shall be interpreted in a manner that recognizes the distinct characteristics of investment pools and the distinct administrative burdens on managing and investing funds on a pooled basis pursuant to Article 6 (commencing with Section 27130) of Chapter 5 of Division 2 of Title 3.

A local agency that is a county, a city and county, or other local agency that pools money in deposits or investments with other agencies may invest in commercial paper pursuant to subdivision (g) of Section 53601, except that the local agency shall be subject to the following concentration limits:

(1) No more than 40 percent of the local agency's money may be invested in eligible commercial paper.

(2) No more than 10 percent of the local agency's money that may be invested pursuant to this section may be invested in the outstanding commercial paper of any single corporate issuer.

(3) No more than 10 percent of the outstanding commercial paper of any single corporate issuer may be purchased by the local agency.

(b) Notwithstanding Section 53601, the City of Los Angeles shall be subject to the concentration limits of this section for counties and cities and counties with regard to the investment of money in eligible commercial paper.

SEC. 159. Section 57116 of the Government Code is amended to read:

57116. In addition to any other requirements, any resolution of the commission ordering an incorporation subject to an election shall do all of the following:

(a) Provide for the election of the officers of the proposed city required to be elected, except as provided in Section 56724 and except as to officers designated as appointive, pursuant to Section 56723.

(b) Provide for the election on the question of whether members of the city council in future elections are to be elected by district or at large.

(c) If the petition so requests, state that the voters may express a preference as to whether or not the city shall operate under the city manager form of government, the ballot question being for or against the city manager form of government.

(d) If the petition so requests, state that the voters may express their preference between names for the new city.

SEC. 160. Section 68085 of the Government Code is amended to read:

68085. (a) (1) There is hereby established the Trial Court Trust Fund, the proceeds of which shall be apportioned at least quarterly for the purpose of funding trial court operations, as defined in Section 77003. Apportionment payments may not exceed 30 percent of the total annual apportionment to the Trial Court Trust Fund for state trial court funding in any 90-day period.

(2) The apportionment payments shall be made by the Controller. The final payment from the Trial Court Trust Fund for each fiscal year shall be made on or before August 31 of the subsequent fiscal year.

(3) If apportionment payments are made on a quarterly basis, the payments shall be on July 15, October 15, January 15, and April 15. In addition to quarterly payments, a final payment from the Trial Court Trust Fund for each fiscal year may be made on or before August 31 of the subsequent fiscal year.

(4) Notwithstanding any other provision of law, in order to promote statewide efficiency, the Judicial Council may authorize the direct payment or reimbursement or both of actual costs from the Trial Court Trust Fund for trial court programs, contract costs, or legal and financial services to one or more participating courts upon appropriation of funding for these purposes in the annual Budget Act. Upon prior written approval of the Director of Finance, the Judicial Council may also authorize an increase in any reimbursements or direct payments in excess of the amount appropriated in the annual Budget Act. For any increases in reimbursements or direct payments within the fiscal year that exceed 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 annual Budget Act, 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. The direct payment or reimbursement of costs may be supported by the reduction of a participating court's allocation from the Trial Court Trust Fund to the extent that the court's expenditures for the program are reduced and the court is supported by the program. The Judicial Council shall provide the affected trial courts with quarterly reports on expenditures incurred as authorized by this subdivision. The Judicial Council shall establish

procedures to provide for the administration of this paragraph in a way that promotes the effective, efficient, reliable, and accountable operation of the trial courts.

(b) Notwithstanding any other provision of law, the fees listed in subdivision (c) shall all be deposited upon collection in a special account in the county treasury, and transmitted monthly to the Controller for deposit in the Trial Court Trust Fund.

(c) (1) Except as specified in subdivision (d), this section applies to all fees collected pursuant to Sections 631.3, 116.230, and 403.060 of the Code of Civil Procedure and Sections 26820.4, 26823, 26826, 26826.01, 26827, 26827.4, 26830, 26832.1, 26833.1, 26835.1, 26836.1, 26837.1, 26838, 26850.1, 26851.1, 26852.1, 26853.1, 26855.4, 26862, 27081.5, 68086, 72055, 72056, 72056.01, and 72060.

(2) If any of the fees provided for in this subdivision are partially waived by court order, and the fee is to be divided between the Trial Court Trust Fund and any other fund, the amount of the partial waiver shall be deducted from the amount to be distributed to each fund in the same proportion as the amount of each distribution bears to the total amount of the fee.

(3) Any amounts transmitted by a county to the Controller for deposit into the Trial Court Trust Fund from fees collected pursuant to Section 27361 between January 1, 1998, and the effective date of this paragraph shall be credited against the total amount the county is required to pay to the state pursuant to paragraph (2) of subdivision (b) of Section 77201 for the 1997–98 fiscal year.

(d) This section does not apply to that portion of a filing fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056 which is allocated for dispute resolution pursuant to Section 470.3 of the Business and Professions Code, the county law library pursuant to Section 6320 of the Business and Professions Code, the Judges' Retirement Fund pursuant to Section 26822.3, automated recordkeeping or conversion to micrographics pursuant to Sections 26863 and 68090.7, and courthouse financing pursuant to Section 76238. This section also does not apply to fees collected pursuant to subdivisions (a) and (c) of Section 27361.

(e) This section applies to all payments required to be made to the State Treasury by any county or city and county pursuant to Section 77201, 77201.1, or 77205.

(f) Notwithstanding any other provision of law, no agency may take action to change the amounts allocated to any of the funds described in subdivision (a), (b), (c), or (d).

(g) Before making any apportionments under this section, the Controller shall deduct, from the annual appropriation for that purpose, the actual administrative costs that will be incurred under this section.

Costs reimbursed under this section shall be determined on an annual basis in consultation with the Judicial Council.

(h) Any amounts required to be transmitted by a county or city and county to the state pursuant to this section shall be remitted to the Controller no later than 45 days after the end of the month in which the fees were collected. This remittance shall be accompanied by a remittance advice identifying the collection month and the appropriate account in the Trial Court Trust Fund to which it is to be deposited. Any remittance which is not made by the county or city and county in accordance with this section shall be considered delinquent, and subject to the penalties specified in this section.

(i) Upon receipt of any delinquent payment required pursuant to this section, the Controller shall calculate a penalty on any delinquent payment by multiplying the amount of the delinquent payment at a daily rate equivalent to $1\frac{1}{2}$ percent per month for the number of days the payment is delinquent. Notwithstanding Section 77009, any penalty on a delinquent payment that a court is required to reimburse to a county's general fund pursuant to this section and Section 24353 shall be paid from the Trial Court Operations Fund for that court.

(j) Penalty amounts calculated pursuant to subdivision (i) shall be paid by the county to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated.

(k) The Trial Court Trust Fund shall be invested in the Surplus Money Investment Fund and all interest earned shall be allocated to the Trial Court Trust Fund semiannually and shall be allocated among the courts in accordance with the requirements of subdivision (a). The specific allocations shall be specified by the Judicial Council, based upon recommendations from the Trial Court Budget Commission.

(l) It is the intent of the Legislature that the revenues required to be deposited into the Trial Court Trust Fund be remitted as soon after collection by the courts as possible. Not later than February 1, 2001, the Judicial Council, in consultation with the California State Association of Counties and the California County Auditors Association, shall study and make recommendations to the Legislature on alternative procedures that would improve the collection and remittance of revenues to the Trial Court Trust Fund.

SEC. 161. Section 68095 of the Government Code is amended to read:

68095. Except as otherwise provided by law, witness' fees for each day's actual attendance, when legally required to attend, or if the witness attends voluntarily and is called to testify, before a coroner's jury, are twelve dollars (\$12) a day and mileage for each mile actually traveled in attendance as a witness, one way only, twenty cents (\$.20). That per diem and mileage shall be a county charge.

SEC. 162. Section 68115 of the Government Code is amended to read:

68115. When war, insurrection, pestilence, or other public calamity, or the danger thereof, or the destruction of or danger to the building appointed for holding the court, renders it necessary, or when a large influx of criminal cases resulting from a large number of arrests within a short period of time threatens the orderly operation of a superior court, the presiding judge may request and the Chairperson of the Judicial Council may, notwithstanding any other provision of law, by order authorize the court to do one or more of the following:

- (a) Hold sessions anywhere within the county.
- (b) Transfer civil cases pending trial in the court to a superior court in an adjacent county. No such transfer shall be made pursuant to this subdivision except with the consent of all parties to the case or upon a showing by a party that extreme or undue hardship would result unless the case is transferred for trial. Any civil case so transferred shall be integrated into the existing caseload of the court to which it is transferred pursuant to rules to be provided by the Judicial Council.
- (c) Within the affected county during a state of emergency resulting from a natural or human-made disaster proclaimed by the President of the United States or by the Governor pursuant to Section 8625 of the Government Code, extend the time period provided in Section 825 of the Penal Code within which a defendant charged with a felony offense shall be taken before a magistrate from 48 hours to not more than seven days, with the number of days to be designated by the Chairperson of the Judicial Council. This authorization shall be effective for 30 days unless it is extended by a new request and a new order.
- (d) Extend the time period provided in Section 859b of the Penal Code for the holding of a preliminary examination from 10 court days to not more than 15 days.
- (e) Extend the time period provided in Section 1382 of the Penal Code within which the trial must be held by not more than 30 days, but the trial of a defendant in custody whose time is so extended shall be given precedence over all other cases.
- (f) Within the affected area of a county during a state of emergency resulting from a natural or human-made disaster proclaimed by the President of the United States or by the Governor pursuant to Section 8625 of the Government Code, extend the time period provided in Sections 632 and 637 of the Welfare and Institutions Code within which a minor shall be given a detention hearing, with the number of days to be designated by the Chairperson of the Judicial Council. The extension of time shall be for the shortest period of time necessary under the circumstances of the emergency, but in no event shall the time period within which a detention hearing must be given be extended to more than

seven days. This authorization shall be effective for 30 days unless it is extended by a new request and a new order. This subdivision shall apply only where the minor has been charged with a felony.

(g) Within the affected county during a state of emergency resulting from a natural or human-made disaster proclaimed by the President of the United States or by the Governor pursuant to Section 8625 of the Government Code, extend the time period provided in Section 657 of the Welfare and Institutions Code within which an adjudication on a juvenile court petition shall be held to not more than 15 days, with the number of days to be designated by the Chairperson of the Judicial Council. This authorization shall be effective for 30 days unless it is extended by a new request and a new order. This subdivision shall apply only where the minor has been charged with a felony.

SEC. 163. Section 68620 of the Government Code is amended to read:

68620. (a) Each superior court shall establish a delay reduction program for limited civil cases in consultation with the local bar that is consistent with the provisions of this article. In its discretion, the Judicial Council may assist in the development of, or may develop and adopt, any or all procedures, standards, or policies for a delay reduction program for limited civil cases in superior courts on a statewide basis which are consistent with the provisions of the Trial Court Delay Reduction Act.

(b) Actions and proceedings subject to the provisions of Chapter 5.5 (commencing with Section 116.110) of Title 1 of Part 1 of the Code of Civil Procedure or provisions of Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure may not be assigned to or governed by the provisions of any delay reduction program established pursuant to this section.

(c) It is the intent of the Legislature that the civil discovery in actions and proceedings subject to a program established pursuant to Article 2 (commencing with Section 90) of Chapter 5 of Title 1 of Part 1 of the Code of Civil Procedure shall be governed by the times and procedures specified in that article. Civil discovery in these actions and proceedings is not affected by the provisions of any delay reduction program adopted pursuant to this section.

SEC. 164. Section 69587 of the Government Code is amended to read:

69587. In the County of Madera there are seven judges of the Superior Court.

SEC. 165. Section 69588 of the Government Code is amended to read:

69588. In the County of Marin there are 10 judges of the Superior Court.

SEC. 166. Section 70367 of the Government Code is amended to read:

70367. (a) Within 30 days after the Administrative Director of the Courts has mailed to the county, under Section 70364, the approved county facilities payment, the Administrative Director of the Courts may submit a declaration to the Court Facilities Dispute Resolution Committee, mailing of copies to the other parties, that the amount is incorrect because the county failed to report court facilities expenses paid by the county which reduced the amount of the approved county facilities payment.

(b) The county shall mail its comments to the Court Facilities Dispute Resolution Committee on the administrative director's declaration within 30 days of the mailing of the administrative director's declaration, with mailing to the other parties.

(c) Within 90 days of receipt of comments pursuant to subdivision (b), the Court Facilities Dispute Resolution Committee shall review the declarations and comments received, and make its recommendation to the Director of Finance concerning correction of any errors and, if necessary, adjustment of the amount of the county facilities payment. The Court Facilities Dispute Resolution Committee shall mail a copy of its recommendation to all the parties.

(d) The Director of Finance or his or her designee shall review the recommendations of the Court Facilities Dispute Resolution Committee and make his or her determination concerning any correction of errors and, if necessary, adjustment of the amount of the county facilities payment. The director shall serve a copy of his or her determination on all the parties.

SEC. 167. Section 70391 of the Government Code is amended to read:

70391. The Judicial Council, as the policymaking body for the judicial branch, shall have the following responsibilities and authorities with regard to court facilities, in addition to any other responsibilities or authorities established by law:

(a) Exercise full responsibility, jurisdiction, control, and authority as an owner would have over trial court facilities whose title is held by the state, including, but not limited to, the acquisition and development of facilities.

(b) Exercise the full range of policymaking authority over trial court facilities, including, but not limited to, planning, construction, acquisition, and operation, to the extent not expressly otherwise limited by law.

(c) Dispose of surplus court facilities following the transfer of responsibility under Article 3 (commencing with Section 70321), subject to all of the following:

(1) If the property was a court facility previously the responsibility of the county, the Judicial Council shall comply with the requirements of Section 11011, and as follows, except that, notwithstanding any other provision of law, the proportion of the net proceeds that represents the proportion of other state funds used on the property other than for operation and maintenance shall be returned to the fund from which it came and the remainder of the proceeds shall be deposited in the State Court Facilities Construction Fund.

(2) The Judicial Council shall consult with the county concerning the disposition of the facility.

(3) The Judicial Council shall consider whether the potential new or planned use of the facility:

(A) Is compatible with the use of other adjacent public buildings.

(B) Unreasonably departs from the historic or local character of the surrounding property or local community.

(C) Has a negative impact on the local community.

(D) Unreasonably interferes with other governmental agencies that use or are located in or adjacent to the building containing the court facility.

(E) Is of sufficient benefit to outweigh the public good in maintaining it as a court facility or building.

(4) All funds received for disposal of surplus court facilities shall be deposited by the Judicial Council in the State Court Facilities Construction Fund.

(5) If the facility was acquired, rehabilitated, or constructed, in whole or in part, with money in the State Court Facilities Construction Fund that was deposited in that fund from the state fund, any funds received for disposal of that facility shall be apportioned to the state fund and the State Court Facilities Construction Fund in the same proportion that the original cost of the building was paid from the state fund and other sources of the State Court Facilities Construction Fund.

(d) Conduct audits of all of the following:

(1) The collection of fees by the local courts.

(2) The money in local courthouse construction funds established pursuant to Section 76100.

(e) Establish policies, procedures, and guidelines for ensuring that the courts have adequate and sufficient facilities, including, but not limited to, facilities planning, acquisition, construction, design, operation, and maintenance.

(f) Establish and consult with local project advisory groups on the construction of new trial court facilities, including the trial court, the county, state agencies, bar groups, and members of the community.

(g) Manage court facilities in consultation with the trial courts.

(h) Allocate appropriated funds for court facilities maintenance and construction, subject to the other provisions of this chapter.

(i) Manage shared-use facilities to the extent required by the agreement under Section 70343.

(j) Prepare funding requests for court facility construction, repair, and maintenance.

(k) Implement the design, bid, award, and construction of all court construction projects, except as delegated to others.

(l) Provide for capital outlay projects that may be built with funds appropriated or otherwise available for these purposes as follows:

(1) Approve five-year and master plans for each district.

(2) Establish priorities for construction.

(3) Recommend to the Governor and the Legislature the projects to be funded by the State Court Facilities Construction Fund.

(4) Submit the cost of projects proposed to be funded to the Department of Finance for inclusion in the Governor's Budget.

(m) In carrying out its responsibilities and authority under this section, the Judicial Council shall consult with the local court for:

(1) Selecting and contracting with facility consultants.

(2) Preparing and reviewing architectural programs and designs for court facilities.

(3) Preparing strategic master and five-year capital facilities plans.

(4) Major maintenance of any facility.

SEC. 168. Section 70392 of the Government Code is amended to read:

70392. Pursuant to subdivision (b) of Section 70374, the Administrative Office of the Courts shall have the following responsibilities and authority in addition to other responsibilities and authority granted by law or delegated by the Judicial Council:

(a) Notwithstanding any other provision of law and subject to the appropriation of funds, provide the ongoing oversight, management, operation, and maintenance of facilities used by the trial courts, if the responsibility for the facility has been transferred to the Judicial Council pursuant to this chapter.

(b) Carry out the Judicial Council's policies with regard to trial court facilities, except as otherwise expressly limited by law.

(c) Develop for Judicial Council approval the master plans for trial court facilities in each district.

(d) Construction of court buildings, including, but not limited to, selection of architects and contractors, except as otherwise expressly limited by law.

(e) Delegate its responsibilities and authority to the local trial court for court facilities used by that court.

SEC. 169. Section 71601 of the Government Code is amended to read:

71601. For purposes of this chapter, the following definitions shall apply:

(a) "Appointment" means the offer to and acceptance by a person of a position in the trial court in accordance with this chapter and the trial court's personnel policies, procedures, and plans.

(b) "Employee organization" means any organization that includes trial court employees and has as one of its primary purposes representing those employees in their relations with the trial court.

(c) "Hiring" means appointment as defined in subdivision (a).

(d) "Mediation" means effort by an impartial third party to assist in reconciling a dispute regarding wages, hours, and other terms and conditions of employment between representatives of the trial court and the recognized employee organization or recognized employee organizations through interpretation, suggestion, and advice.

(e) "Meet and confer in good faith" means that a trial court or representatives as it may designate, and representatives of recognized employee organizations, shall have the mutual obligation personally to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange freely information, opinions, and proposals, and to endeavor to reach agreement on matters within the scope of representation. The process should include adequate time for the resolution of impasses where specific procedures for resolution are contained in this chapter or in a local rule, or when the procedures are utilized by mutual consent.

(f) "Personnel rules," "personnel policies, procedures, and plans," and "rules and regulations" mean policies, procedures, plans, rules, or regulations adopted by a trial court or its designee pertaining to conditions of employment of trial court employees, subject to meet and confer in good faith.

(g) "Promotion" means promotion within the trial court as defined in the trial court's personnel policies, procedures, and plans, subject to meet and confer in good faith.

(h) "Recognized employee organization" means an employee organization that has been formally acknowledged to represent trial court employees by the county under Sections 3500 to 3510, inclusive, prior to the implementation date of this chapter, or by the trial court under Rules 2201 to 2210, inclusive, of the California Rules of Court, as those rules read on April 23, 1997, Sections 70210 to 70219, inclusive, or Article 3 (commencing with Section 71630) of this chapter.

(i) "Subordinate judicial officer" means an officer appointed to perform subordinate judicial duties as authorized by Section 22 of Article VI of the California Constitution, including, but not limited to,

a court commissioner, probate commissioner, referee, traffic referee, juvenile referee, and judge pro tempore.

(j) "Transfer" means transfer within the trial court as defined in the trial court's personnel policies, procedures, and plans, subject to meet and confer in good faith.

(k) "Trial court" means a superior court or a municipal court.

(l) "Trial court employee" means a person who is both of the following:

(1) Paid from the trial court's budget, regardless of the funding source. For the purpose of this paragraph, "trial court's budget" means funds from which the presiding judge of a trial court, or his or her designee, has authority to control, authorize, and direct expenditures, including, but not limited to, local revenues, all grant funds, and trial court operations funds.

(2) Subject to the trial court's right to control the manner and means of his or her work because of the trial court's authority to hire, supervise, discipline, and terminate employment. For purposes of this paragraph only, the "trial court" includes the judges of a trial court or their appointees who are vested with or delegated the authority to hire, supervise, discipline, and terminate.

(m) A person is a "trial court employee" if and only if both paragraphs (1) and (2) of subdivision (l) are true irrespective of job classification or whether the functions performed by that person are identified in Rule 810 of the California Rules of Court. The phrase "trial court employee" includes those subordinate judicial officers who satisfy paragraphs (1) and (2) of subdivision (l). The phrase "trial court employee" does not include temporary employees hired through agencies, jurors, individuals hired by the trial court pursuant to an independent contractor agreement, individuals for whom the county or trial court reports income to the Internal Revenue Service on a Form 1099 and does not withhold employment taxes, sheriffs, and judges whether elected or appointed. A temporary employee, whether hired through an agency or not, may not be employed in the trial court for a period exceeding 180 calendar days.

SEC. 170. Section 71615 of the Government Code is amended to read:

71615. (a) Except as provided in subdivision (b), the effective date of this act shall be its implementation date.

(b) Representatives of a trial court and representatives of recognized employee organizations may mutually agree to an implementation date of this act later than the effective date of this act. However, if any provisions of this chapter are governed by an existing memorandum of understanding or agreement covering trial court employees, as to those provisions the implementation date shall be either the date a successor

memorandum of understanding or agreement is effective or, if no agreement for a successor memorandum of understanding or agreement is reached, 90 days from the date of the expiration of the predecessor memorandum of understanding or agreement, unless representatives of the trial court and representatives of recognized employee organizations mutually agree otherwise.

(c) As of the implementation date of this chapter, all of the following shall apply:

(1) All persons who meet the definition of trial court employee shall become trial court employees at their existing or equivalent classifications.

(2) Employment seniority of a trial court employee, as calculated and used under the system in effect prior to the implementation of this act, shall be calculated and used in the same manner by the trial court.

(3) A trial court employee shall have the same status he or she had as a probationary, permanent, or regular employee under the system in effect prior to implementation of this act. A probationary employee shall not be required to serve a new probationary period and shall continue the existing probationary period under the terms of hire.

(4) Subject to the agreement of the county, and unless prohibited or limited by charter provisions, the policies regarding transfer between the trial court and the county that are in place as of the implementation date of this act shall be continued while an existing memorandum of understanding or agreement remains in effect or for two years, whichever is longer, and any further rights of trial court employees to transfer between the trial court and the county shall be subject to the obligation to meet and confer in good faith at the local level between representatives of the trial court and representatives of recognized employee organizations and local negotiation between the trial court and the county. Subject to the agreement of the county, and unless prohibited or limited by charter provisions, the policies regarding the portability of seniority, accrued leave credits, and leave accrual rates that are in effect upon the implementation date of this act shall be continued if trial court or county employees transfer between the trial court and the county or the county and the trial court while an existing memorandum of understanding or agreement remains in effect, or for a period of two years, whichever is longer. Any further right of trial court employees to portability is subject to the obligation to meet and confer in good faith between representatives of the trial court and representatives of recognized employee organizations and local negotiation between the trial court and the county.

(5) Each trial court shall be deemed the successor employer of all trial court employees in the county in which the trial court is located.

(d) In establishing local personnel structures for trial court employees in accordance with this chapter, the trial court shall comply with contractual obligations, and consideration shall be given to minimizing disruption of the trial court workforce and protecting the rights accrued by trial court employees under their current systems. However, prior contractual obligations and rights may be reconsidered subject to the obligation to meet and confer in good faith, provided both parties give consideration to past contractual obligations and rights.

(e) Unrepresented trial court employees are governed by a trial court's personnel policies, procedures, and plans. The implementation of this act may not be a cause for changing a trial court's personnel policies, procedures, and plans applicable to unrepresented trial court employees except where required to bring those policies, procedures, and plans into conformity with this chapter. Except as otherwise expressly provided in this act, a trial court retains all existing rights with respect to revising its personnel policies, procedures, and plans as applied to unrepresented trial court employees.

(f) Upon implementation of this act in a trial court, Sections 68650 to 68655, inclusive, and Rules 2201 to 2210, inclusive, of the California Rules of Court, shall be inoperative as to that trial court.

(g) Notwithstanding paragraph (4) of subdivision (c), both of the following shall apply:

(1) Unless prohibited or limited by charter provisions, the policies regarding transfer between either the trial court and the county or the county and the trial court that were in effect as of January 1, 2001, shall be continued while an existing memorandum of understanding or agreement remains in effect or until January 1, 2005, whichever period is longer. Thereafter, any rights of trial court employees to transfer between the trial court and the county shall be subject to the obligation to meet and confer in good faith at the local level between representatives of the trial court and representatives of recognized employee organizations, and local negotiation between the trial court and the county.

(2) Unless prohibited or limited by charter provisions, the policies regarding the portability of seniority, accrued leave credits, and leave accrual rates that were in effect on January 1, 2001, shall be continued if trial court or county employees transfer between either the trial court and the county or the county and the trial court while an existing memorandum of understanding or agreement remains in effect, or until January 1, 2005, whichever period is longer. Thereafter, any right of trial court employees to portability is subject to the obligation to meet and confer in good faith between representatives of the trial court and representatives of recognized employee organizations and local negotiation between the trial court and the county.

SEC. 171. Section 71632.5 of the Government Code is amended to read:

71632.5. (a) Notwithstanding any other provision of law, rule, or regulation, an agency shop agreement may be negotiated between a trial court and a recognized employee organization that has been recognized as the exclusive or majority bargaining agent pursuant to reasonable rules and regulations, and enactments, in accordance with this article. As used in this article, "agency shop" means an arrangement that requires an employee, as a condition of continued employment, either to join the recognized employee organization, or to pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of that organization for the duration of the agreement or a period of three years from the effective date of the agreement, whichever comes first. However, any employee who is a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting recognized employee organizations shall not be required to join or financially support any recognized employee organization as a condition of employment. That employee may be required, in lieu of periodic dues, initiation fees, or agency shop fees to pay sums equal to those dues, initiation fees, or agency shop fees to a nonreligious, nonlabor charitable organization fund exempt from taxation under Section 501 (c)(3) of the Internal Revenue Code, chosen by the employee from a list of at least three funds, designated in a memorandum of understanding or agreement between the trial court and the recognized employee organization, or if the memorandum of understanding or agreement fails to designate any funds, then to any fund chosen by the employee. Proof of those payments shall be made on a monthly basis to the trial court as a condition of continued exemption from the requirement of financial support to the recognized employee organization.

(b) An agency shop provision in a memorandum of understanding or agreement which is in effect may be rescinded by a majority vote of all the employees in the unit covered by the memorandum of understanding or agreement, provided that (1) a request for the vote is supported by a petition containing the signatures of at least 30 percent of the employees in the unit; (2) the vote is by secret ballot; and (3) the vote may be taken at any time during the term of the memorandum of understanding or agreement, but in no event shall there be more than one vote taken during that term.

(c) In addition to the procedure prescribed in subdivision (a), an agency shop arrangement between the trial court and a recognized employee organization or recognized employee organizations shall be placed in effect, without a negotiated agreement, upon (1) a signed petition of at least 30 percent of the employees in the applicable

bargaining unit requesting an agency shop agreement and an election to implement an agency fee arrangement, and (2) the approval of a majority of employees who cast ballots and vote in a secret ballot election in favor of the agency shop agreement. The petition may only be filed after the recognized employee organization has requested the trial court to negotiate on an agency shop arrangement and, beginning seven working days after the trial court received this request, the two parties have had 30 calendar days to attempt good faith negotiations in an effort to reach agreement. An election, that may not be held more frequently than once a year, shall be conducted by the Division of Conciliation of the Department of Industrial Relations in the event that the trial court and the recognized employee organization cannot agree within 10 days from the filing of the petition to select jointly a neutral person or entity to conduct the election. In the event of an agency fee arrangement outside of an agreement that was in effect on January 1, 2002, the recognized employee organization shall defend, indemnify, and hold the trial court harmless against any liability arising from any claims, demands, or other action relating to the trial court's compliance with the agency fee obligation. Upon notification to the trial court by the recognized employee organization, the amount of the fee shall be deducted by the trial court from the wages or salary of the employee and paid to the employee organization. This subdivision shall be applicable on the operative date of this section, except that if a memorandum of understanding or agreement between the trial court and a recognized employee organization was in effect before January 1, 2002, as to the employees covered by the memorandum of understanding or agreement, the implementation date of this subdivision shall be either the date a successor memorandum of understanding or agreement is effective or, if no agreement for a successor memorandum of understanding or agreement is reached, 90 days from the date of the expiration of the predecessor memorandum of understanding or agreement. The trial court and representatives of recognized employee organizations may mutually agree to a different date on which this subdivision is applicable.

(d) Notwithstanding subdivisions (a), (b), and (c), the trial court and the recognized employee organization may negotiate, and by mutual agreement provide for, an alternative procedure or procedures regarding a vote on any agency shop agreement.

(e) An agency shop agreement or arrangement does not apply to management, confidential, or supervisory employees. If those employees nonetheless choose to join the recognized employee organization and pay dues or pay the organization a service fee, Section 71638 shall apply to those employees, and the trial court shall administer deductions for which the recognized employee organization shall defend, indemnify, and hold the trial court harmless.

(f) Every recognized employee organization that has agreed to an agency shop provision, or is a party to an agency shop arrangement, shall keep an adequate itemized record of its financial transactions and shall make available annually, to the trial court with which the agency shop provision was negotiated, and to the employees who are members of the organization, within 60 days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an operating statement, certified as to accuracy by its president and treasurer or corresponding principal officer, or by a certified public accountant. An employee organization required to file financial reports under the federal Labor-Management Disclosure Act of 1959 covering employees governed by this chapter or required to file financial reports under Section 3546.5, may satisfy the financial reporting requirement of this section by providing the trial court with a copy of those financial reports.

(g) This section shall become operative only if Section 3502.5 is amended to provide that a 30-percent or greater showing of interest by means of a petition requires an election regarding an agency shop, and a vote at that election of 50 percent plus one of those voting secures an agency shop arrangement.

(h) A trial court may not offer employees inducements or benefits of any kind in return for employees opposing or rescinding an agency shop arrangement.

SEC. 172. Section 71636 of the Government Code is amended to read:

71636. (a) A trial court may adopt reasonable rules and regulations, after consultation in good faith with representatives of an employee organization or organizations, for the administration of employer-employee relations under this article. These rules and regulations may include provisions for:

(1) Verifying that an organization does in fact represent employees of the trial court.

(2) Verifying the official status of employee organization officers and representatives.

(3) Recognition of employee organizations.

(4) Exclusive recognition of employee organizations formally recognized pursuant to a vote of the employees of the trial court or an appropriate unit thereof, subject to the right of an employee to represent himself or herself as provided in Section 71631.

(5) Additional procedures for the resolution of disputes involving wages, hours, and other terms and conditions of employment.

(6) Access of employee organization officers and representatives to work locations.

(7) Use of official bulletin boards and other means of communication by employee organizations.

(8) Furnishing nonconfidential information pertaining to employment relations to employee organizations.

(9) Any other matters as are necessary to carry out the purposes of this article.

(b) Exclusive recognition of employee organizations formally recognized as majority representatives pursuant to a vote of the employees may be revoked by a majority vote of the employees only after a period of not less than 12 months following the date of recognition.

(c) No trial court shall unreasonably withhold recognition of employee organizations. A trial court may not offer to provide employees benefits of any kind for the purpose of inducing those employees to decertify or withdraw support from a recognized employee organization.

(d) Pursuant to the obligation to meet and confer in good faith, the trial court shall establish procedures to determine the appropriateness of any bargaining unit of court employees.

SEC. 173. Section 71636.3 of the Government Code is amended to read:

71636.3. (a) Unit determinations and representation elections shall be determined and processed in accordance with rules adopted by a trial court in accordance with this chapter. In a representation election, a majority of the votes cast by the employees in the appropriate bargaining unit shall be required.

(b) Notwithstanding subdivision (a) and rules adopted by a trial court pursuant to Section 71636, a bargaining unit in effect as of January 1, 2002, shall continue in effect unless changed under the rules adopted by the trial court pursuant to Section 71636.

(c) A trial court shall grant exclusive or majority recognition to an employee organization based on a signed petition, authorization cards, or union membership cards showing that a majority of the employees in an appropriate bargaining unit desire the representation, unless another labor organization has previously been lawfully recognized as exclusive or majority representative of all or part of the same unit. Exclusive or majority representation shall be determined by a neutral third party, selected by the trial court and the employee organization, who shall review the signed petition, authorization cards, or union membership cards to verify the exclusive or majority status of the employee organization. If the trial court and the employee organization cannot agree on a neutral third party, the Division of Conciliation of the Department of Industrial Relations shall be the neutral third party and shall verify the exclusive or majority status of the employee

organization. If the neutral third party determines, based on a signed petition, authorization cards, or union membership cards, that a second labor organization has the support of at least 30 percent of the employees in the unit in which recognition is sought, the neutral third party shall order an election to establish which labor organization, if any, has majority status.

SEC. 174. Section 73665 of the Government Code is amended to read:

73665. (a) Effective January 1, 1999, the Sheriff of Humboldt County shall assume the duties and responsibilities of the Humboldt County Marshal and the office of the marshal shall be consolidated with the office of sheriff. Upon the effective date of the consolidation there shall be established within the Humboldt County Sheriff's Department a unit designated as the Court Security Services Division. The Sheriff of Humboldt County shall be responsible for the management and operation of this division, in accordance with this article.

(b) No provision of this article may be deemed in any manner to limit or otherwise impair the power vested by all other laws in the Superior Court of Humboldt County to secure proper provision of court-related services.

(c) This section shall remain in effect only until January 1, 2018, and as of that date is repealed unless a later enacted statute, which is enacted before January 1, 2018, deletes or extends that date. The repeal of this section does not affect any right or benefit to which a person was entitled on the date of repeal.

SEC. 175. Section 73757 of the Government Code is amended to read:

73757. (a) In Madera County the majority of the judges of the superior court have voted to consolidate court services and security functions in the office of the Sheriff of Madera County.

(b) The sheriff's functions shall include, but not be limited to, providing all bailiff functions for the unified superior court in Madera County, and all other duties imposed by law upon deputy sheriffs and peace officers generally.

(c) The sheriff shall be responsible for the service of all writs, notices, and other processes issued by any court or other competent authority. Nothing in this section shall be construed as limiting the responsibility or authority of a private person or registered process server from serving process or notices in the manner prescribed by law, nor shall it limit the authority of the sheriff or any other peace officer to serve warrants of arrest or other process specifically directed by any court to the sheriff or any other peace officer.

(d) Each elected marshal holding office in Madera County as of January 1, 2000, shall become an employee of the Madera County

Sheriff's Department in the position of sheriff's bailiff, as of that date and each elective position of Marshal of the Madera County Municipal Court District is abolished as of that date. Each marshal transferring to the sheriff's department pursuant to this section shall be compensated at not less than the EL-10 step of Salary Range 43 (table B). No transferring marshal shall lose peace officer status or be demoted or otherwise be adversely affected by the consolidation of court-related services accomplished by this section. Each transferring marshal employed in the position of sheriff's bailiff shall be deemed duly qualified for that position and no other qualifications shall be required for that employment or retention in that position. Any transferring marshal wishing to transfer to another position shall meet the qualifications of a peace officer as required by subdivision (a) of Section 832 of the Penal Code and any other requirements of the Madera County civil service system. For purposes of establishing seniority within the class of sheriff's bailiff, each transferring marshal shall be credited with the marshal's total years of service to Madera County as a constable and marshal.

(e) This section shall remain in effect only until January 1, 2018, and as of that date is repealed unless a later enacted statute, which is enacted before January 1, 2018, deletes or extends that date. The repeal of this section does not affect any right or benefit to which a person was entitled on the date of repeal.

SEC. 176. Section 82011 of the Government Code is amended to read:

82011. "Code reviewing body" means all of the following:

(a) The commission, with respect to the conflict-of-interest code of a state agency other than an agency in the judicial branch of government, or any local government agency with jurisdiction in more than one county.

(b) The board of supervisors, with respect to the conflict-of-interest code of any county agency other than the board of supervisors, or any agency of the judicial branch of government, and of any local government agency, other than a city agency, with jurisdiction wholly within the county.

(c) The city council, with respect to the conflict-of-interest code of any city agency other than the city council.

(d) The Attorney General, with respect to the conflict-of-interest code of the commission.

(e) The Chief Justice of California or his or her designee, with respect to the conflict-of-interest code of the members of the Judicial Council, Commission on Judicial Performance, and Board of Governors of the State Bar of California.

(f) The Board of Governors of the State Bar of California with respect to the conflict-of-interest code of the State Bar of California.

(g) The Chief Justice of California, the administrative presiding judges of the courts of appeal, and the presiding judges of superior courts, or their designees, with respect to the conflict-of-interest code of any agency of the judicial branch of government subject to the immediate administrative supervision of that court.

(h) The Judicial Council of California, with respect to the conflict-of-interest code of any state agency within the judicial branch of government not included under subdivisions (e), (f), and (g).

SEC. 177. Section 1339.63 of the Health and Safety Code is amended to read:

1339.63. (a) (1) As a condition of licensure under this division, every general acute care hospital, as defined in subdivision (a) of Section 1250, special hospital, as defined in subdivision (f) of Section 1250, and surgical clinic, as defined in paragraph (1) of subdivision (b) of Section 1204, shall adopt a formal plan to eliminate or substantially reduce medication-related errors. With the exception of small and rural hospitals, as defined in Section 124840, this plan shall include technology implementation, such as, but not limited to, computerized physician order entry or other technology that, based upon independent, expert scientific advice and data, has been shown effective in eliminating or substantially reducing medication-related errors.

(2) Each facility's plan shall be provided to the State Department of Health Services no later than January 1, 2002. Within 90 days after submitting a plan, the department shall either approve the plan, or return it to the facility with comments and suggestions for improvement. The facility shall revise and resubmit the plan within 90 days after receiving it from the department. The department shall provide final written approval within 90 days after resubmission, but in no event later than January 1, 2003. The plan shall be implemented on or before January 1, 2005.

(b) Any of the following facilities that is in the process of constructing a new structure or retrofitting an existing structure for the purposes of complying with seismic safety requirements shall be exempt from implementing a plan by January 1, 2005:

(1) General acute care hospitals, as defined in subdivision (a) of Section 1250.

(2) Special hospitals, as defined in subdivision (f) of Section 1250.

(3) Surgical clinics, as defined in paragraph (1) of subdivision (b) of Section 1204.

(c) The implementation date for facilities that are in the process of constructing a new structure or retrofitting an existing structure is six months after the date of completion of all retrofitting or new

construction. The exemption and new implementation date specified in subdivision (b) and this subdivision apply to those facilities that have construction plans and financing for projects in place no later than July 1, 2002.

(d) For purposes of this chapter, a “medication-related error” means any preventable medication-related event that adversely affects a patient in a facility listed in subdivision (a), and that is related to professional practice, or health care products, procedures, and systems, including, but not limited to, prescribing, prescription order communications, product labeling, packaging and nomenclature, compounding, dispensing, distribution, administration, education, monitoring, and use.

(e) Each facility’s plan shall do the following:

(1) Evaluate, assess, and include a method to address each of the procedures and systems listed under subdivision (d) to identify weaknesses or deficiencies that could contribute to errors in the administration of medication.

(2) Include an annual review to assess the effectiveness of the implementation of each of the procedures and systems listed under subdivision (d).

(3) Be modified as warranted when weaknesses or deficiencies are noted to achieve the reduction of medication errors.

(4) Describe the technology to be implemented and how it is expected to reduce medication-related errors as described in paragraph (1) of subdivision (a).

(5) Include a system or process to proactively identify actual or potential medication-related errors. The system or process shall include concurrent and retrospective review of clinical care.

(6) Include a multidisciplinary process, including health care professionals responsible for pharmaceuticals, nursing, medical, and administration, to regularly analyze all identified actual or potential medication-related errors and describe how the analysis will be utilized to change current procedures and systems to reduce medication-related errors.

(7) Include a process to incorporate external medication-related error alerts to modify current processes and systems as appropriate. Failure to meet this criterion shall not cause disapproval of the initial plan submitted.

(f) Beginning January 1, 2005, the department shall monitor the implementation of each facility’s plan upon licensure visits.

(g) The department may work with the facility’s health care community to present an annual symposium to recognize the best practices for each of the procedures and systems listed under subdivision (d).

SEC. 178. Section 1368.015 of the Health and Safety Code is amended to read:

1368.015. (a) Effective July 1, 2003, every plan with a Web site shall provide an online form through its Web site that subscribers or enrollees can use to file with the plan a grievance, as described in Section 1368, online.

(b) The Web site shall have an easily accessible online grievance submission procedure that shall be accessible through a hyperlink on the Web site's home page or member services portal clearly identified as "GRIEVANCE FORM." All information submitted through this process shall be processed through a secure server.

(c) The online grievance submission process shall be approved by the Department of Managed Health Care and shall meet the following requirements:

(1) It shall utilize an online grievance form in HTML format that allows the user to enter required information directly into the form.

(2) It shall allow the subscriber or enrollee to preview the grievance that will be submitted, including the opportunity to edit the form prior to submittal.

(3) It shall include a current hyperlink to the California Department of Managed Health Care Web site, and shall include a statement in a legible font that is clearly distinguishable from other content on the page and is in a legible size and type, containing the following language:

"The California Department of Managed Health Care is responsible for regulating health care service plans. If you have a grievance against your health plan, you should first telephone your health plan at (insert health plan's telephone number) and use your health plan's grievance process before contacting the department. Utilizing this grievance procedure does not prohibit any potential legal rights or remedies that may be available to you. If you need help with a grievance involving an emergency, a grievance that has not been satisfactorily resolved by your health plan, or a grievance that has remained unresolved for more than 30 days, you may call the department for assistance. You may also be eligible for an Independent Medical Review (IMR). If you are eligible for IMR, the IMR process will provide an impartial review of medical decisions made by a health plan related to the medical necessity of a proposed service or treatment, coverage decisions for treatments that are experimental or investigational in nature and payment disputes for emergency or urgent medical services. The department also has a toll-free telephone number (1-888-HMO-2219) and a TDD line (1-877-688-9891) for the hearing and speech impaired. The department's Internet Web site <http://www.hmohelp.ca.gov> has complaint forms, IMR application forms and instructions online."

The plan shall update the URL, hyperlink, and telephone numbers in this statement as necessary.

(d) A plan that utilizes a hardware system that does not have the minimum system requirements to support the software necessary to meet the requirements of this section is exempt from these requirements until January 1, 2006.

(e) For purposes of this section, the following terms shall have the following meanings:

(1) "Homepage" means the first page or welcome page of a Web site that serves as a starting point for navigation of the Web site.

(2) "HTML" means Hypertext Markup Language, the authoring language used to create documents on the World Wide Web, which defines the structure and layout of a Web document.

(3) "Hyperlink" means a special HTML code that allows text or graphics to serve as a link that, when clicked on, takes a user to another place in the same document, to another document, or to another Web site or Web page.

(4) "Member services portal" means the first page or welcome page of a Web site that can be reached directly by the Web site's homepage and that serves as a starting point for a navigation of member services available on the Web site.

(5) "Secure server" means an Internet connection to a Web site that encrypts and decrypts transmissions, protecting them against third-party tampering and allowing for the secure transfer of data.

(6) "URL" or "Uniform Resource Locator" means the address of a Web site or the location of a resource on the World Wide Web that allows a browser to locate and retrieve the Web site or the resource.

(7) "Web site" means a site or location on the World Wide Web.

(f) Every health care service plan, except a plan that primarily serves Medi-Cal or Healthy Families Program enrollees, shall maintain a Web site.

SEC. 179. Section 1368.02 of the Health and Safety Code is amended to read:

1368.02. (a) The director shall establish and maintain a toll-free telephone number for the purpose of receiving complaints regarding health care service plans regulated by the director.

(b) Every health care service plan shall publish the department's toll-free telephone number, the department's TDD line for the hearing and speech impaired, the plan's telephone number, and the department's Internet address, on every plan contract, on every evidence of coverage, on copies of plan grievance procedures, on plan complaint forms, and on all written notices to enrollees required under the grievance process of the plan, including any written communications to an enrollee that offer the enrollee the opportunity to participate in the grievance process of the

plan and on all written responses to grievances. The department's telephone number, the department's TDD line, the plan's telephone number, and the department's Internet address shall be displayed by the plan in each of these documents in 12-point boldface type in the following regular type statement:

“The California Department of Managed Health Care is responsible for regulating health care service plans. If you have a grievance against your health plan, you should first telephone your health plan at (insert health plan's telephone number) and use your health plan's grievance process before contacting the department. Utilizing this grievance procedure does not prohibit any potential legal rights or remedies that may be available to you. If you need help with a grievance involving an emergency, a grievance that has not been satisfactorily resolved by your health plan, or a grievance that has remained unresolved for more than 30 days, you may call the department for assistance. You may also be eligible for an Independent Medical Review (IMR). If you are eligible for IMR, the IMR process will provide an impartial review of medical decisions made by a health plan related to the medical necessity of a proposed service or treatment, coverage decisions for treatments that are experimental or investigational in nature and payment disputes for emergency or urgent medical services. The department also has a toll-free telephone number (1-888-HMO-2219) and a TDD line (1-877-688-9891) for the hearing and speech impaired. The department's Internet Web site <http://www.hmohelp.ca.gov> has complaint forms, IMR application forms and instructions online.”

(c) (1) There is within the department an Office of Patient Advocate, which shall be known and may be cited as the Gallegos-Rosenthal Patient Advocate Program, to represent the interests of enrollees served by health care service plans regulated by the department. The goal of the office shall be to help enrollees secure health care services to which they are entitled under the laws administered by the department.

(2) The office shall be headed by a patient advocate recommended to the Governor by the Secretary of the Business, Transportation and Housing Agency. The patient advocate shall be appointed by and serve at the pleasure of the Governor.

(3) The duties of the office shall be determined by the secretary, in consultation with the director, and shall include, but not be limited to:

(A) Developing educational and informational guides for consumers describing enrollee rights and responsibilities, and informing enrollees on effective ways to exercise their rights to secure health care services. The guides shall be easy to read and understand, available in English and other languages, and shall be made available to the public by the

department, including access on the department's Internet Web site and through public outreach and educational programs.

(B) Compiling an annual publication, to be made available on the department's Internet Web site, of a quality of care report card, including, but not limited to, health care service plans.

(C) Rendering advice and assistance to enrollees regarding procedures, rights, and responsibilities related to the use of health care service plan grievance systems, the department's system for reviewing unresolved grievances, and the independent review process.

(D) Making referrals within the department regarding studies, investigations, audits, or enforcement that may be appropriate to protect the interests of enrollees.

(E) Coordinating and working with other government and nongovernment patient assistance programs and health care ombudsperson programs.

(4) The director, in consultation with the patient advocate, shall provide for the assignment of personnel to the office. The department may employ or contract with experts when necessary to carry out functions of the office. The annual budget for the office shall be separately identified in the annual budget request of the department.

(5) The office shall have access to department records including, but not limited to, information related to health care service plan audits, surveys, and enrollee grievances. The department shall assist the office in compelling the production and disclosure of any information the office deems necessary to perform its duties, from entities regulated by the department, if the information is determined by the department's legal counsel to be subject, under existing law, to production or disclosure to the department.

(6) The patient advocate shall annually issue a public report on the activities of the office, and shall appear before the appropriate policy and fiscal committees of the Senate and Assembly, if requested, to report and make recommendations on the activities of the office.

SEC. 180. Section 1797.115 of the Health and Safety Code is amended to read:

1797.115. (a) To the extent permitted by federal law and upon appropriation in the annual Budget Act or another statute, the Director of Finance may transfer any moneys in the Federal Trust Fund established pursuant to Section 16360 of the Government Code to the Emergency Medical Services Authority if the money is made available by the United States for expenditure by the state for purposes consistent with the implementation of this section.

(b) Moneys appropriated pursuant to subdivision (a) shall be allocated by the authority to the California Fire Fighter Joint Apprenticeship Program to do all of the following:

- (1) Offset the cost of paramedic training course development.
 - (2) Enter into reimbursement contracts with eligible state and local agencies that in turn may contract with educational institutions for the delivery of paramedic training conducted in compliance with the requirements of subdivision (a) of Section 1797.172.
 - (3) Allocate funds, in the form of grants, to eligible state and local agencies to defray the cost of providing paramedic training for fire services personnel, including, but not limited to, instructional supplies and trainee compensation expenses.
- (c) To the extent permitted by federal law, the authority shall recover its costs for administration of this section from the funds transferred pursuant to subdivision (a).
- (d) In order to be eligible for a grant under paragraph (3) of subdivision (b), a state or local agency shall demonstrate a need for additional paramedics.
- (e) For purposes of this section, the following definitions apply:
- (1) "Fire service personnel" includes, but is not limited to, a firefighter or prehospital emergency medical worker employed by a state or local agency.
 - (2) "Local agency" means any city, county, city and county, fire district, special district, joint powers agency, or any other political subdivision of the state that provides fire protection services.
 - (3) "State agency" means any state agency that provides residential or institutional fire protection, including, but not limited to, the Department of Forestry and Fire Protection.
- SEC. 181. Section 1797.196 of the Health and Safety Code, as amended by Section 3 of Chapter 718 of the Statutes of 2002, is amended to read:
- 1797.196. (a) For purposes of this section, "AED" or "defibrillator" means an automated or automatic external defibrillator.
- (b) In order to ensure public safety, any person or entity that acquires an AED is not liable for any civil damages resulting from any acts or omissions in the rendering of the emergency care under subdivision (b) of Section 1714.21 of the Civil Code, if that person or entity does all of the following:
- (1) Complies with all regulations governing the placement of an AED.
 - (2) Ensures all of the following:
 - (A) That the AED is maintained and regularly tested according to the operation and maintenance guidelines set forth by the manufacturer, the American Heart Association, and the American Red Cross, and according to any applicable rules and regulations set forth by the governmental authority under the federal Food and Drug Administration and any other applicable state and federal authority.

(B) That the AED is checked for readiness after each use and at least once every 30 days if the AED has not been used in the preceding 30 days. Records of these checks shall be maintained.

(C) That any person who renders emergency care or treatment on a person in cardiac arrest by using an AED activates the emergency medical services system as soon as possible, and reports any use of the AED to the licensed physician and to the local EMS agency.

(D) For every AED unit acquired up to five units, no less than one employee per AED unit shall complete a training course in cardiopulmonary resuscitation and AED use that complies with the regulations adopted by the Emergency Medical Service Authority and the standards of the American Heart Association or the American Red Cross. After the first five AED units are acquired, for each additional five AED units acquired, one employee shall be trained beginning with the first AED unit acquired. Acquirers of AED units shall have trained employees who should be available to respond to an emergency that may involve the use of an AED unit during normal operating hours.

(E) That there is a written plan that describes the procedures to be followed in the event of an emergency that may involve the use of an AED, to ensure compliance with the requirements of this section. The written plan shall include, but not be limited to, immediate notification of 911 and trained office personnel at the start of AED procedures.

(3) Building owners ensure that tenants annually receive a brochure, approved as to content and style by the American Heart Association or American Red Cross, which describes the proper use of an AED, and also ensure that similar information is posted next to any installed AED.

(4) No less than once a year, building owners will notify their tenants as to the location of AED units in the building.

(c) Any person or entity that supplies an AED shall do all of the following:

(1) Notify an agent of the local EMS agency of the existence, location, and type of AED acquired.

(2) Provide to the acquirer of the AED all information governing the use, installation, operation, training, and maintenance of the AED.

(d) A violation of this provision is not subject to penalties pursuant to Section 1798.206.

(e) The protections specified in this section do not apply in the case of personal injury or wrongful death that results from the gross negligence or willful or wanton misconduct of the person who renders emergency care or treatment by the use of an AED.

(f) Nothing in this section or Section 1714.21 may be construed to require a building owner or a building manager to acquire and have installed an AED in any building.

(g) This section shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2008, deletes or extends that date.

SEC. 182. Section 11571 of the Health and Safety Code is amended to read:

11571. Whenever there is reason to believe that a nuisance as described in Section 11570 is kept, maintained, or exists in any county, the district attorney of the county, or the city attorney of any incorporated city or of any city and county, in the name of the people, may, or any citizen of the state resident in the county, in his or her own name, may maintain an action to abate and prevent the nuisance and perpetually to enjoin the person conducting or maintaining it, and the owner, lessee, or agent of the building or place in or upon which the nuisance exists from directly or indirectly maintaining or permitting the nuisance.

SEC. 183. Section 11581 of the Health and Safety Code is amended to read:

11581. (a) If the existence of the nuisance is established in the action, an order of abatement shall be entered as a part of the judgment, which order shall direct the removal from the building or place of all fixtures, musical instruments, and other movable property used in conducting, maintaining, aiding, or abetting the nuisance and shall direct their sale in the manner provided for the sale of chattels under execution.

(b) (1) The order shall provide for the effectual closing of the building or place against its use for any purpose, and for keeping it closed for a period of one year. This subdivision is intended to give priority to closure. Any alternative to closure may be considered only as provided in this section.

(2) In addition, the court may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against any or all of the defendants, based upon the severity of the nuisance and its duration.

(3) One-half of the civil penalties collected pursuant to this section shall be deposited in the Restitution Fund in the State Treasury, the proceeds of which shall be available only upon appropriation by the Legislature to indemnify persons filing claims pursuant to Article 1 (commencing with Section 13959) of Chapter 5 of Part 4 of Division 3 of Title 2 of the Government Code, and one-half of the civil penalties collected shall be paid to the city in which the judgment was entered, if the action was brought by the city attorney or city prosecutor. If the action was brought by a district attorney, one-half of the civil penalties collected shall be paid to the treasurer of the county in which the judgment was entered.

(c) (1) If the court finds that any vacancy resulting from closure of the building or place may create a nuisance or that closure is otherwise harmful to the community, in lieu of ordering the building or place

closed, the court may order the person who is responsible for the existence of the nuisance, or the person who knowingly permits controlled substances to be unlawfully sold, served, stored, kept, or given away in or from a building or place he or she owns, to pay damages in an amount equal to the fair market rental value of the building or place for one year to the city or county in whose jurisdiction the nuisance is located for the purpose of carrying out drug abuse treatment, prevention, and education programs. If awarded to a city, eligible programs may include those developed as a result of cooperative programs among schools, community agencies, and the local law enforcement agency. These funds shall not be used to supplant existing city, county, state, or federal resources used for drug prevention and education programs.

(2) For purposes of this subdivision, the actual amount of rent being received for the rental of the building or place, or the existence of any vacancy therein, may be considered, but shall not be the sole determinant of the fair market rental value. Expert testimony may be used to determine the fair market rental value.

(d) This section shall become operative on January 1, 1996.

SEC. 184. Section 18943 of the Health and Safety Code is amended to read:

18943. Building standards in individual titles of the California Code of Regulations other than the California Building Standards Code shall have no force or effect after January 1, 1985.

SEC. 185. Section 25249.7 of the Health and Safety Code is amended to read:

25249.7. (a) Any person that violates or threatens to violate Section 25249.5 or 25249.6 may be enjoined in any court of competent jurisdiction.

(b) (1) Any person who has violated Section 25249.5 or 25249.6 shall be liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) per day for each violation in addition to any other penalty established by law. That civil penalty may be assessed and recovered in a civil action brought in any court of competent jurisdiction.

(2) In assessing the amount of a civil penalty for a violation of this chapter, the court shall consider all of the following:

- (A) The nature and extent of the violation.
- (B) The number of, and severity of, the violations.
- (C) The economic effect of the penalty on the violator.
- (D) Whether the violator took good faith measures to comply with this chapter and the time these measures were taken.
- (E) The willfulness of the violator's misconduct.
- (F) The deterrent effect that the imposition of the penalty would have on both the violator and the regulated community as a whole.
- (G) Any other factor that justice may require.

(c) Actions pursuant to this section may be brought by the Attorney General in the name of the people of the State of California, by any district attorney, by any city attorney of a city having a population in excess of 750,000, or, with the consent of the district attorney, by a city prosecutor in any city or city and county having a full-time city prosecutor, or as provided in subdivision (d).

(d) Actions pursuant to this section may be brought by any person in the public interest if both of the following requirements are met:

(1) The private action is commenced more than 60 days from the date that the person has given notice of an alleged violation of Section 25249.5 or 25249.6 that is the subject of the private action to the Attorney General and the district attorney, city attorney, or prosecutor in whose jurisdiction the violation is alleged to have occurred, and to the alleged violator. If the notice alleges a violation of Section 25249.6, the notice of the alleged violation shall include a certificate of merit executed by the attorney for the noticing party, or by the noticing party, if the noticing party is not represented by an attorney. The certificate of merit shall state that the person executing the certificate has consulted with one or more persons with relevant and appropriate experience or expertise who has reviewed facts, studies, or other data regarding the exposure to the listed chemical that is the subject of the action, and that, based on that information, the person executing the certificate believes there is a reasonable and meritorious case for the private action. Factual information sufficient to establish the basis of the certificate of merit, including the information identified in paragraph (2) of subdivision (h), shall be attached to the certificate of merit that is served on the Attorney General.

(2) Neither the Attorney General, any district attorney, any city attorney, nor any prosecutor has commenced and is diligently prosecuting an action against the violation.

(e) Any person bringing an action in the public interest pursuant to subdivision (d) and any person filing any action in which a violation of this chapter is alleged shall notify the Attorney General that the action has been filed. Neither this subdivision nor the procedures provided in subdivisions (f) to (j), inclusive, shall affect the requirements imposed by statute or a court decision in existence on January 1, 2002, concerning whether any person filing any action in which a violation of this chapter is alleged is required to comply with the requirements of subdivision (d).

(f) (1) Any person filing an action in the public interest pursuant to subdivision (d), any private person filing any action in which a violation of this chapter is alleged, or any private person settling any violation of this chapter alleged in a notice given pursuant to paragraph (1) of subdivision (d), shall, after the action or violation is subject either to a settlement or to a judgment, submit to the Attorney General a reporting

form that includes the results of that settlement or judgment and the final disposition of the case, even if dismissed. At the time of the filing of any judgment pursuant to an action brought in the public interest pursuant to subdivision (d), or any action brought by a private person in which a violation of this chapter is alleged, the plaintiff shall file an affidavit verifying that the report required by this subdivision has been accurately completed and submitted to the Attorney General.

(2) Any person bringing an action in the public interest pursuant to subdivision (d), or any private person bringing an action in which a violation of this chapter is alleged, shall, after the action is either subject to a settlement, with or without court approval, or to a judgment, submit to the Attorney General a report that includes information on any corrective action being taken as a part of the settlement or resolution of the action.

(3) The Attorney General shall develop a reporting form that specifies the information that shall be reported, including, but not limited to, for purposes of subdivision (e), the date the action was filed, the nature of the relief sought, and for purposes of this subdivision, the amount of the settlement or civil penalty assessed, other financial terms of the settlement, and any other information the Attorney General deems appropriate.

(4) If there is a settlement of an action brought by a person in the public interest under subdivision (d), the plaintiff shall submit the settlement, other than a voluntary dismissal in which no consideration is received from the defendant, to the court for approval upon noticed motion, and the court may approve the settlement only if the court makes all of the following findings:

(A) Any warning that is required by the settlement complies with this chapter.

(B) Any award of attorney's fees is reasonable under California law.

(C) Any penalty amount is reasonable based on the criteria set forth in paragraph (2) of subdivision (b).

(5) The plaintiff subject to paragraph (4) has the burden of producing evidence sufficient to sustain each required finding. The plaintiff shall serve the motion and all supporting papers on the Attorney General, who may appear and participate in any proceeding without intervening in the case.

(6) Neither this subdivision nor the procedures provided in subdivision (e) and subdivisions (g) to (j), inclusive, shall affect the requirements imposed by statute or a court decision in existence on January 1, 2002, concerning whether claims raised by any person or public prosecutor not a party to the action are precluded by a settlement approved by the court.

(g) The Attorney General shall maintain a record of the information submitted pursuant to subdivisions (e) and (f) and shall make this information available to the public.

(h) (1) Except as provided in paragraph (2), the basis for the certificate of merit required by subdivision (d) is not discoverable. However, nothing in this subdivision shall preclude the discovery of information related to the certificate of merit if that information is relevant to the subject matter of the action and is otherwise discoverable, solely on the ground that it was used in support of the certificate of merit.

(2) Upon the conclusion of an action brought pursuant to subdivision (d) with respect to any defendant, if the trial court determines that there was no actual or threatened exposure to a listed chemical, the court may, upon the motion of that alleged violator or upon the court's own motion, review the basis for the belief of the person executing the certificate of merit, expressed in the certificate of merit, that an exposure to a listed chemical had occurred or was threatened. The information in the certificate of merit, including the identity of the persons consulted with and relied on by the certifier, and the facts, studies, or other data reviewed by those persons, shall be disclosed to the court in an in-camera proceeding at which the moving party shall not be present. If the court finds that there was no credible factual basis for the certifier's belief that an exposure to a listed chemical had occurred or was threatened, then the action shall be deemed frivolous within the meaning of Section 128.6 or 128.7 of the Code of Civil Procedure, whichever provision is applicable to the action. The court shall not find a factual basis credible on the basis of a legal theory of liability that is frivolous within the meaning of Section 128.6 or 128.7 of the Code of Civil Procedure, whichever provision is applicable to the action.

(i) The Attorney General may provide the factual information submitted to establish the basis of the certificate of merit on request to any district attorney, city attorney, or prosecutor within whose jurisdiction the violation is alleged to have occurred, or to any other state or federal government agency, but in all other respects the Attorney General shall maintain, and ensure that all recipients maintain, the submitted information as confidential official information to the full extent authorized in Section 1040 of the Evidence Code.

(j) In any action brought by the Attorney General, a district attorney, a city attorney, or a prosecutor pursuant to this chapter, the Attorney General, district attorney, city attorney, or prosecutor may seek and recover costs and attorney's fees on behalf of any party who provides a notice pursuant to subdivision (d) and who renders assistance in that action.

SEC. 186. Section 42801.1 of the Health and Safety Code is amended to read:

42801.1. For purposes of this chapter, the following terms have the following meanings:

(a) “Annual emissions results” means the participant’s applicable data on the direct and indirect release of greenhouse gases in one particular year. In addition to annual emissions results a participant may report data annually on emission reductions from a project or other action, including the sequestration of stocks of carbon in forests.

(b) “Baseline” means a datum against which to measure greenhouse gas emissions performance over time, usually annual emissions in a selected base year. For the purposes of this subdivision, the baseline shall start on or after January 1, 1990.

(c) “Certification” means the determination of whether a given participant’s greenhouse gas emissions inventory (either baseline or annual result) has met a minimum quality standard and complied with an appropriate set of registry-approved procedures and protocols for submitting emissions inventory information. The process for certification of emissions results will be specified within the procedures and protocols approved for industry-specific emissions inventory reporting, and may involve a range of options depending upon the nature of the emissions, complexity of a company’s facilities and operations, or both, and the procedures deemed necessary by the registry board to validate a participant’s emissions information.

(d) “De minimis emissions” means emissions that are below a certain threshold, when summed across all applicable sources of the participating entity. The State Energy Resources Conservation and Development Commission shall recommend to the registry for adoption a threshold emissions level for each type of greenhouse gas emission that shall be considered de minimis.

(e) “Emissions” means the release of greenhouse gases into the atmosphere.

(f) (1) “Emissions inventory” means an accounting of the amount of greenhouse gases discharged into the atmosphere. It is generally characterized by all of the following factors:

(A) The chemical or physical identity of the pollutants included.

(B) The geographic area covered.

(C) The institutional entities covered.

(D) The time period over which emissions are estimated.

(E) The types of activities that cause emissions.

(2) An emissions inventory shall include sufficient documentation and supporting data to make transparent the underlying assumptions and calculations for all of the reported results.

(g) “Forest” means lands that support, or can support, at least 10 percent tree canopy cover and that allow for management of one or more

forest resources including timber, fish and wildlife, biodiversity, water quality, recreation, aesthetics, and other public benefits.

(h) "Greenhouse gases" include all of the following gases: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

(i) "Material" means any emission of greenhouse gas that is not de minimis.

(j) "Native" means forests classified in the 1988 edition, or its approved successor equivalent, of "A Guide to Wildlife Habitats of California," published by the Department of Fish and Game, and forests that are composed of the forest types within those classifications.

(k) "Natural forest management" means forest management practices that promote and maintain native forests comprised of multiple ages and mixed native species in the overstory and understory.

SEC. 187. Section 44299.80 of the Health and Safety Code is amended to read:

44299.80. As used in this chapter, the following terms have the following meanings:

(a) "Advanced introduction cost" means the cost of a project less a baseline cost that would otherwise be incurred by the applicant in the normal course of business based on the actual age and turnover rates of trucks used at ports, and may include, but is not limited to, any of the following: incremental engine costs, re-engine or retrofit costs, additional operational costs, incremental fuel costs, facility modifications, and scrappage costs to eliminate operation on highways in the state.

(b) "Cost-effectiveness" means the funds provided to a project for each ton of particulate matter reduction attributed to a project or to the program as a whole. In calculating cost-effectiveness, a one-time grant of funds made at the beginning of a project shall be annualized using a time value of public funds or discount rate determined for each project. Cost-effectiveness shall be calculated by dividing annualized costs by local emissions reductions of PM.

(c) "Covered engine" includes an engine from any onroad heavy-duty diesel truck or bus weighing over 33,000 pounds and used in for-hire or proprietary trucking operated by a trucking company that services a port in the state.

(d) "Covered source" includes onroad heavy-duty diesel vehicles and other onroad high-emitting diesel engine categories.

(e) "Covered vehicle" includes any vehicle or piece of equipment powered by a covered engine.

(f) "District" means the Bay Area Air Quality Management District as described in Chapter 4 (commencing with Section 40200) of Part 3

and the South Coast Air Quality Management District as described in Chapter 5.5 (commencing with Section 40400) of Part 3.

(g) "Gr-bhph" means grams-per brake horsepower hour.

(h) "Marine terminal" has the same meaning as in Section 40720.

(i) "New very low-emission vehicle" means a vehicle that qualifies as a very low-emission vehicle when it is a new vehicle, as defined in Section 430 of the Vehicle Code, with regard to particulate matter emissions standards or that is modified with the approval and warranty of the original equipment manufacturer to qualify as a very low-emission vehicle with regard to particulate matter emissions standards within 12 months of delivery to an owner for private or commercial use.

(j) "Port" means any sea or river port in the state.

(k) "PM" means particulate matter.

(l) "Program" means the California Port Community Air Quality Program created by this chapter.

(m) "Project" means the replacement, repowering, scrapping, or retrofitting of a covered vehicle or covered engine that receives a grant pursuant to this chapter.

(n) "Repower" means replacing an engine with a different engine. The term "repower," as used in this chapter, refers to replacing an older, uncontrolled engine with a newer model engine that meets the latest emissions standards.

(o) "Retrofit" means making modifications to the engine and fuel system so that the retrofitted engine does not have the same emissions of particulate matter as the original engine.

(p) "Very low-emission vehicle" means a vehicle with emissions significantly lower than otherwise applicable baseline emission standards or uncontrolled emission levels.

SEC. 188. Section 50199.74 of the Health and Safety Code is amended to read:

50199.74. (a) The committee is hereby designated as the state's only commercial revitalization agency for purposes of Section 1400I of Title 26 of the United States Code. The committee shall annually allocate the aggregate commercial revitalization expenditure amount available to the state in accordance with this chapter and applicable federal law. The committee shall undertake any and all responsibilities of commercial revitalization agencies set forth in Section 1400I of Title 26 of the United States Code.

(b) For the purpose of allocating the state's aggregate commercial revitalization expenditure amount, the committee shall do all of the following:

(1) Determine and disseminate the requirements for an application for allocation of the commercial revitalization expenditures.

(2) Devise and implement the review procedure to determine the priority of each project as well as the amount of qualifying expenditures attributable to each application.

(3) Allocate the available commercial revitalization expenditures for each calendar year among the applicants.

(c) The committee shall not be required to allocate twelve million dollars (\$12,000,000) to each renewal community.

(d) The committee shall develop and provide application forms for use by applicants. The committee shall adopt uniform procedures for submission and review of applications, including fees it shall charge to defray the committee's cost in administering this chapter. In the committee's discretion, the fees may be charged to an applicant as a condition of submitting an application or as a condition of receiving an allocation or reservation of the state's current or anticipated commercial revitalization ceiling, or both.

(e) No allocations or reservations shall be made pursuant to this section with respect to projects that do not meet the requirements of the qualified allocation plan, this chapter, or Section 1400I of Title 26 of the United States Code.

SEC. 189. Section 52075.1 of the Health and Safety Code is amended to read:

52075.1. As used in this chapter, "city or county" includes any city and county.

SEC. 190. Section 100870 of the Health and Safety Code is amended to read:

100870. (a) Any laboratory that is ELAP certified or holds NELAP accreditation or has applied for ELAP certification or NELAP accreditation or for renewal of ELAP certification or NELAP accreditation under this article shall analyze proficiency testing samples, if these testing samples are available. The department shall have the authority to contract with third parties for the provision of proficiency testing samples for those laboratories that hold or are applying for ELAP certification. The samples shall be tested by the laboratory according to methods specifically approved for this purpose by the United States government or the department, or alternate methods of demonstrated adequacy or equivalence, as determined by the department. Proficiency testing sample sets shall be provided, when available, not less than twice, nor more than four times, a year to each certified laboratory that performs analyses of food for pesticide residues.

(b) (1) The department may provide, directly or indirectly, proficiency testing samples to a laboratory for the purpose of determining compliance with this article with or without identifying the department.

(2) When the department identifies itself, all of the following shall apply:

(A) The results of the testing shall be submitted to the department on forms provided by the department on or before the date specified by the department, and shall be used in determining the competency of the laboratory.

(B) There shall be no charge to the department for the analysis.

(3) When the department does not identify itself, the department shall pay the price requested by the laboratory for the analyses.

(c) If a certified or NELAP accredited laboratory submits proficiency testing sample results generated by another laboratory as its own, the certification or NELAP accreditation shall be immediately revoked.

(d) Laboratories shall obtain their proficiency testing samples from proficiency testing sample providers that meet NELAC standards. Laboratories shall bear the cost of any proficiency testing study fee charged for participation. Each laboratory shall authorize the providers of proficiency testing samples to release the report of the study results directly to the department, as well as to the laboratory.

SEC. 191. Section 102247 of the Health and Safety Code is amended to read:

102247. (a) There is hereby created in the State Treasury the Health Statistics Special Fund. The fund shall consist of revenues, including, but not limited to, all of the following:

(1) Fees or charges remitted to the State Registrar for record search or issuance of certificates, permits, registrations, or other documents pursuant to Chapter 3 (commencing with Section 26801) of Part 3 of Division 2 of Title 3 of the Government Code, and Chapter 4 (commencing with Section 102525), Chapter 5 (commencing with Section 102625), Chapter 8 (commencing with Section 103050), and Chapter 15 (commencing with Section 103600) of Part 1 of Division 102.

(2) Funds remitted to the State Registrar by the federal Social Security Administration for participation in the enumeration at birth program.

(3) Funds remitted to the State Registrar by the National Center for Health Statistics pursuant to the federal Vital Statistics Cooperative Program.

(4) Any other funds collected by the State Registrar, except Children's Trust Fund fees collected pursuant to Section 18966 of the Welfare and Institutions Code, fees allocated to the Judicial Council pursuant to Section 1852 of the Family Code, and fees collected pursuant to Section 103645, all of which shall be deposited into the General Fund.

(b) Moneys in the Health Statistics Special Fund shall be expended by the State Registrar for the purpose of funding its existing programs

and programs that may become necessary to carry out its mission, upon appropriation by the Legislature.

(c) Health Statistics Special Fund moneys shall be expended only for the purposes set forth in this section and Section 102249, and shall not be expended for any other purpose or for any other state program.

(d) It is the intent of the Legislature that the Health Statistics Special Fund provide for the following:

(1) Registration and preservation of vital event records and dissemination of vital event information to the public.

(2) Data analysis of vital statistics for population projections, health trends and patterns, epidemiologic research, and development of information to support new health policies.

(3) Development of uniform health data systems that are integrated, accessible, and useful in the collection of information on health status.

SEC. 192. Section 113995 of the Health and Safety Code is amended to read:

113995. (a) Except as otherwise provided in this section, all potentially hazardous food held at a retail food facility, or being transported to or from a retail food facility for a period of longer than 30 minutes, excluding raw shell eggs, shall be held at or below 7 degrees Celsius (45 degrees Fahrenheit) or shall be kept at or above 60 degrees Celsius (140 degrees Fahrenheit) at all times. Storage and display of raw shell eggs shall be governed by Sections 113997 and 114351.

(b) A retail food facility may accept potentially hazardous food at or below 7 degrees Celsius (45 degrees Fahrenheit), pursuant to subdivision (a), if the potentially hazardous food is cooled within four hours of receipt to a temperature at or below 5 degrees Celsius (41 degrees Fahrenheit).

(c) (1) Commencing January 1, 1997, all potentially hazardous food shall be held at or below 5 degrees Celsius (41 degrees Fahrenheit) or shall be kept at or above 60 degrees Celsius (140 degrees Fahrenheit) at all times, except for the following:

(A) Unshucked live molluscan shellfish shall not be stored or displayed at a temperature above 7 degrees Celsius (45 degrees Fahrenheit).

(B) Frozen potentially hazardous foods shall be stored and displayed in their frozen state unless being thawed in accordance with Section 114085.

(C) Potentially hazardous foods held for dispensing in serving lines and salad bars during periods not to exceed 12 hours in any 24-hour period or held in vending machines may not exceed 7 degrees Celsius (45 degrees Fahrenheit). For purposes of this subdivision, a display case shall not be deemed to be a serving line.

(D) Pasteurized milk and pasteurized milk products in original, sealed containers may not be held at a temperature above 7 degrees Celsius (45 degrees Fahrenheit).

(2) Nothing in this subdivision shall be deemed to require any person to replace or modify any existing refrigeration equipment owned by that person on January 1, 1997, until January 1, 2002. For purposes of this paragraph, neither a simple adjustment of temperature controls nor a needed repair shall constitute a modification.

(d) Potentially hazardous foods may be held at temperatures other than those specified in this section when being heated or cooled, or when the food facility operates pursuant to an HACCP plan adopted pursuant to Section 114055 or 114056. If it is necessary to remove potentially hazardous food from specified holding temperatures to facilitate preparations, this preparation shall be diligent, and in no case shall the period of an ambient-temperature preparation step exceed two hours without a return to the specified holding temperatures. The total ambient-temperature holding of a potentially hazardous food for the purposes of preparation shall not exceed a total cumulative time of four hours. For purposes of this subdivision, preparation shall be deemed to be "diligent" with respect to raw shell eggs held for the preparation of egg-containing foods that are prepared to the specific order of the customer as long as the total ambient-temperature holding of these eggs does not exceed a total time of four hours.

(e) A thermometer accurate to plus or minus 1 degree Celsius (2 degrees Fahrenheit) shall be provided for each refrigeration unit, shall be located to indicate the air temperature in the warmest part of the unit and, except for vending machines, shall be affixed to be readily visible. Except for vending machines, an accurate easily readable metal probe thermometer suitable for measuring the temperature of food shall be readily available on the premises.

SEC. 193. Section 115000.1 of the Health and Safety Code is amended to read:

115000.1. (a) For the purposes of this section, the following terms have the following meanings:

(1) "Generate" means to produce or cause the production of, or to engage in an activity which otherwise results in the creation or increase in the volume of, low-level radioactive waste.

(2) (A) "Generator" means any person who, by his or her actions, or by the actions of his or her agent, employee, or independent contractor, generates low-level radioactive waste in the state.

(B) For purposes of this section, a person who provides for or arranges for the collection, transportation, treatment, storage, or disposal of low-level radioactive waste generated by others is a generator only to the extent that his or her actions, or the actions of his or her agent,

employee, or independent contractor, generate low-level radioactive waste.

(3) "Person" means an individual, partnership, corporation, or other legal entity, including any state, interstate, federal, or municipal governmental entity.

(4) "Waste" means material that is not in use and is no longer useful.

(5) "Generator category" includes, but is not limited to, any of the following:

- (A) Nuclear powerplants.
- (B) Reactor vendors or designers.
- (C) Government.
- (D) Medicine.
- (E) Academia.
- (F) Aerospace.
- (G) Military.
- (H) Research.
- (I) Industrial gauges.
- (J) Manufacturing.

(6) "Low-level radioactive waste" or "LLRW" has the same meaning as defined in Article 2 of the Southwestern Low-Level Radioactive Waste Disposal Compact, as set forth in Section 115255.

(7) "Class" means the class of low-level radioactive waste. "Class A", "class B", and "class C" waste are those classes defined in Section 61.55 of Title 10 of the Code of Federal Regulations.

(8) "Licensed LLRW disposal facility" means any of the three disposal facilities located at Barnwell, South Carolina; Clive, Utah; or Richland, Washington, that exist on January 1, 2003.

(b) The department shall, for the protection of public health and safety maintain a file of each manifest from each generator of LLRW that is sent to a disposal facility or to a facility subject to the Southwestern Low-level Radioactive Waste Disposal Compact, as set forth in Article 17 (commencing with Section 115250).

(c) The department shall, for the protection of public health and safety, maintain a file of all LLRW transferred for disposal to a licensed LLRW disposal facility during the reporting period, either directly or through a broker or agent, that shall meet all of the following conditions:

(1) Specify the category of generator, class, quantity by activity, and volume of LLRW, including an estimate of the peak and average quantities in storage, along with the identity of the generator, and the chemical and physical characteristics of that waste, including its half-life, properties, or constituents, and radionuclides present at, or above, the minimum labeling requirements, with their respective concentrations and amounts of radioactivity.

(2) Be updated annually, at minimum, to ensure an accurate and timely depiction of radioactive waste in the state.

(3) Include all of the following information in the file:

(A) The total volume, volume by class, and activity by radionuclide and class.

(B) The types and specifications of individual containers used and the number of each type transferred for disposal.

(C) The maximum surface radiation exposure level on any single container of LLRW transferred, the number of disposal containers that exceed 200 mR/hour, and the volume, class, and activity by radionuclide.

(D) The identification of each licensed LLRW disposal facility to which LLRW was transferred, either directly or through a broker or agent, and the volume and activity by class of LLRW transferred by each broker to each licensed LLRW disposal facility.

(E) The identification of all brokers or agents to which LLRW was transferred and the volume and activity by class of the generator's LLRW transferred by each broker or agent to each licensed LLRW disposal facility.

(F) The weight of source material by its type. For purposes of this paragraph, "type" includes, but is not limited to, natural uranium, depleted uranium, or thorium.

(G) The total number of grams of special nuclear material by radionuclide, and the maximum number of grams of special nuclear material in any single shipment by radionuclide.

(H) As complete a description as practicable of the principal chemical and physical form of the LLRW by volume and radionuclide, including the identification of any known hazardous properties, other than its radioactive property.

(I) For solidified or sorbed liquids, the nature of the liquid, the solidifying or sorbing agent used, and the final volume.

(J) For LLRW containing more than 0.1 percent by weight chelating agents, the identification of the chelating agent, the volume and weight of the LLRW and the weight percentage of chelating agent.

(K) For LLRW that was treated, either by the generator or its agent or independent contractor, in preparation for transfer to a licensed LLRW disposal facility described in paragraph (8) of subdivision (a) for the purpose of reducing its volume or activity by any method including reduction by storage for decay, or for the purpose of changing its physical or chemical characteristics in a manner other than by solidification or sorption of liquids, the file shall include a description of the treatment process.

(L) The volume, volume by class, and activity by radionuclide and class of that LLRW, if any, that the generator is holding at the end of the

annual reporting period because the generator knows or has reason to believe that LLRW will not be accepted for disposal at any of the licensed LLRW disposal facilities. The file shall include a description of this LLRW.

(d) The department shall maintain a file on each generator's LLRW stored, including specific radionuclides, total volume, volume by class, total activity, and activity by radionuclide and class of LLRW stored for decay and stored for later transfer, including the periods of time for both types of storage.

(e) (1) The department shall prepare an annual report, including a set of tables summarizing data collected from the activities and maintenance of files specified in subdivisions (c) and (d) to the department. These annual data tables shall contain information that summarizes and categorizes, by category, and if applicable, subcategory, of generator and location by county and identity of generator, the nature, characteristics and the total volume, volume by class, total activity and activity by radionuclide and class of LLRW generated, disposed of, treated, transferred, stored for later transfer, and stored for decay during each calendar year.

(2) The department shall note, in the set of tables prepared pursuant to paragraph (1), any generator for which data are lacking.

(f) The department shall make the information described in subdivisions (c) and (d) available to the public in a format that aggregates the information by county. The department shall not make public the identity and location of any site where LLRW is stored or used. The department may combine information from multiple counties if necessary to protect public security. Notwithstanding any other provision of law the department shall not make the report prepared pursuant to subdivision (e) available to the public, and the report is not subject to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 6 of Title 1 of the Government Code).

(g) The department may make the information described in subdivisions (c) and (d) available upon request to any Member of the Legislature. No Member of the Legislature may disclose the identity or location of any site where LLRW is stored or used to any member of the general public.

(h) To meet the requirements of this section, each generator shall submit to the department the information included in Forms 540, 541, and 542, and any successor forms, of the Nuclear Regulatory Commission, for each LLRW shipment. In addition, for purposes of subparagraph (L) of paragraph (4) of subdivision (c) and subdivision (d), each generator shall annually complete and submit to the department the information included on Forms 540, 541, and 542, and any successor

forms, of the Nuclear Regulatory Commission that describe the LLRW stored and shipped by the generator.

SEC. 194. Section 115928 of the Health and Safety Code is amended to read:

115928. Whenever a construction permit is issued for the construction of a new swimming pool or spa, the pool or spa shall meet all of the following requirements:

(a) (1) The suction outlet of the pool or spa for which the permit is issued shall be equipped to provide circulation throughout the pool or spa as prescribed in paragraph (2).

(2) The swimming pool or spa shall have at least two circulation drains per pump that shall be hydraulically balanced and symmetrically plumbed through one or more "T" fittings, and that are separated by a distance of at least three feet in any dimension between the drains.

(b) Suction outlets that are less than 12 inches across shall be covered with antientrapment grates that cannot be removed except with the use of tools. Slots or openings in the grates or similar protective devices shall be of a shape, area, and arrangement that would prevent physical entrapment and would not pose any suction hazard to bathers.

(c) Any backup safety system that an owner of a new swimming pool or spa may choose to install in addition to the requirements set forth in subdivisions (a) and (b) shall meet the standards as published in the document, "Guidelines for Entrapment Hazards: Making Pools and Spas Safer," Publication Number 363, January 1998, United States Consumer Product Safety Commission.

SEC. 195. Section 121140 of the Health and Safety Code is amended and renumbered to read:

120263. (a) No health care provider, as defined in this chapter, shall be subject to civil or criminal liability or professional disciplinary action for performing tests for a communicable disease on the available blood or patient sample of a source patient, or for disclosing the communicable disease status of a source patient to the source patient, an attending physician of the source patient, the certifying physician, the exposed individual, or any attending physician of the exposed individual, if the health care provider has acted in good faith in complying with this chapter.

(b) Any health care provider or first responder, or any exposed individual, who willfully performs or permits the performance of a test for a communicable disease on a source patient, that results in economic, bodily, or psychological harm to the source patient, without adhering to the procedure set forth in this chapter is guilty of a misdemeanor, punishable by imprisonment in the county jail for a period not to exceed one year, or a fine not to exceed ten thousand dollars (\$10,000), or by both.

SEC. 196. Section 122137 of the Health and Safety Code is amended to read:

122137. (a) (1) It is the intent of the Legislature and the purpose of this section to inform consumers who purchase dogs and cats from retail pet dealers about the benefits of spaying and neutering and the importance of establishing a relationship with a veterinarian, and to facilitate dog licensing by encouraging pet dealers to promote licensure compliance.

(2) The Legislature declares that pet dealers, when feasible, should offer incentives to purchasers to encourage the use of spaying and neutering services, and that local animal control agencies should investigate selling licenses through pet shops, or making licensure applications available in pet shops, since these businesses already serve a large number of pet owners through the sale of pet supplies.

(b) Every pet dealer shall deliver to the purchaser of each dog or cat at the time of sale, written material, in a form determined by the pet dealer, containing information on the benefits of spaying and neutering. The written material shall include recommendations on establishing a relationship with a veterinarian, information on early-age spaying and neutering, the health benefits associated with spaying and neutering pets, the importance of minimizing the risk of homeless or unwanted animals, and the need to comply with applicable license laws.

(c) The delivering of any model materials prepared by the Pet Industry Joint Advisory Council, the California Animal Control Directors Association, the State Humane Association of California, and the California Veterinary Medical Association shall satisfy the requirements of subdivision (b).

SEC. 197. Section 123418 of the Health and Safety Code is amended to read:

123418. Subject to all other provisions of this article, all residency programs in obstetrics and gynecology shall comply with the program requirements for residency education in obstetrics and gynecology of the Accreditation Council for Graduate Medical Education, which require that in addition to education and training in in-patient care, the program in obstetrics-gynecology be geared toward the development of competence in the provision of ambulatory primary health care for women, including, but not limited to, training in the performance of abortion services.

SEC. 198. Section 123464 of the Health and Safety Code is amended to read:

123464. The following definitions shall apply for purposes of this chapter:

(a) "Abortion" means any medical treatment intended to induce the termination of a pregnancy except for the purpose of producing a live birth.

(b) "Pregnancy" means the human reproductive process, beginning with the implantation of an embryo.

(c) "State" means the State of California, and every county, city, town and municipal corporation, and quasi-municipal corporation in the state.

(d) "Viability" means the point in a pregnancy when, in the good faith medical judgment of a physician, on the particular facts of the case before that physician, there is a reasonable likelihood of the fetus' sustained survival outside the uterus without the application of extraordinary medical measures.

SEC. 199. Section 125116 of the Health and Safety Code is amended to read:

125116. (a) A physician and surgeon or other health care provider delivering fertility treatment shall provide his or her patient with timely, relevant, and appropriate information to allow the individual to make an informed and voluntary choice regarding the disposition of any human embryos remaining following the fertility treatment.

(b) Any individual to whom information is provided pursuant to subdivision (a) shall be presented with the option of storing any unused embryos, donating them to another individual, discarding the embryos, or donating the remaining embryos for research.

(c) Any individual who elects to donate embryos remaining after fertility treatments for research shall provide written consent.

SEC. 200. Section 1211 of the Insurance Code is amended to read:

1211. (a) For the purposes of this section the following definitions shall apply:

(1) "Aggregate counterparty exposure" means the sum of the aggregate statement value options, swaptions, caps, floors, and warrants purchased, and the aggregate potential exposure of collars, swaps, forwards, and futures entered into.

(2) "Cap" means an agreement obligating the seller to make payments to the buyer with each payment based on the amount by which a reference price or level or the performance or value of one or more underlying interests exceeds a predetermined number, sometimes referred to as the strike rate or strike price.

(3) "Collar" means an agreement to receive payments as the buyer of an option, cap, or floor and to make payments as the seller of a different option, cap, or floor.

(4) "Credit default swap" means an agreement obligating the buyer to pay a periodic payment to the seller in return for the seller's obligation to make a payment to the buyer if a credit event or events occur with

respect to underlying interests or an entity, as specified in the documentation of the credit default swap.

(5) "Derivative instrument" means an agreement, option, instrument, or a series or combination of those (A) to make or take delivery of, or assume or relinquish, a specified amount of one or more underlying interests, or to make a cash settlement in lieu thereof, or (B) that has a price, performance, value, or cashflow based primarily upon the actual or expected price, level, performance, value, or cashflow of one or more underlying interests.

A derivative instrument includes all investment instruments or contracts that derive all or almost all of their value from the performance of an underlying market, index, or financial instruments. The term includes options, warrants, caps, floors, collars, swaps, credit default swaps, swaptions, forwards, and futures.

(6) "Derivative transaction" means a transaction involving the use of one or more derivative instruments.

(7) "Floor" means an agreement obligating the seller to make payments to the buyer in which each payment is based on the amount by which a predetermined number, sometimes called the floor rate or price, exceeds a reference price, level, performance, or value of one or more underlying interests.

(8) "Forward" means an agreement, other than a future, to make or take delivery in the future of one or more underlying interests, or effect a cash settlement, based on the actual or expected price, level, performance, or value of those underlying interests, but does not mean or include spot transactions effected within customary settlement periods, when issued purchases, or other similar cash market transactions.

(9) "Future" means an agreement traded on an organized and qualified futures exchange, to make or take delivery of, or effect a cash settlement based on the actual or expected price, level, performance, or value of, one or more underlying interests.

(10) "Hedging transaction" means a derivative transaction that is entered into and at all times maintained to reduce (A) risk due to a change in the value, yield, price, cashflow, or quantity of assets or liabilities that the insurer has acquired or incurred or anticipates acquiring or incurring or (B) risk due to changes in the currency exchange rate or the degree of exposure as to assets or liabilities denominated in a foreign currency that an insurer has acquired or incurred or anticipates acquiring or incurring.

(11) "Option" means an agreement giving the buyer the right to buy or receive, sell, or deliver, enter into, extend, or terminate or effect a cash settlement based on the actual or expected price, spread, level, performance, or value of one or more underlying interests.

(A) For purposes of this paragraph, an agreement giving the buyer the right to buy or receive may also be called a “call option.”

(B) For purposes of this paragraph, an agreement giving the buyer the right to sell or deliver may be called a “put option.”

(12) “Potential exposure” means the amount determined in accordance with the National Association of Insurance Commissioners Annual Statement Instructions.

(13) “Qualified bank” means a bank or trust company that meets all of the following:

(A) The bank or trust company is organized and existing, or in the case of a branch or agency of a foreign banking organization is licensed, under federal law or the law of any state.

(B) The bank or trust company is regulated, supervised, and examined by the United States federal or state authorities having regulatory authority over banks and trust companies.

(C) The bank or trust company has assets in excess of five billion dollars (\$5,000,000,000).

(D) The bank or trust company has senior obligations outstanding, or has a parent corporation that has senior obligations outstanding, rated AA or better, or the equivalent, by two independent nationally recognized statistical rating organizations.

(E) The bank or trust company has a ratio of primary capital to total assets of at least 5¹/₂ percent and a ratio of total capital to total assets of at least 6 percent.

(14) “Qualified counterparty” is a qualified broker or dealer or a qualified bank or other counterparty rated AA- or Aa3 or higher by a nationally recognized statistical rating organization.

(15) “Qualified broker or dealer” means a broker or dealer that is organized under the laws of a state and is registered under the Securities Exchange Act of 1934 (15 U.S.C. Sec. 78a et seq.), and has net capital in excess of two hundred fifty million dollars (\$250,000,000).

(16) “Replication transaction” means a derivative transaction or combination of derivative transactions effected either separately or in conjunction with cash market investments included in the insurer’s investment portfolio in order to replicate the investment characteristic of another authorized transaction, investment, or instrument or that may operate as a substitute for cash market investments. A derivative transaction entered into by the insurer as a hedging transaction authorized pursuant to this section shall not be considered a replication transaction.

(17) “Swap” means an agreement to exchange or to net payments or income streams at one or more times based on the actual or expected price, yield, level, performance, or value of one or more underlying interests.

(18) “Swaption” means an option to purchase or sell a swap at a given price and time or at a series of prices and times. A swaption does not mean a swap with an embedded option.

(19) “Underlying interest” means the assets, liabilities, other interests, or a combination thereof, underlying a derivative instrument, such as any one or more securities, currencies, rates, indices, commodities, or derivative instruments.

(20) “Warrant” means an instrument that gives the holder the right to purchase or sell the underlying interest at a given price and time or at a series of prices and times outlined in the warrant agreement.

(b) Any domestic incorporated insurer having admitted assets, as of the preceding December 31, of at least one billion dollars (\$1,000,000,000) and capital and surplus of at least two hundred million dollars (\$200,000,000), after investing an amount equal to its required minimum paid-in capital in securities specified in Article 3 (commencing with Section 1170), may engage in derivative transactions pursuant to, and in compliance with, this section.

(c) An insurer may only use derivative instruments under this section to engage in hedging transactions and replication transactions authorized pursuant to this section.

(d) An insurer that engages in hedging transactions or replication transactions as authorized pursuant to this section shall do both of the following:

(1) Maintain its position in any outstanding derivative instrument used as part of a hedging transaction or replication transaction for only as long as the hedging transaction or replication transaction, as the case may be, continues to be effective in meeting the objective and the rationale the insurer identifies at the point of inception of the hedging or replication transaction.

(2) Be able to demonstrate to the commissioner, upon request, that any hedging transaction or replication transaction continues to be effective in meeting that objective and rationale.

(e) (1) The aggregate statement value, and potential exposure, of all transactions held under the authority of this section at any one time shall not be in excess of $7\frac{1}{2}$ percent of the insurer’s admitted assets, as of the preceding December 31.

(2) Hedging transactions under this section may only be made if, as a result of, and after giving effect to the transaction, all of the following is established:

(A) Excluding options acquired under Section 1212, the aggregate statement value of options, swaptions, caps, floors, and warrants purchased pursuant to this section does not exceed $7\frac{1}{2}$ percent of its admitted assets as of the preceding December 31.

(B) Excluding options acquired under Section 1212, the aggregate statement value of options, swaptions, caps, and floors written pursuant to this section does not exceed 3 percent of its admitted assets as of the preceding December 31.

(C) Excluding futures entered into under Section 1212, the aggregate potential exposure of collars, swaps, forwards, and futures, entered into and, except for options acquired under Section 1212, options, swaptions, caps, and floors written pursuant to this section does not exceed 6¹/₂ percent of its admitted assets as of the preceding December 31.

(f) An insurer may purchase or sell one or more derivative instruments to offset any derivative instrument previously purchased or sold, as the case may be, without regard to the quantitative limitations of this section, provided that the derivative instrument is an exact offset to the original derivative instrument being offset.

(g) (1) The board of directors of any domestic insurer that makes investments pursuant to this section shall first adopt written guidelines for the making of the investments. The guidelines shall cover factors including concentration and diversification of counterparty risk, quality, maturity, and diversification of derivative investments, and other specifications, including investment strategies, asset liability management practices, the insurer's liquidity needs and its capital and surplus, and other factors that the board of directors deems appropriate. The guidelines shall also include processes and practices that will facilitate the monitoring of derivative transactions through cashflow testing or other methods to substantiate the effectiveness of the hedging strategies and derivative transactions and provide the board of directors of the committee thereof charged with the responsibility for supervising investments the opportunity to assure itself of the training, sufficient understanding, and competency of pertinent personnel implementing the derivative transactions.

(2) In order to address the need for appropriate oversight by senior management and by the board of directors, or a committee thereof charged with the responsibility for supervising investments, and to provide for a comprehensive risk management process, an insurer shall establish the following with respect to derivative transactions:

(A) Appropriate limits for various identified risks relevant to the derivative transactions used by the insurer.

(B) Procedures and practices that control the nature and amount of those risks.

(C) Adequate systems or processes for identifying and measuring those risks.

(D) Systems or processes for documenting, monitoring, and reporting risk exposures on a timely basis.

(E) Systems or processes of internal review and audit to ensure the integrity of the overall risk management process.

(3) The board of directors, or a committee thereof charged with the responsibility for supervising investments, shall receive and review quarterly reports which shall include all of the following:

(A) Information to ascertain that all derivative transactions have been made in accordance with delegations, standards, limitations, and investment objectives contained in the derivative guidelines.

(B) The outstanding derivative positions.

(C) The unrealized gains or losses thereon.

(D) The derivative transactions closed during the report period.

(E) A performance review of the derivative transactions.

(F) An evaluation of the risks and benefits of the derivative transactions.

(G) Other information necessary to ensure that the internal control procedures are being followed.

(4) The board of directors, or a committee thereof charged with the responsibility for supervising investments, shall establish the following management oversight standards for derivative transactions:

(A) The board of directors, or a committee thereof charged with the responsibility for supervising investments, has an affirmative obligation to inform management of its desired risk tolerance levels. Management shall appropriately translate these risk tolerance levels into effective policies and procedures that address both individual transactions and entire portfolios.

(B) Management and the board of directors, or a committee thereof charged with the responsibility for supervising investments, shall receive sufficient information to assess the strengths and limitations of the insurer's risk measurement systems in order to determine appropriate risk limits. The board of directors, or a committee thereof charged with the responsibility for supervising investments, shall also review management's response to strengths and limitations identified through oversight processes such as stress testing, independent validation, and back-testing of risk measurement models. Management and the board of directors, or a committee thereof charged with the responsibility for supervising investments, shall consider the information identified by the oversight processes, including the potential for indirect effects of downside performance beyond the insurer's finances, when they determine and communicate their risk profile.

(C) When management or the board of directors, or a committee thereof charged with the responsibility for supervising investments, identifies weaknesses in the risk management process, they shall consider alternatives and take steps to strengthen that process and maintain detailed documentation of steps and actions taken.

(D) Actions shall be taken to correct any deficiencies in internal controls relative to derivative transactions, including any deficiencies determined by the independent certified public accountant in the evaluation of accounting procedures and internal controls and maintain detailed documentation of steps and actions taken.

(E) Personnel responsible for risk oversight functions shall possess independence, authority, and expertise.

(F) Issuer and counterparty credit decisions for each transaction shall be consistent with the overall credit standards of the insurer.

(G) In connection with each derivative transaction under this section, insurers shall maintain a statement in their records listing any member of the board of directors who is employed by, or a partner in, a party involved in the derivative transaction.

(5) The board of directors or committee charged with the responsibility of supervising investments shall determine at least quarterly whether all derivative transactions have been made in accordance with delegations, standards, limitations, and investment objectives prescribed in the guidelines. If the determinations are made by a committee of the board of directors, the minutes of the committee reflecting the determinations shall be recorded and a report thereon shall be submitted to the board for its review at the board's next meeting.

(6) The commissioner shall require the guidelines to be submitted and shall disapprove the guidelines if the insurer is unable to show that the guidelines are found sufficient to prevent financially unsound or hazardous transactions or practices.

(h) An insurer shall comply with applicable financial requirements as promulgated by the commissioner and the National Association of Insurance Commissioners included in the Purposes and Procedures Manual of the National Association of Insurance Commissioners Securities Valuation Office, the National Association of Insurance Commissioners Accounting Practices and Procedures Manual, and the National Association of Insurance Commissioners Annual Statement Instructions, including, but not limited to, the reporting of transfers, if any, of interests in the assets of the insurer pledged as collateral or interests in the assets of counterparties received as collateral in connection with derivative transactions.

(i) (1) The counterparty exposure under a derivative instrument entered into by an insurer authorized to engage in derivative transactions pursuant to this section shall be deemed to be an obligation of the institution to which the insurer is exposed to credit risk and shall be included in determining compliance with any single or aggregate quantitative limitation on investments made by an insurer under this section.

(2) An insurer shall only enter into derivative transactions with counterparties that are rated one by the Securities Valuation Office.

(3) Notwithstanding any single or aggregate quantitative limitation on investments made by an insurer under this section, the aggregate counterparty exposure under one or more derivative transactions to any single counterparty rated one by the Securities Valuation Office, other than a "qualified counterparty," shall be limited to one-half of 1 percent of an insurer's admitted assets, and all counterparties rated one by the Securities Valuation Office, other than qualified counterparties, shall be limited to 3 percent of an insurer's admitted assets.

(j) Investments made pursuant to this section, and related transactions, are deemed excess funds investments and shall be subject to the provisions of Sections 1153.5, 1154, and 1210, and Article 4 (commencing with Section 1190), provided that if an insurer classifies an investment under Section 1210 that investment shall continue to be subject to the limitations of paragraph (1) of subdivision (e). Notwithstanding anything to the contrary, a requirement providing that any derivative transaction be disposed of by the insurer pursuant to Section 1202 shall be deemed conclusive unless the insurer establishes that the derivative transaction or transactions are financially sound and not hazardous. This section shall only be deemed to permit replication of investments or instruments, that are otherwise permitted in this code, and that are reported in compliance with the requirements of the risk-based capital and risk-based capital instructions required by Section 739.2.

(k) Except as permitted in this section, nothing in this section shall be deemed to permit an investment, transaction, or practice that is not authorized by another section of this code. Exposure to risk by use of derivatives shall be consistent with the overall investment guidelines. Insurers shall not enter into derivative transactions in whole or in part with funds borrowed for that purpose, including, but not limited to, on margin.

(l) The commissioner may adopt rules and issue guidelines establishing standards and requirements relative to practices authorized in this section. In connection with any of the actions contemplated by this section to be taken by the commissioner, including review of an insurer's written guidelines with respect to derivative transactions and review of documentation maintained by an insurer with respect to derivative transactions, the commissioner may deem the actions to be an examination of an insurer subject to the provisions of Sections 730 to 738, inclusive. The commissioner shall issue regulations establishing requirements regarding the disclosure of affiliations and conflicts of interest between an insurer and persons contracted by the commissioner

to perform services on behalf of the commissioner in connection with the matters authorized by this section.

(m) An insurer that is not engaged in the issuance of new policies of insurance and that is formed for the purpose of facilitating the rehabilitation of an insolvent insurer under Article 14 (commencing with Section 1010) of Chapter 1, shall, prior to engaging in any derivative transaction, obtain approval for each transaction from the commissioner, and shall otherwise comply with the requirements of this section. However, the insurer may, upon request to the commissioner, and upon showing satisfactory to the commissioner that prior approval of each transaction would not be in the best interests of the policyholders, request that the commissioner waive the requirement of prior approval and the insurer shall, in addition to complying with the requirements of this section, submit monthly written reports of all derivative transactions to the commissioner in the form required by the commissioner within 30 days of the prior month's end.

SEC. 201. Section 10235.52 of the Insurance Code, as added by Section 3 of Chapter 675 of the Statutes of 2002, is amended to read:

10235.52. (a) Every policy shall contain a provision that, in the event the insurer develops new benefits or benefit eligibility or new policies with new benefits or benefit eligibility not included in the previously issued policy, the insurer will grant current holders of its policies who are not in benefit or within the elimination period the following rights:

(1) The policyholder will be notified of the availability of the new benefits or benefit eligibility or new policy within 12 months. The insurer's notice shall be filed with the department at the same time as the new policy or rider.

(2) The insurer shall offer the policyholder new benefits or benefit eligibility in one of the following ways:

(A) By adding a rider to the existing policy and paying a separate premium for the new benefits or benefit eligibility based on the insured's attained age. The premium for the existing policy will remain unchanged based on the insured's age at issuance.

(B) By replacing the existing policy or certificate in accordance with Section 10234.87.

(C) By replacing the existing policy or certificate with a new policy or certificate in which case consideration for past insured status shall be recognized by setting the premium for the replacement policy or certificate at the issue age of the policy or certificate being replaced.

(b) The insured may be required to undergo new underwriting, but the underwriting can be no more restrictive than if the policyholder or certificate holder were applying for a new policy or certificate.

(c) The insurer of a group policy as defined under subdivisions (a) to (c), inclusive, of Section 10231.6 must offer the group policyholder the opportunity to have the new benefits and provisions extended to existing certificate holders, but the insurer is relieved of the obligations imposed by this section if the holder of the group policy declines the issuer's offer.

(d) This section shall become operative on June 30, 2003.

SEC. 202. Section 98.2 of the Labor Code is amended to read:

98.2. (a) Within 10 days after service of notice of an order, decision, or award, the parties may seek review by filing an appeal to the superior court, where the appeal shall be heard de novo. A copy of the appeal request shall be served upon the Labor Commissioner by the appellant. For purposes of computing the 10-day period after service, Section 1013 of the Code of Civil Procedure is applicable.

(b) Whenever an employer files an appeal pursuant to this section, the employer shall post an undertaking with the reviewing court in the amount of the order, decision, or award. The undertaking shall consist of an appeal bond issued by a licensed surety or a cash deposit with the court in the amount of the order, decision, or award. The employer shall provide written notification to the other parties and the Labor Commissioner of the posting of the undertaking. The undertaking shall be on the condition that, if any judgment is entered in favor of the employee, the employer shall pay the amount owed pursuant to the judgment, and if the appeal is withdrawn or dismissed without entry of judgment, the employer shall pay the amount owed pursuant to the order, decision, or award of the Labor Commissioner unless the parties have executed a settlement agreement for payment of some other amount, in which case the employer shall pay the amount that the employer is obligated to pay under the terms of the settlement agreement. If the employer fails to pay the amount owed within 10 days of entry of the judgment, dismissal, or withdrawal of the appeal, or the execution of a settlement agreement, a portion of the undertaking equal to the amount owed, or the entire undertaking if the amount owed exceeds the undertaking, is forfeited to the employee.

(c) If the party seeking review by filing an appeal to the superior court is unsuccessful in the appeal, the court shall determine the costs and reasonable attorney's fees incurred by the other parties to the appeal, and assess that amount as a cost upon the party filing the appeal.

(d) If no notice of appeal of the order, decision, or award is filed within the period set forth in subdivision (a), the order, decision, or award shall, in the absence of fraud, be deemed the final order.

(e) The Labor Commissioner shall file, within 10 days of the order becoming final pursuant to subdivision (d), a certified copy of the final order with the clerk of the superior court of the appropriate county unless a settlement has been reached by the parties and approved by the Labor

Commissioner. Judgment shall be entered immediately by the court clerk in conformity therewith. The judgment so entered has the same force and effect as, and is subject to all of the provisions of law relating to, a judgment in a civil action, and may be enforced in the same manner as any other judgment of the court in which it is entered. Enforcement of the judgment shall receive court priority.

(f) In order to ensure that judgments are satisfied, the Labor Commissioner may serve upon the judgment debtor, personally or by first-class mail at the last known address of the judgment debtor listed with the division, a form similar to, and requiring the reporting of the same information as, the form approved or adopted by the Judicial Council for purposes of subdivision (a) of Section 116.830 of the Code of Civil Procedure to assist in identifying the nature and location of any assets of the judgment debtor.

The judgment debtor shall complete the form and cause it to be delivered to the division at the address listed on the form within 35 days after the form has been served on the judgment debtor, unless the judgment has been satisfied. In case of willful failure by the judgment debtor to comply with this subdivision, the division or the judgment creditor may request the court to apply the sanctions provided in Section 708.170 of the Code of Civil Procedure.

(g) Notwithstanding subdivision (e), the Labor Commissioner may stay execution of any judgment entered upon an order, decision, or award that has become final upon good cause appearing therefor and may impose the terms and conditions of the stay of execution. A certified copy of the stay of execution shall be filed with the clerk entering the judgment.

(h) When a judgment is satisfied in fact, other than by execution, the Labor Commissioner may, upon the motion of either party or on its own motion, order entry of satisfaction of judgment. The clerk of the court shall enter a satisfaction of judgment upon the filing of a certified copy of the order.

(i) The Labor Commissioner shall make every reasonable effort to ensure that judgments are satisfied, including taking all appropriate legal action and requiring the employer to deposit a bond as provided in Section 240.

(j) The judgment creditor, or the Labor Commissioner as assignee of the judgment creditor, is entitled to court costs and reasonable attorney's fees for enforcing the judgment that is rendered pursuant to this section.

SEC. 203. Section 176 of the Labor Code is amended to read:

176. (a) The Legislature hereby finds and declares that the Dymally-Alatorre Bilingual Services Act, Chapter 17.5 (commencing with Section 7290) of Division 7 of Title 1 of the Government Code, was enacted in 1973 to provide for the removal of language barriers that

prevent the people of this state who are not proficient in English from effectively accessing government services and otherwise communicating with their government.

The Legislature further finds and declares that limited-English-proficient individuals will benefit from increased language-based access to the programs and services of the Division of Occupational Safety and Health.

The Legislature further finds and declares that federal statistics show that from 1996 to 2000, while overall worker fatalities dropped 14 percent, immigrant worker fatalities rose 17 percent. Immigrant workers die on the job at higher rates because they frequently work in more dangerous industries with little or no training. Language barriers compound the problem because training and warning signs are often only in English.

(b) As used in this section, a “public contact position” means any position responsible for responding to telephone or in-office inquiries or taking complaints from the general public regarding matters pertaining to occupational safety and health.

(c) As used in the section, an “investigative position” means any position responsible for investigating complaints, injuries, or deaths related to occupational safety and health.

(d) As used in this section, “limited-English-proficient” refers to persons who speak English less than “very well,” in accordance with United States Census data.

(e) The division shall make all efforts to ensure that limited-English-proficient persons can communicate effectively with the division. Examples of potential measures include, but are not limited to, the hiring of bilingual persons in public contact positions and investigative positions, the use of contract based interpreters, and the use of telephone-based interpretation services. Nothing contained in this section relieves the division of its separate obligations under the Dymally-Alatorre Bilingual Services Act, Chapter 17.5 (commencing with Section 7290) of Division 7 of Title 1 of the Government Code, or any other state or federal laws requiring the provision of its services in languages other than English.

(f) On July 30, 2004, the Division of Occupational Safety and Health shall issue a progress report to the Legislature on the implementation of this section that shall, at a minimum, include all of the following:

(1) The most recent information provided to the California State Personnel Board pursuant to Section 7299.4 of the Government Code.

(2) The number of bilingual employees in public contact and investigative positions in each local office of the division and the languages they speak, other than English.

(3) A description of any centralized system or other resources for providing translation and interpretation services within the division.

(4) A description of any quality control measures or evaluations undertaken by the division to evaluate whether limited-English-proficient persons are able to communicate effectively with the division.

(5) A description of any means, such as contracted interpreters, telephone-based interpretation services, or video conferencing, used by the division to communicate with individuals who are limited-English-proficient in the event that bilingual employees in public contact or investigative positions are not available, and the frequency in which these services were used by the division during the most recent fiscal year.

SEC. 204. Section 230.1 of the Labor Code is amended to read:

230.1. (a) In addition to the requirements and prohibitions imposed on employees pursuant to Section 230, an employer with 25 or more employees may not discharge or in any manner discriminate or retaliate against an employee who is a victim of domestic violence or a victim of sexual assault for taking time off from work to attend to any of the following:

(1) To seek medical attention for injuries caused by domestic violence or sexual assault.

(2) To obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence or sexual assault.

(3) To obtain psychological counseling related to an experience of domestic violence or sexual assault.

(4) To participate in safety planning and take other actions to increase safety from future domestic violence or sexual assault, including temporary or permanent relocation.

(b) (1) As a condition of taking time off for a purpose set forth in subdivision (a), the employee shall give the employer reasonable advance notice of the employee's intention to take time off, unless the advance notice is not feasible.

(2) When an unscheduled absence occurs, the employer may not take any action against the employee if the employee, within a reasonable time after the absence, provides a certification to the employer. Certification shall be sufficient in the form of any of the following:

(A) A police report indicating that the employee was a victim of domestic violence or sexual assault.

(B) A court order protecting or separating the employee from the perpetrator of an act of domestic violence or sexual assault, or other evidence from the court or prosecuting attorney that the employee appeared in court.

(C) Documentation from a medical professional, domestic violence advocate or advocate for victims of sexual assault, health care provider, or counselor that the employee was undergoing treatment for physical or mental injuries or abuse resulting in victimization from an act of domestic violence or sexual assault.

(3) To the extent allowed by law, employers shall maintain the confidentiality of any employee requesting leave under subdivision (a).

(c) Any employee who is discharged, threatened with discharge, demoted, suspended, or in any other manner discriminated or retaliated against in the terms and conditions of employment by his or her employer because the employee has taken time off for a purpose set forth in subdivision (a) is entitled to reinstatement and reimbursement for lost wages and work benefits caused by the acts of the employer. Any employer who willfully refuses to rehire, promote, or otherwise restore an employee or former employee who has been determined to be eligible for rehiring or promotion by a grievance procedure or hearing authorized by law is guilty of a misdemeanor.

(d) (1) Any employee who is discharged, threatened with discharge, demoted, suspended, or in any other manner discriminated or retaliated against in the terms and conditions of employment by his or her employer because the employee has exercised his or her rights as set forth in subdivision (a) may file a complaint with the Division of Labor Standards Enforcement of the Department of Industrial Relations pursuant to Section 98.7.

(2) Notwithstanding any time limitation in Section 98.7, an employee filing a complaint with the division based upon a violation of subdivision (a) has one year from the date of occurrence of the violation to file his or her complaint.

(e) An employee may use vacation, personal leave, or compensatory time off that is otherwise available to the employee under the applicable terms of employment, unless otherwise provided by a collective bargaining agreement, for time taken off for a purpose specified in subdivision (a). The entitlement of any employee under this section may not be diminished by any collective bargaining agreement term or condition.

(f) This section does not create a right for an employee to take unpaid leave that exceeds the unpaid leave time allowed under, or is in addition to the unpaid leave time permitted by, the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2601 et seq.).

(g) For purposes of this section:

(1) "Domestic violence" means any of the types of abuse set forth in Section 6211 of the Family Code, as amended.

(2) "Sexual assault" means any of the crimes set forth in Section 261, 261.5, 262, 265, 266, 266a, 266b, 266c, 266g, 266j, 267, 269, 273.4, 285, 286, 288, 288a, 288.5, 289, or 311.4 of the Penal Code, as amended.

SEC. 205. Section 1776 of the Labor Code is amended to read:

1776. (a) Each contractor and subcontractor shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by him or her in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following:

(1) The information contained in the payroll record is true and correct.

(2) The employer has complied with the requirements of Sections 1771, 1811, and 1815 for any work performed by his or her employees on the public works project.

(b) The payroll records enumerated under subdivision (a) shall be certified and shall be available for inspection at all reasonable hours at the principal office of the contractor on the following basis:

(1) A certified copy of an employee's payroll record shall be made available for inspection or furnished to the employee or his or her authorized representative on request.

(2) A certified copy of all payroll records enumerated in subdivision (a) shall be made available for inspection or furnished upon request to a representative of the body awarding the contract, the Division of Labor Standards Enforcement, and the Division of Apprenticeship Standards of the Department of Industrial Relations.

(3) A certified copy of all payroll records enumerated in subdivision (a) shall be made available upon request by the public for inspection or for copies thereof. However, a request by the public shall be made through either the body awarding the contract, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement. If the requested payroll records have not been provided pursuant to paragraph (2), the requesting party shall, prior to being provided the records, reimburse the costs of preparation by the contractor, subcontractors, and the entity through which the request was made. The public may not be given access to the records at the principal office of the contractor.

(c) The certified payroll records shall be on forms provided by the Division of Labor Standards Enforcement or shall contain the same information as the forms provided by the division.

(d) A contractor or subcontractor shall file a certified copy of the records enumerated in subdivision (a) with the entity that requested the records within 10 days after receipt of a written request.

(e) Any copy of records made available for inspection as copies and furnished upon request to the public or any public agency by the awarding body, the Division of Apprenticeship Standards, or the Division of Labor Standards Enforcement shall be marked or obliterated to prevent disclosure of an individual's name, address, and social security number. The name and address of the contractor awarded the contract or the subcontractor performing the contract shall not be marked or obliterated. Any copy of records made available for inspection by, or furnished to, a joint labor-management committee established pursuant to the federal Labor Management Cooperation Act of 1978 (29 U.S.C. Sec. 175a) shall be marked or obliterated only to prevent disclosure of an individual's name and social security number. A joint labor management committee may maintain an action in a court of competent jurisdiction against an employer who fails to comply with Section 1774. The court may award restitution to an employee for unpaid wages and may award the joint labor management committee reasonable attorney's fees and costs incurred in maintaining the action. An action under this subdivision may not be based on the employer's misclassification of the craft of a worker on its certified payroll records. Nothing in this subdivision limits any other available remedies for a violation of this chapter.

(f) The contractor shall inform the body awarding the contract of the location of the records enumerated under subdivision (a), including the street address, city, and county, and shall, within five working days, provide a notice of a change of location and address.

(g) The contractor or subcontractor has 10 days in which to comply subsequent to receipt of a written notice requesting the records enumerated in subdivision (a). In the event that the contractor or subcontractor fails to comply within the 10-day period, he or she shall, as a penalty to the state or political subdivision on whose behalf the contract is made or awarded, forfeit twenty-five dollars (\$25) for each calendar day, or portion thereof, for each worker, until strict compliance is effectuated. Upon the request of the Division of Apprenticeship Standards or the Division of Labor Standards Enforcement, these penalties shall be withheld from progress payments then due. A contractor is not subject to a penalty assessment pursuant to this section due to the failure of a subcontractor to comply with this section.

(h) The body awarding the contract shall cause to be inserted in the contract stipulations to effectuate this section.

(i) The director shall adopt rules consistent with the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and the Information Practices Act of 1977 (Title 1.8 (commencing with Section 1798) of Part 4 of Division 3 of the Civil Code) governing the release of these records, including the

establishment of reasonable fees to be charged for reproducing copies of records required by this section.

SEC. 206. Section 3099.3 of the Labor Code is amended to read:

3099.3. The Division of Apprenticeship Standards shall do all of the following:

(a) Make information about electrician certification available in non-English languages spoken by a substantial number of construction workers, as defined in Section 7296.2 of the Government Code.

(b) Provide for the administration of certification tests in non-English languages spoken by a substantial number of applicants, as defined in Section 7296.2 of the Government Code, except insofar as the ability to understand warning signs, instructions, and certain other information in English is necessary for safety reasons.

(c) Ensure, in conjunction with the California Apprenticeship Council, that by no later than January 1, 2003, all electrician apprenticeship programs approved under this chapter that impose minimum formal education requirements as a condition of entry provide for reasonable alternative means of satisfying those requirements.

(d) Ensure, in conjunction with the California Apprenticeship Council, that by no later than January 1, 2003, all electrician apprenticeship programs approved under this chapter have adopted reasonable procedures for granting credit toward a term of apprenticeship for other vocational training and on-the-job training experience.

(e) Report to the Legislature by January 1, 2004, on the status of electrician certification, including all of the following:

(1) The number of persons who have been certified pursuant to Section 3099.

(2) The number of persons enrolled in electrician apprenticeship programs.

(3) The number of persons who have registered pursuant to Section 3099.4.

(4) The estimated number of individuals performing work for Class C-10 electrical contractors for which certification will be required after January 1, 2005, who have not yet been certified and are not enrolled in apprenticeship programs or registered pursuant to Section 3099.4.

(5) Whether enforcement of the January 1, 2005, deadline for certification will cause a shortage of electricians in California.

(6) Whether persons who wish to become certified electricians will have an adequate opportunity to pass the certification exam, to register pursuant to Section 3099.4, or to enroll in an apprenticeship program prior to January 1, 2005.

SEC. 207. Section 179 of the Military and Veterans Code is amended to read:

179. (a) The Adjutant General shall establish a California State Military Museum and Resource Center as a repository for military artifacts, memorabilia, equipment, documents, and other items relating to the history of the California National Guard, in accordance with applicable regulations of the United States Army governing Army museum activities. The museum and resource center shall consist of the facility described in the Proclamation of the Governor dated May 11, 1994, and any branches as may currently exist or may from time-to-time be created throughout the state. Each facility shall be deemed to be an armory within the meaning of Section 430.

(b) The Adjutant General shall enter into an operating agreement with the California Military Museum Foundation, formerly known as the California National Guard Historical Society, an existing California nonprofit public benefit corporation, that is tax exempt under Section 501(c)(3) of the Internal Revenue Code. Under the operating agreement with the Adjutant General, the foundation shall operate the museum and resource center in coordination with the California Center for Military History of the California State Military Reserve. The foundation shall develop, administer, interpret, and manage museum and resource center historical programs and related public services, and acquire and manage funding for museum and resource center programs and services.

(c) Volunteers, docents, members of the State Military Reserve, or others working with or for the California Military Museum Foundation for purposes consistent with the mission of the organization, shall be considered volunteers under Sections 3118 and 3119 of the Government Code and Section 3363.5 of the Labor Code.

(d) The Board of Trustees of the California Military Museum Foundation shall include the Adjutant General, or the Assistant Adjutant General, or any Deputy Adjutant General designated by the Adjutant General, as an ex officio voting member of the board. The board of trustees of the foundation shall be the governing authority for operations funded through moneys received by the foundation. The board of trustees of the foundation shall submit an audit report annually to the Adjutant General. The board of trustees of the foundation shall submit copies of annual audit reports to the Director of the Department of Finance, the Chair of the Joint Legislative Audit Committee, and the Chair of the Joint Legislative Budget Committee. No funds raised or assets acquired by the foundation shall be used for purposes inconsistent with support of the museum and resource center.

(e) The Board of Trustees of the California Military Museum Foundation shall, no later than January 10 of each year, submit a business plan for the following fiscal year to the Adjutant General, the Director of the Department of Finance, and the Chair of the Joint Legislative Budget Committee for review and comment. The board of trustees shall

also submit, not less than 30 days prior to adoption, any proposed formal amendments to the business plan to the Adjutant General, the Director of the Department of Finance, and the Chair of the Joint Legislative Budget Committee for review and comment.

(f) The Adjutant General or the California State Military Museum and Resource Center may solicit, receive, and administer donations of funds or property for the support and improvement of the museum and resource center. Any grants or donations received may be expended or used for museum and resource center purposes. Property of historical military significance, not including real property, that is owned by the state and is determined by the Adjutant General to be in excess of the needs of the Military Department, shall be transferred to the museum and resource center. Property determined by the California State Military Museum and Resource Center to be in excess of the needs of the museum and resource center may be sold, donated, exchanged, or otherwise disposed of, at its discretion, in a manner appropriate to the historical and intrinsic value of the property, and the benefits from the disposition shall inure to the museum and resource center.

(g) The Adjutant General or the California State Military Museum and Resource Center may solicit and receive firearms and other weaponry confiscated by or otherwise in the possession of law enforcement officers as donations to the museum and resource center if he or she deems them to be of historical or military interest.

(h) The Adjutant General shall, in cooperation with the California State Military Museum and Resource Center, conduct a study of the future needs of the National Guard to preserve, display, and interpret artifacts, documents, photographs, films, literature, and other items relating to the history of the military in California.

SEC. 208. Section 395.3 of the Military and Veterans Code is amended to read:

395.3. In the event that any public officer or employee has resigned or resigns his or her office or employment to serve or to continue to serve in the Armed Forces of the United States or in the militia of this state, he or she shall have a right to return to and reenter the office or employment prior to the time at which his or her term of office or his or her employment would have ended if he or she had not resigned, on serving a written notice to that effect upon the authorized appointing power, or if there is no authorized appointing power, upon the officer or agency having power to fill a vacancy in the office or employment, within six months of the termination of his or her active service with the Armed Forces; provided, that the right to return and reenter upon the office or position shall not extend to or be granted to any public officer or employee, who shall fail to return to and reenter upon his or her office or position within 12 months after the first date upon which he or she

could terminate or could cause to have terminated his or her active service with the Armed Forces of the United States or of the militia of this state.

As used in this section, "public officers and employees" includes all of the following:

- (a) Members of the Senate and of the Assembly.
- (b) Justices of the Supreme Court and the courts of appeal, judges of the superior courts, and all other judicial officers.
- (c) All other state officers and employees not within Chapter 11 (commencing with Section 19770) of Part 2 of Division 5 of Title 2 of the Government Code, including all officers for whose selection and term of office provision is made in the California Constitution and laws of this state.
- (d) All officers and employees of any county, city and county, city, township, district, political subdivision, authority, commission, board, or other public agency within this state.

The right of reentry into public office or employment provided for in this section shall include the right to be restored to the civil service status as the officer or employee would have if he or she had not so resigned; and no other person shall acquire civil service status in the same position so as to deprive the officer or employee of his or her right to restoration as provided for herein.

This section shall be retroactively applied to extend the right of reentry into public office or employment to public officers and employees who resigned prior to its effective date.

This section does not apply to any public officer or employee to whom the right to reenter public office or employment after service in the Armed Forces has been granted by any other provision of law.

If any provision of this section, or the application of this section to any person or circumstance, is held invalid, the remainder of this section, or the application of this section to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Chapter 12 (commencing with Section 3560) of Division 4 of Title 1 of the Government Code, the memorandum of understanding shall be controlling without further legislative action, except that if the provisions of a memorandum of understanding require the expenditure of funds, the provisions shall not become effective unless approved by the Legislature in the annual Budget Act.

SEC. 209. Section 406 of the Military and Veterans Code is amended to read:

406. (a) No eviction or distress shall be made during the period of military service specified in Section 400, during which a service member

is called to active state service pursuant to Section 143 or 146 or active federal service pursuant to Title 10 or 32 of the United States Code or active duty, until 30 days after the service member is released from active service or duty if the premises are occupied primarily for dwelling purposes by the spouse, children, or other dependents of a service member, except upon leave of court granted upon application therefor or granted in an action or proceeding affecting the right of possession.

(b) On any application or in any action under this section, the court may on its own motion, and shall, on application, stay the proceedings for the period specified in subdivision (a) or rather than granting a complete stay, the court may require the tenant to make regular partial payments during the service member's period of military service, or the court may make any other order that it finds to be just, unless the court finds that the ability of the tenant to pay the agreed rent is not materially affected by that military service. Where that stay is made by the court, the owner of the premises shall be entitled, upon application therefor, to relief in respect of those premises similar to that granted persons in military service in Sections 407, 408, and 409.1 to that extent and for that period as may appear to the court to be just.

(c) Any person who knowingly takes part in any eviction or distress as provided in this section or who attempts to do so, is guilty of a misdemeanor, and shall be punishable by imprisonment not to exceed one year or by a fine not to exceed one thousand dollars (\$1,000), or both.

SEC. 210. Section 411 of the Military and Veterans Code, as added by Section 6, first occurrence, of Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.1. (a) Where any life insurance policy on the life of a service member in military service has been assigned prior to that person's period of military service to secure the payment of any obligation of the person, no assignee of the policy, except the insurer in connection with a policy loan, shall, during the period of military service of the insured or within one year thereafter, except upon the consent in writing of the insured made during that period or when the premiums thereon are due and unpaid or upon the death of the insured, exercise any right or option by virtue of that assignment unless upon leave of court granted upon an application made therefor by the assignee. The court may thereupon refuse to grant that leave unless in the opinion of the court the ability of the obligor to comply with the terms of the obligation is not materially affected by reason of his or her military service.

(b) No person shall exercise any right to foreclose or enforce any lien for storage of household goods, furniture, or personal effects of a service member during that person's period of military service and for three months thereafter, except upon an order previously granted by a court upon application therefor and a return thereto made and approved by the

court. In that proceeding the court may, after hearing, in its discretion on its own motion, and shall, on application to it by a service member or some person on his or her behalf, unless in the opinion of the court the ability of the defendant to pay the storage charges due is not materially affected by reason of his or her military service, do either of the following:

(1) Stay the proceedings as provided in this chapter.

(2) Make that other disposition of the case as may be equitable to conserve the interest of all parties. This section shall not be construed in any way as affecting or as limiting the scope of Section 408.

(c) A person violating any provision of this section is guilty of a misdemeanor, and shall be punishable by imprisonment not to exceed one year or by a fine not to exceed one thousand dollars (\$1,000), or both.

SEC. 211. Section 411 of the Military and Veterans Code, as added by Section 6, second occurrence, of Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.2. (a) This section shall apply when any taxes or assessments, whether general or special, other than taxes on income, whether falling due prior to or during the period of military service, in respect of personal property, money, or credits, or real property owned and occupied for dwelling, professional, business, or agricultural purposes by a service member or his or her dependents at the commencement of the service member's period of military service and still so occupied by the service member's dependents or employees are not paid.

(b) No sale of this property shall be made to enforce the collection of any tax or assessment, or any proceeding or action commenced for that purpose, except upon leave of court granted upon application made therefor by the collector of taxes or other officer whose duty it is to enforce the collection of taxes or assessments. The court thereupon, unless in its opinion the ability of the service member to pay the taxes or assessments is not materially affected by reason of that service, may stay the proceedings or sale, as provided in this section, for a period extending not more than six months after the termination of the period of military service.

(c) When by law this property may be sold or forfeited to enforce the collection of any tax or assessment, the service member shall have the right to redeem or commence an action to redeem that property, at any time not later than six months after the termination of the period of military service.

(d) Whenever any tax or assessment shall not be paid when due, the tax or assessment due and unpaid shall bear interest until paid at the rate of 6 percent per year, and no other penalty or interest shall be incurred by reason of that nonpayment. Any lien for any unpaid taxes or assessment shall also include that interest thereon.

SEC. 212. Section 412 of the Military and Veterans Code, as added by Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.3. (a) A service member may, at any time during his or her period of military service or within six months thereafter, apply to a court for relief in respect of any obligation or liability incurred by the service member prior to his or her period of military service or in respect of any tax or assessment whether falling due prior to or during his or her period of military service. The court, after appropriate notice and hearing, unless in its opinion the ability of the applicant to comply with the terms of the obligation or liability or to pay the tax or assessment has not been materially affected by reason of his or her military service, may grant the following relief:

(1) In the case of an obligation payable under its terms in installments under a contract for the purchase of real estate, or secured by a mortgage or other instrument in the nature of a mortgage upon real estate, a stay of the enforcement of the obligation during the applicant's period of military service and, from the date of termination of the period of military service or from the date of application if made after the service, for a period equal to the period of the remaining life of the installment contract or other instrument plus a period of time equal to the period of military service of the applicant or any part of the combined period, subject to payment of the balance of principal and accumulated interest due and unpaid at the date of termination of the period of military service or from the date of application, as the case may be, in equal installments during the combined period at the rate of interest on the unpaid balance as is prescribed in the contract, or other instrument evidencing the obligation, for installments paid when due, and subject to any other terms as may be just.

(2) In the case of any other obligation, liability, tax, or assessment, a stay of the enforcement thereof during the applicant's period of military service and, from the date of termination of the period of military service or from the date of application if made after the service, for a period of time equal to the period of military service of the applicant or any part of that period, subject to payment of the balance of principal and accumulated interest due and unpaid at the date of termination of the period of military service or the date of application, as the case may be, in equal periodic installments during the extended period at the rate of interest as may be prescribed for the obligation, liability, tax, or assessment, if paid when due, and subject to any other terms as may be just.

(b) When any court has granted a stay as provided in this section, no fine or penalty shall accrue during the period the terms and conditions of the stay are complied with by reason of failure to comply with the

terms or conditions of the obligation, liability, tax, or assessment in respect of which the stay was granted.

(c) Nothing in this section shall permit a service member ordered to military service to obtain a delay, deferment, or stay on an obligation to pay child support. Nothing in this section shall preclude a service member ordered to military service from seeking a modification of an order to pay child support due to a reduction in income resulting from the order to service, or from seeking the imposition of the maximum interest rate provided by this chapter on arrearages in child support payments existing prior to the order to service.

SEC. 213. Section 413 of the Military and Veterans Code, as added by Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.4. (a) A person who by reason of military service is entitled to the rights and benefits of this chapter shall also be entitled upon release from that military service to reinstatement of any health insurance that was in effect on the day before the service commenced, and was terminated effective on a date during the period of the service.

(b) An exclusion or a waiting period may not be imposed in connection with reinstatement of health insurance coverage of a health or physical condition of a person under subdivision (a), or a health or physical condition of any other person who is covered by the insurance by reason of the coverage of that person, if any of the following apply:

(1) The condition arose before or during that person's period of service.

(2) An exclusion or waiting period would not have been imposed for the condition during a period of coverage resulting from participation by that person in the insurance.

(3) The condition of the person has not been determined by the Secretary of Veterans Affairs to be a disability incurred or aggravated in the line of duty within the meaning of Section 105 of Title 38 of the United States Code.

SEC. 214. Section 414 of the Military and Veterans Code, as added by Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.5. Dependents of a service member shall be entitled to the benefits accorded to service members under Sections 406 to 409.4, inclusive, upon application to a court therefor, unless in the opinion of the court the ability of the dependents to comply with the terms of the obligation, contract, lease, or bailment has not been materially impaired by reason of the military service of the person upon whom the applicants are dependent.

SEC. 215. Section 415 of the Military and Veterans Code, as added by Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.6. The collection from any service member of any tax on the income of the person, whether falling due prior to or during his or her period of military service, shall be deferred for a period extending not more than six months after the termination of his or her period of military service if the person's ability to pay the tax is materially impaired by reason of the service. No interest on any amount of tax, collection of which is deferred for any period under this chapter, and no penalty for nonpayment of the amount during that period, shall accrue for any period of deferment by reason of that nonpayment. The running of any statute of limitations against the collection of any tax by distraint or otherwise shall be suspended for the period of military service of any individual the collection of whose tax is deferred under this section, and for an additional period of nine months beginning with the day following the period of military service.

SEC. 216. Section 416 of the Military and Veterans Code, as added by Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.7. Where in any proceeding to enforce a civil right in any court, it is made to appear to the satisfaction of the court that any interest, property, or contract has been transferred or acquired since the effective date of this chapter with the intent to delay the just enforcement of that right by taking advantage of the benefits provided under this chapter, the court shall enter judgment or make an order as might lawfully be entered or made, notwithstanding any contrary provision of this chapter.

SEC. 217. Section 417 of the Military and Veterans Code, as added by Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.8. (a) In any proceeding under this chapter, a certificate signed by an appropriately authorized officer of the military department, branch, or unit in which a service member is serving shall be prima facie evidence as to any of the following facts stated in that certificate:

(1) That a person named has not been, or is, or has been in the military service.

(2) The time when and the place where the person entered military service.

(3) The person's residence at that time, and the rank, branch, and unit of the service that the person entered.

(4) The dates within which the person was in the military service.

(5) The monthly pay received by the person at the date of issuing the certificate.

(6) The time when and the place where the person died in or was discharged from the service.

(b) It shall be the duty of the authorized officer to furnish that certificate on application, and any certificate, when purporting to be signed by an officer purporting on the face of the certificate to have been so authorized, shall be prima facie evidence of its contents and of the authority of the signer to issue the certificate.

(c) Where a person in military service has been reported missing, he or she shall be presumed to continue in the service until accounted for, and no period herein limited which begins or ends with the death of the person shall begin or end until the death of the person is in fact reported to or found by the United States Department of Defense or any court or board thereof, or the Military Department or any court or board thereof, or until the person's death is found by a court of competent jurisdiction.

SEC. 218. Section 418 of the Military and Veterans Code, as added by Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.9. Any interlocutory order made by any court under the provisions of this chapter may, upon the court's own motion or otherwise, be revoked, modified, or extended by it upon notice to the parties affected as it may require.

SEC. 219. Section 419 of the Military and Veterans Code, as added by Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.10. The provisions of this chapter are severable. If any provision of this chapter 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. 220. Section 420 of the Military and Veterans Code, as added by Chapter 60 of the Statutes of 2002, is amended and renumbered to read:

409.11. It is the intent of the Legislature that qualification for the benefits and protections conferred upon service members, as defined by Section 400, by this chapter apply retroactively to September 11, 2001. However, it is also the intent of the Legislature that the benefits and protections that attach to qualified service members under this chapter apply only on a prospective basis.

SEC. 221. Section 1035.6 of the Military and Veterans Code is amended to read:

1035.6. (a) The administrator shall provide each member of the home with a quarterly statement or accounting of all charges for the costs of care rendered to the member in excess of the member fee, as defined in subdivision (b). The quarterly statement or accounting of charges

shall clearly indicate that the charges for the excess costs of care are provided to the member for informational purposes only.

(b) "Costs of care in excess of the member fee" means all costs that are not covered by the member contribution fee, including, but not limited to, the unreimbursed costs of medical or dental services rendered to the member, either by the home or under contract with the home. The Department of Veterans Affairs shall promulgate regulations specifying the costs that are in excess of the member contribution fee and constitute the unreimbursed costs of care.

SEC. 222. Section 132.5 of the Penal Code, as amended by Section 1 of Chapter 210 of the Statutes of 2002, is amended to read:

132.5. (a) A person who is a witness to an event or occurrence that he or she knows, or reasonably should know, is a crime or who has personal knowledge of facts that he or she knows, or reasonably should know, may require that person to be called as a witness in a criminal prosecution shall not accept or receive, directly or indirectly, any payment or benefit in consideration for providing information obtained as a result of witnessing the event or occurrence or having personal knowledge of the facts.

(b) A violation of this section is a misdemeanor and shall be punished by imprisonment in a county jail for not exceeding six months, by a fine not exceeding one thousand dollars (\$1,000), or by both that imprisonment and fine.

(c) Upon conviction under this section, in addition to the penalty described in subdivision (b), any compensation received in violation of this section shall be forfeited by the defendant and deposited in the Victim Restitution Fund.

(d) This section shall not apply if more than one year has elapsed from the date of any criminal act related to the information that is provided under subdivision (a) unless prosecution has commenced for that criminal act. If prosecution has commenced, this section shall remain applicable until the final judgment in the action.

(e) This section shall not apply to any of the following circumstances:

(1) Lawful compensation paid to expert witnesses, investigators, employees, or agents by a prosecutor, law enforcement agency, or an attorney employed to represent a person in a criminal matter.

(2) Lawful compensation provided to an informant by a prosecutor or law enforcement agency.

(3) Compensation paid to a publisher, editor, reporter, writer, or other person connected with or employed by a newspaper, magazine, or other publication or a television or radio news reporter or other person connected with a television or radio station, for disclosing information obtained in the ordinary course of business.

(4) Statutorily authorized rewards offered by governmental agencies for information leading to the arrest and conviction of specified offenders.

(5) Lawful compensation provided to a witness participating in the Witness Protection Program established pursuant to Title 7.5 (commencing with Section 14020) of Part 4.

(f) For purposes of this section, “information” does not include a photograph, videotape, audiotape, or any other direct recording of events or occurrences.

SEC. 223. Section 132.5 of the Penal Code, as amended by Section 2 of Chapter 210 of the Statutes of 2002, is amended to read:

132.5. (a) The Legislature supports and affirms the constitutional right of every person to communicate on any subject. This section is intended to preserve the right of every accused person to a fair trial, the right of the people to due process of law, and the integrity of judicial proceedings. This section is not intended to prevent any person from disseminating any information or opinion.

The Legislature hereby finds and declares that the disclosure for valuable consideration of information relating to crimes by prospective witnesses can cause the loss of credible evidence in criminal trials and threatens to erode the reliability of verdicts.

The Legislature further finds and declares that the disclosure for valuable consideration of information relating to crimes by prospective witnesses creates an appearance of injustice that is destructive of public confidence.

(b) A person who is a witness to an event or occurrence that he or she knows is a crime or who has personal knowledge of facts that he or she knows or reasonably should know may require that person to be called as a witness in a criminal prosecution shall not accept or receive, directly or indirectly, any money or its equivalent in consideration for providing information obtained as a result of witnessing the event or occurrence or having personal knowledge of the facts.

(c) Any person who is a witness to an event or occurrence that he or she reasonably should know is a crime shall not accept or receive, directly or indirectly, any money or its equivalent in consideration for providing information obtained as a result of his or her witnessing the event or occurrence.

(d) The Attorney General or the district attorney of the county in which an alleged violation of subdivision (c) occurs may institute a civil proceeding. Where a final judgment is rendered in the civil proceeding, the defendant shall be punished for the violation of subdivision (c) by a fine equal to 150 percent of the amount received or contracted for by the person.

(e) A violation of subdivision (b) is a misdemeanor punishable by imprisonment for a term not exceeding six months in a county jail, a fine not exceeding three times the amount of compensation requested, accepted, or received, or both the imprisonment and fine.

(f) This section does not apply if more than one year has elapsed from the date of any criminal act related to the information that is provided under subdivision (b) or (c) unless prosecution has commenced for that criminal act. If prosecution has commenced, this section shall remain applicable until the final judgment in the action.

(g) This section does not apply to any of the following circumstances:

(1) Lawful compensation paid to expert witnesses, investigators, employees, or agents by a prosecutor, law enforcement agency, or an attorney employed to represent a person in a criminal matter.

(2) Lawful compensation provided to an informant by a prosecutor or law enforcement agency.

(3) Compensation paid to a publisher, editor, reporter, writer, or other person connected with or employed by a newspaper, magazine, or other publication or a television or radio news reporter or other person connected with a television or radio station, for disclosing information obtained in the ordinary course of business.

(4) Statutorily authorized rewards offered by governmental agencies or private reward programs offered by victims of crimes for information leading to the arrest and conviction of specified offenders.

(5) Lawful compensation provided to a witness participating in the Witness Protection Program established pursuant to Title 7.5 (commencing with Section 14020) of Part 4.

(h) For purposes of this section, "information" does not include a photograph, videotape, audiotape, or any other direct recording of an event or occurrence.

(i) For purposes of this section, "victims of crimes" shall be construed in a manner consistent with Section 28 of Article I of the California Constitution, and shall include victims, as defined in subdivision (3) of Section 136.

SEC. 224. Section 171.5 of the Penal Code is amended to read:

171.5. (a) For purposes of this section:

(1) "Airport" means an airport, with a secured area, that regularly serves an air carrier holding a certificate issued by the United States Secretary of Transportation.

(2) "Sterile area" means a portion of an airport defined in the airport security program to which access generally is controlled through the screening of persons and property, as specified in Section 1540.5 of Title 49 of the Code of Federal Regulations.

(b) It is unlawful for any person to knowingly possess within any sterile area of an airport, any of the items listed in subdivision (c).

(c) The following items are unlawful to possess as provided in subdivision (b):

- (1) Any firearm.
- (2) Any knife with a blade length in excess of four inches, the blade of which is fixed in an unguarded position by the use of one or two hands.
- (3) Any box cutter or straight razor.
- (4) Any metal military practice hand grenade.
- (5) Any metal replica hand grenade.
- (6) Any plastic replica hand grenade.
- (7) Any imitation firearm as defined in Section 417.4.
- (8) Any frame, receiver, barrel, or magazine of a firearm.
- (9) Any unauthorized tear gas weapon.
- (10) Any taser or stun gun, as defined in Section 244.5.
- (11) Any instrument that expels a metallic projectile, such as a BB or pellet, through the force of air pressure, CO₂ pressure, or spring action, or any spot marker gun or paint gun.
- (12) Any ammunition as defined in Section 12316.

(d) Subdivision (b) shall not apply to, or affect, any of the following:

(1) A duly appointed peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, a retired peace officer with authorization to carry concealed weapons as described in subdivision (a) of Section 12027, a full-time paid peace officer of another state or the federal government who is carrying out official duties while in California, or 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.

(2) A person who has authorization to possess a weapon specified in subdivision (c), granted in writing by an airport security coordinator who is designated as specified in Section 1542.3 of Title 49 of the Code of Federal Regulations, and who is responsible for the security of the airport.

(e) A violation of this section is punishable by imprisonment in a county jail for a period not exceeding six months, or by a fine not exceeding one thousand dollars (\$1,000), or by both that fine and imprisonment.

(f) The provisions of this section are cumulative, and shall not be construed as restricting the application of any other law. However, an act or omission that is punishable in different ways by this and any other provision of law shall not be punished under more than one provision.

(g) Nothing in this section is intended to affect existing state or federal law regarding the transportation of firearms on airplanes in checked luggage, or the possession of the items listed in subdivision (c) in areas that are not "sterile areas."

SEC. 225. Section 337u of the Penal Code is amended to read:

337u. It is unlawful for any person to commit any of the following acts:

(a) To alter or misrepresent the outcome of a gambling game or other event on which wagers lawfully have been made after the outcome is determined, but before it is revealed to the players.

(b) To place, increase, or decrease a wager or to determine the course of play after acquiring knowledge, not available to all players, of the outcome of the gambling game or any event that affects the outcome of the gambling game or which is the subject of the wager or to aid anyone in acquiring that knowledge for the purpose of placing, increasing, or decreasing a wager or determining the course of play contingent upon that event or outcome.

(c) To claim, collect, or take, or attempt to claim, collect, or take, money or anything of value in or from a gambling game, with intent to defraud, without having made a wager contingent on the game, or to claim, collect, or take an amount greater than the amount actually won.

(d) Knowingly to entice or induce another to go to any place where a gambling game is being conducted or operated in violation of this section, or Section 337v, 337w, 337x, or 337y, with the intent that the other person play or participate in that gambling game.

(e) To place or increase a wager after acquiring knowledge of the outcome of the gambling game or other event which is the subject of the wager, including past-posting and pressing wagers.

(f) To reduce the amount wagered or cancel the wager after acquiring knowledge of the outcome of the gambling game or other event which is the subject of the bet, including pinching wagers.

(g) To manipulate, with the intent to cheat, any component of a gambling game device in a manner contrary to the designed and normal operational purpose for the component, including, but not limited to, varying the pull of the handle of a slot machine, with knowledge that the manipulation affects the outcome of the gambling game or with knowledge of any event that affects the outcome of the gambling game.

SEC. 226. Section 383c of the Penal Code is amended to read:

383c. Every person who with intent to defraud, sells or exposes for sale any meat or meat preparations, and falsely represents the same to be halal, whether the meat or meat preparations is raw or prepared for human consumption, or as having been prepared under and from a product or products sanctioned by the Islamic religious requirements; or falsely represents any food product, or the contents of any package or container, to be so constituted and prepared, by having or permitting to be inscribed thereon the word "halal" in any language; or sells or exposes for sale in the same place of business both halal and nonhalal meat or meat preparations, either raw or prepared for human consumption, who fails to indicate on his or her window signs in all

display advertising in block letters at least four inches in height “halal and nonhalal meats sold here”; or who exposes for sale in any show window or place of business as both halal and nonhalal meat preparations, either raw or prepared for human consumption, who fails to display over each kind of meat or meat preparation so exposed a sign in block letters at least four inches in height, reading “halal meat” or “nonhalal meat” as the case may be; or sells or exposes for sale in any restaurant or any other place where food products are sold for consumption on the premises, any article of food or food preparations and falsely represents the same to be halal, or as having been prepared in accordance with the Islamic religious requirements; or sells or exposes for sale in a restaurant, or other place, both halal and nonhalal food or food preparations for consumption on the premises, not prepared in accordance with the Islamic ritual, or not sanctioned by Islamic religious requirements, and who fails to display on his or her window signs in all display advertising, in block letters at least four inches in height “halal and nonhalal food served here” is guilty of a misdemeanor and upon conviction thereof be punishable by a fine of not less than one hundred dollars (\$100), nor more than six hundred dollars (\$600), or imprisonment in a county jail of not less than 30 days, nor more than 90 days, or both that fine and imprisonment.

The word “halal” is here defined to mean a strict compliance with every Islamic law and custom pertaining and relating to the killing of the animal or fowl from which the meat is taken or extracted, the dressing, treatment, and preparation thereof for human consumption, and the manufacture, production, treatment, and preparation of other food or foods in connection wherewith Islamic laws and customs obtain and to the use of tools, implements, vessels, utensils, dishes, and containers that are used in connection with the killing of animals and fowls and the dressing, preparation, production, manufacture, and treatment of meats and other products, foods, and food stuffs.

SEC. 227. Section 424 of the Penal Code is amended to read:

424. (a) Each officer of this state, or of any county, city, town, or district of this state, and every other person charged with the receipt, safekeeping, transfer, or disbursement of public moneys, who either:

1. Without authority of law, appropriates the same, or any portion thereof, to his or her own use, or to the use of another; or,
2. Loans the same or any portion thereof; makes any profit out of, or uses the same for any purpose not authorized by law; or,
3. Knowingly keeps any false account, or makes any false entry or erasure in any account of or relating to the same; or,
4. Fraudulently alters, falsifies, conceals, destroys, or obliterates any account; or,

5. Willfully refuses or omits to pay over, on demand, any public moneys in his or her hands, upon the presentation of a draft, order, or warrant drawn upon these moneys by competent authority; or,

6. Willfully omits to transfer the same, when transfer is required by law; or,

7. Willfully omits or refuses to pay over to any officer or person authorized by law to receive the same, any money received by him or her under any duty imposed by law so to pay over the same;—

Is punishable by imprisonment in the state prison for two, three, or four years, and is disqualified from holding any office in this state.

(b) As used in this section, “public moneys” includes the proceeds derived from the sale of bonds or other evidence or indebtedness authorized by the legislative body of any city, county, district, or public agency.

(c) This section does not apply to the incidental and minimal use of public resources authorized by Section 8314 of the Government Code.

SEC. 228. Section 5971 of the Penal Code is amended to read:

5971. (a) It shall be unlawful for any person who operates a pet shop to fail to do all of the following:

(1) Maintain the facilities used for the keeping of pet animals in a sanitary condition.

(2) Provide proper heating and ventilation for the facilities used for the keeping of pet animals.

(3) Provide adequate nutrition for, and humane care and treatment of, all pet animals under his or her care and control.

(4) Take reasonable care to release for sale, trade, or adoption only those pet animals that are free of disease or injuries.

(5) Provide adequate space appropriate to the size, weight, and specie of pet animals.

(b) (1) Sellers of pet animals shall provide buyers of a pet animal with general written recommendations for the generally accepted care of the class of pet animal sold, including recommendations as to the housing, equipment, cleaning, environment, and feeding of the animal. This written information shall be in a form determined by the sellers of pet animals and may include references to Web sites, books, pamphlets, videos, and compact discs.

(2) If a seller of pet animals distributes material prepared by a third party, the seller shall not be liable for damages caused by any erroneous information in that material unless a reasonable person exercising ordinary care should have known of the error causing the damage.

(3) This subdivision shall apply to any private or public retail business that sells pet animals to the public and is required to possess a permit pursuant to Section 6066 of the Revenue and Taxation Code.

(4) Charges brought against a seller of pet animals for a first violation of the provisions of this subdivision shall be dismissed if the person charged produces in court satisfactory proof of compliance. A second or subsequent violation is an infraction punishable by a fine not to exceed two hundred fifty dollars (\$250).

(c) As used in this section, the following terms have the following meanings:

(1) "Pet animals" means dogs, cats, monkeys and other primates, rabbits, birds, guinea pigs, hamsters, mice, snakes, iguanas, turtles, and any other species of animal sold or retained for the purpose of being kept as a household pet.

(2) "Pet shop" means every place or premises where pet animals are kept for the purpose of either wholesale or retail sale. "Pet shop" does not include any place or premises where pet animals are occasionally sold.

(d) Any person who violates any provision of subdivision (a) is guilty of a misdemeanor and is punishable by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in the county jail not exceeding 90 days, or by both that fine and imprisonment.

SEC. 229. Section 808 of the Penal Code is amended to read:

808. The following persons are magistrates:

- (a) The judges of the Supreme Court.
- (b) The judges of the courts of appeal.
- (c) The judges of the superior courts.

SEC. 230. Section 1089 of the Penal Code is amended to read:

1089. Whenever, in the opinion of a judge of a superior court about to try a defendant against whom has been filed any indictment or information or complaint, the trial is likely to be a protracted one, the court may cause an entry to that effect to be made in the minutes of the court, and thereupon, immediately after the jury is impaneled and sworn, the court may direct the calling of one or more additional jurors, in its discretion, to be known as "alternate jurors."

The alternate jurors must be drawn from the same source, and in the same manner, and have the same qualifications as the jurors already sworn, and be subject to the same examination and challenges, provided that the prosecution and the defendant shall each be entitled to as many peremptory challenges to the alternate jurors as there are alternate jurors called. When two or more defendants are tried jointly each defendant shall be entitled to as many peremptory challenges to the alternate jurors as there are alternate jurors called. The prosecution shall be entitled to additional peremptory challenges equal to the number of all the additional separate challenges allowed the defendant or defendants to the alternate jurors.

The alternate jurors shall be seated so as to have equal power and facilities for seeing and hearing the proceedings in the case, and shall take the same oath as the jurors already selected, and must attend at all times upon the trial of the cause in company with the other jurors, and for a failure so to do are liable to be punished for contempt.

They shall obey the orders of and be bound by the admonition of the court, upon each adjournment of the court; but if the regular jurors are ordered to be kept in the custody of the sheriff or marshal during the trial of the cause, the alternate jurors shall also be kept in confinement with the other jurors; and upon final submission of the case to the jury the alternate jurors shall be kept in the custody of the sheriff or marshal and shall not be discharged until the original jurors are discharged, except as hereinafter provided.

If at any time, whether before or after the final submission of the case to the jury, a juror dies or becomes ill, or upon other good cause shown to the court is found to be unable to perform his or her duty, or if a juror requests a discharge and good cause appears therefor, the court may order the juror to be discharged and draw the name of an alternate, who shall then take a place in the jury box, and be subject to the same rules and regulations as though the alternate juror had been selected as one of the original jurors.

SEC. 231. Section 1203.3 of the Penal Code is amended to read:

1203.3. (a) The court shall have authority at any time during the term of probation to revoke, modify, or change its order of suspension of imposition or execution of sentence. The court may at any time when the ends of justice will be subserved thereby, and when the good conduct and reform of the person so held on probation shall warrant it, terminate the period of probation, and discharge the person so held.

(b) The exercise of the court's authority in subdivision (a) to revoke, modify, change, or terminate probation is subject to the following:

(1) Before any sentence or term or condition of probation is modified, a hearing shall be held in open court before the judge. The prosecuting attorney shall be given a two-day written notice and an opportunity to be heard on the matter, except that, as to modifying or terminating a protective order in a case involving domestic violence, as defined in Section 6211 of the Family Code, the prosecuting attorney shall be given a five-day written notice and an opportunity to be heard.

(A) If the sentence or term or condition of probation is modified pursuant to this section, the judge shall state the reasons for that modification on the record.

(B) As used in this section, modification of sentence shall include reducing a felony to a misdemeanor.

(2) No order shall be made without written notice first given by the court or the clerk thereof to the proper probation officer of the intention to revoke, modify, or change its order.

(3) In all cases, if the court has not seen fit to revoke the order of probation and impose sentence or pronounce judgment, the defendant shall at the end of the term of probation or any extension thereof, be by the court discharged subject to the provisions of these sections.

(4) The court may modify the time and manner of the term of probation for purposes of measuring the timely payment of restitution obligations or the good conduct and reform of the defendant while on probation. The court shall not modify the dollar amount of the restitution obligations due to the good conduct and reform of the defendant, absent compelling and extraordinary reasons, nor shall the court limit the ability of payees to enforce the obligations in the manner of judgments in civil actions.

(5) Nothing in this section shall be construed to prohibit the court from modifying the dollar amount of a restitution order pursuant to subdivision (f) of Section 1202.4 at any time during the term of the probation.

(6) The court may limit or terminate a protective order that is a condition of probation in a case involving domestic violence, as defined in Section 6211 of the Family Code. In determining whether to limit or terminate the protective order, the court shall consider if there has been any material change in circumstances since the crime for which the order was issued, and any issue that relates to whether there exists good cause for the change, including, but not limited to, consideration of all of the following:

(A) Whether the probationer has accepted responsibility for the abusive behavior perpetrated against the victim.

(B) Whether the probationer is currently attending and actively participating in counseling sessions.

(C) Whether the probationer has completed parenting counseling, or attended alcoholics or narcotics counseling.

(D) Whether the probationer has moved from the state, or is incarcerated.

(E) Whether the probationer is still cohabiting, or intends to cohabit, with any subject of the order.

(F) Whether the defendant has performed well on probation, including consideration of any progress reports.

(G) Whether the victim desires the change, and if so, the victim's reasons, whether the victim has consulted a victim advocate, and whether the victim has prepared a safety plan and has access to local resources.

(H) Whether the change will impact any children involved, including consideration of any Child Protective Services information.

(I) Whether the ends of justice would be served by limiting or terminating the order.

(c) If a probationer is ordered to serve time in jail, and the probationer escapes while serving that time, the probation is revoked as a matter of law on the day of the escape.

(d) If probation is revoked pursuant to subdivision (c), upon taking the probationer into custody, the probationer shall be accorded a hearing or hearings consistent with the holding in the case of *People v. Vickers* (1972) 8 Cal.3d 451. The purpose of that hearing or hearings is not to revoke probation, as the revocation has occurred as a matter of law in accordance with subdivision (c), but rather to afford the defendant an opportunity to require the prosecution to establish that the alleged violation did in fact occur and to justify the revocation.

(e) This section does not apply to cases covered by Section 1203.2.

SEC. 232. Section 1240.1 of the Penal Code is amended to read:

1240.1. (a) In any noncapital criminal, juvenile court, or civil commitment case wherein the defendant would be entitled to the appointment of counsel on appeal if indigent, it shall be the duty of the attorney who represented the person at trial to provide counsel and advice as to whether arguably meritorious grounds exist for reversal or modification of the judgment on appeal. The attorney shall admonish the defendant that he or she is not able to provide advice concerning his or her own competency, and that the State Public Defender or other counsel should be consulted for advice as to whether an issue regarding the competency of counsel should be raised on appeal. The trial court may require trial counsel to certify that he or she has counseled the defendant as to whether arguably meritorious grounds for appeal exist at the time a notice of appeal is filed. Nothing in this section shall be construed to prevent any person having a right to appeal from doing so.

(b) It shall be the duty of every attorney representing an indigent defendant in any criminal, juvenile court, or civil commitment case to execute and file on his or her client's behalf a timely notice of appeal when the attorney is of the opinion that arguably meritorious grounds exist for a reversal or modification of the judgment or orders to be appealed from, and where, in the attorney's judgment, it is in the defendant's interest to pursue any relief that may be available to him or her on appeal; or when directed to do so by a defendant having a right to appeal.

With the notice of appeal the attorney shall file a brief statement of the points to be raised on appeal and a designation of any document, paper, pleading, or transcript of oral proceedings necessary to properly present those points on appeal when the document, paper, pleading, or transcript

of oral proceedings would not be included in the normal record on appeal according to the applicable provisions of the California Rules of Court. The executing of the notice of appeal by the defendant's attorney shall not constitute an undertaking to represent the defendant on appeal unless the undertaking is expressly stated in the notice of appeal.

If the defendant was represented by appointed counsel on the trial level, or if it appears that the defendant will request the appointment of counsel on appeal by reason of indigency, the trial attorney shall also assist the defendant in preparing and submitting a motion for the appointment of counsel and any supporting declaration or affidavit as to the defendant's financial condition. These documents shall be filed with the trial court at the time of filing a notice of appeal, and shall be transmitted by the clerk of the trial court to the clerk of the appellate court within three judicial days of their receipt. The appellate court shall act upon that motion without unnecessary delay. An attorney's failure to file a motion for the appointment of counsel with the notice of appeal shall not foreclose the defendant from filing a motion at any time it becomes known to him or her that the attorney has failed to do so, or at any time he or she shall become indigent if he or she was not previously indigent.

(c) The State Public Defender shall, at the request of any attorney representing a prospective indigent appellant or at the request of the prospective indigent appellant himself or herself, provide counsel and advice to the prospective indigent appellant or attorney as to whether arguably meritorious grounds exist on which the judgment or order to be appealed from would be reversed or modified on appeal.

(d) The failure of a trial attorney to perform any duty prescribed in this section, assign any particular point or error in the notice of appeal, or designate any particular thing for inclusion in the record on appeal shall not foreclose any defendant from filing a notice of appeal on his or her own behalf or from raising any point or argument on appeal; nor shall it foreclose the defendant or his or her counsel on appeal from requesting the augmentation or correction of the record on appeal in the reviewing court.

(e) (1) In order to expedite certification of the entire record on appeal in all capital cases, the defendant's trial counsel, whether retained by the defendant or court-appointed, and the prosecutor shall continue to represent the respective parties. Each counsel's obligations extend to taking all steps necessary to facilitate the preparation and timely certification of the record of all trial court proceedings.

(2) The duties imposed on trial counsel in paragraph (1) shall not foreclose the defendant's appellate counsel from requesting additions or corrections to the record on appeal in either the trial court or the California Supreme Court in a manner provided by rules of court adopted by the Judicial Council.

SEC. 233. Section 1463 of the Penal Code is amended to read:

1463. All fines and forfeitures imposed and collected for crimes shall be distributed in accordance with Section 1463.001.

The following definitions shall apply to terms used in this chapter:

(a) "Arrest" means any law enforcement action, including issuance of a notice to appear or notice of violation, which results in a criminal charge.

(b) "City" includes any city, city and county, district, including any enterprise special district, community service district, or community service area engaged in police 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 Police Protection and Public Safety, authority, or other local agency (other than a county) which employs persons authorized to make arrests or to issue notices to appear or notices of violation which may be filed in court.

(c) "City arrest" means an arrest by an employee of a city, or by a California Highway Patrol officer within the limits of a city.

(d) "County" means the county in which the arrest took place.

(e) "County arrest" means an arrest by a California Highway Patrol officer outside the limits of a city, or any arrest by a county officer or by any other state officer.

(f) "Court" means the superior court or a juvenile forum established under Section 257 of the Welfare and Institutions Code, in which the case arising from the arrest is filed.

(g) "Division of moneys" means an allocation of base fine proceeds between agencies as required by statute, including, but not limited to, Sections 1463.003, 1463.9, 1463.23, and 1463.26 of this code, Sections 13001, 13002, and 13003 of the Fish and Game Code, and Section 11502 of the Health and Safety Code.

(h) "Offense" means any infraction, misdemeanor, or felony, and any act by a juvenile leading to an order to pay a financial sanction by reason of the act being defined as an infraction, misdemeanor, or felony, whether defined in this or any other code, except any parking offense as defined in subdivision (i).

(i) "Parking offense" means any offense charged pursuant to Article 3 (commencing with Section 40200) of Chapter 1 of Division 17 of the Vehicle Code, including registration and equipment offenses included on a notice of parking violation.

(j) "Penalty allocation" means the deposit of a specified part of moneys to offset designated processing costs, as provided by Section 1463.16 of this code and by Section 68090.8 of the Government Code.

(k) "Total parking penalty" means the total sum to be collected for a parking offense, whether as fine, forfeiture of bail, or payment of

penalty to the Department of Motor Vehicles (DMV). It may include the following components:

(1) The base parking penalty as established pursuant to Section 40203.5 of the Vehicle Code.

(2) The DMV fees added upon the placement of a hold pursuant to Section 40220 of the Vehicle Code.

(3) The surcharges required by Section 76000 of the Government Code.

(4) The notice penalty added to the base parking penalty when a notice of delinquent parking violations is given.

(l) “Total fine or forfeiture” means the total sum to be collected upon a conviction, or the total amount of bail forfeited or deposited as cash bail subject to forfeiture. It may include, but is not limited to, the following components as specified for the particular offense:

(1) The “base fine” upon which the state penalty and additional county penalty is calculated.

(2) The “county penalty” required by Section 76000 of the Government Code.

(3) The “service charge” permitted by Section 853.7 of the Penal Code and Section 40508.5 of the Vehicle Code.

(4) The “special penalty” dedicated for blood alcohol analysis, alcohol program services, traumatic brain injury research, and similar purposes.

(5) The “state penalty” required by Section 1464.

SEC. 234. Section 1524.1 of the Penal Code is amended to read:

1524.1. (a) The primary purpose of the testing and disclosure provided in this section is to benefit the victim of a crime by informing the victim whether the defendant is infected with the HIV virus. It is also the intent of the Legislature in enacting this section to protect the health of both victims of crime and those accused of committing a crime. Nothing in this section shall be construed to authorize mandatory testing or disclosure of test results for the purpose of a charging decision by a prosecutor, nor, except as specified in subdivisions (g) and (i), shall this section be construed to authorize breach of the confidentiality provisions contained in Chapter 7 (commencing with Section 120975) of Part 4 of Division 105 of the Health and Safety Code.

(b) (1) Notwithstanding the provisions of Chapter 7 (commencing with Section 120975) of Part 4 of Division 105 of the Health and Safety Code, when a defendant has been charged by complaint, information, or indictment with a crime, or a minor is the subject of a petition filed in juvenile court alleging the commission of a crime, the court, at the request of the victim, may issue a search warrant for the purpose of testing the accused’s blood or oral mucosal transudate saliva with any HIV test, as defined in Section 120775 of the Health and Safety Code

only under the following circumstances: when the court finds, upon the conclusion of the hearing described in paragraph (3), or in those cases in which a preliminary hearing is not required to be held, that there is probable cause to believe that the accused committed the offense, and that there is probable cause to believe that blood, semen, or any other bodily fluid identified by the State Department of Health Services in appropriate regulations as capable of transmitting the human immunodeficiency virus has been transferred from the accused to the victim.

(2) Notwithstanding Chapter 7 (commencing with Section 120975) of Part 4 of Division 105 of the Health and Safety Code, when a defendant has been charged by complaint, information, or indictment with a crime under Section 220, 261, 261.5, 262, 264.1, 266c, 269, 286, 288, 288a, 288.5, 289, or 289.5, or with an attempt to commit any of the offenses, and is the subject of a police report alleging the commission of a separate, uncharged offense that could be charged under Section 220, 261, 261.5, 262, 264.1, 266c, 269, 286, 288, 288a, 288.5, 289, or 289.5, or of an attempt to commit any of the offenses, or a minor is the subject of a petition filed in juvenile court alleging the commission of a crime under Section 220, 261, 261.5, 262, 264.1, 266c, 269, 286, 288, 288a, 288.5, 289, or 289.5, or of an attempt to commit any of the offenses, and is the subject of a police report alleging the commission of a separate, uncharged offense that could be charged under Section 220, 261, 261.5, 262, 264.1, 266c, 269, 286, 288, 288a, 288.5, 289, or 289.5, or of an attempt to commit any of the offenses, the court, at the request of the victim of the uncharged offense, may issue a search warrant for the purpose of testing the accused's blood or oral mucosal transudate saliva with any HIV test, as defined in Section 120775 of the Health and Safety Code only under the following circumstances: when the court finds that there is probable cause to believe that the accused committed the uncharged offense, and that there is probable cause to believe that blood, semen, or any other bodily fluid identified by the State Department of Health Services in appropriate regulations as capable of transmitting the human immunodeficiency virus has been transferred from the accused to the victim. As used in this paragraph, "Section 289.5" refers to the statute enacted by Chapter 293 of the Statutes of 1991, penetration by an unknown object.

(3) (A) Prior to the issuance of a search warrant pursuant to paragraph (1), the court, where applicable and at the conclusion of the preliminary examination if the defendant is ordered to answer pursuant to Section 872, shall conduct a hearing at which both the victim and the defendant have the right to be present. During the hearing, only affidavits, counter affidavits, and medical reports regarding the facts that

support or rebut the issuance of a search warrant under paragraph (1) shall be admissible.

(B) Prior to the issuance of a search warrant pursuant to paragraph (2), the court, where applicable, shall conduct a hearing at which both the victim and the defendant are present. During the hearing, only affidavits, counter affidavits, and medical reports regarding the facts that support or rebut the issuance of a search warrant under paragraph (2) shall be admissible.

(4) A request for a probable cause hearing made by a victim under paragraph (2) shall be made before sentencing in the superior court, or before disposition on a petition in a juvenile court, of the criminal charge or charges filed against the defendant.

(c) (1) In all cases in which the person has been charged by complaint, information, or indictment with a crime, or is the subject of a petition filed in a juvenile court alleging the commission of a crime, the prosecutor shall advise the victim of his or her right to make this request. To assist the victim of the crime to determine whether he or she should make this request, the prosecutor shall refer the victim to the local health officer for prerequest counseling to help that person understand the extent to which the particular circumstances of the crime may or may not have put the victim at risk of transmission of HIV from the accused, to ensure that the victim understands both the benefits and limitations of the current tests for HIV, to help the victim decide whether he or she wants to request that the accused be tested, and to help the victim decide whether he or she wants to be tested.

(2) The Department of Justice, in cooperation with the California District Attorneys Association, shall prepare a form to be used in providing victims with the notice required by paragraph (1).

(d) If the victim decides to request HIV testing of the accused, the victim shall request the issuance of a search warrant, as described in subdivision (b).

Neither the failure of a prosecutor to refer or advise the victim as provided in this subdivision, nor the failure or refusal by the victim to seek or obtain counseling, shall be considered by the court in ruling on the victim's request.

(e) The local health officer shall make provision for administering all HIV tests ordered pursuant to subdivision (b).

(f) Any blood or oral mucosal transudate saliva tested pursuant to subdivision (b) shall be subjected to appropriate confirmatory tests to ensure accuracy of the first test results, and under no circumstances shall test results be transmitted to the victim or the accused unless any initially reactive test result has been confirmed by appropriate confirmatory tests for positive reactors.

(g) The local health officer shall have the responsibility for disclosing test results to the victim who requested the test and to the accused who was tested. However, no positive test results shall be disclosed to the victim or to the accused without also providing or offering professional counseling appropriate to the circumstances.

(h) The local health officer and victim shall comply with all laws and policies relating to medical confidentiality subject to the disclosure authorized by subdivisions (g) and (i). Any individual who files a false report of sexual assault in order to obtain test result information pursuant to this section shall, in addition to any other liability under law, be guilty of a misdemeanor punishable as provided in subdivision (c) of Section 120980 of the Health and Safety Code. Any individual as described in the preceding sentence who discloses test result information obtained pursuant to this section shall also be guilty of an additional misdemeanor punishable as provided for in subdivision (c) of Section 120980 of the Health and Safety Code for each separate disclosure of that information.

(i) Any victim who receives information from the health officer pursuant to subdivision (g) may disclose the test results as the victim deems necessary to protect his or her health and safety or the health and safety of his or her family or sexual partner.

(j) Any person transmitting test results or disclosing information pursuant to this section shall be immune from civil liability for any actions taken in compliance with this section.

(k) The results of any blood or oral mucosal transudate saliva tested pursuant to subdivision (b) shall not be used in any criminal proceeding as evidence of either guilt or innocence.

SEC. 235. Section 11171 of the Penal Code is amended to read:

11171. (a) (1) The Legislature hereby finds and declares that adequate protection of victims of child physical abuse or neglect has been hampered by the lack of consistent and comprehensive medical examinations.

(2) Enhancing examination procedures, documentation, and evidence collection relating to child abuse or neglect will improve the investigation and prosecution of child abuse or neglect as well as other child protection efforts.

(b) On or before January 1, 2004, the Office of Criminal Justice Planning shall, in cooperation with the State Department of Social Services, the Department of Justice, the California Association of Crime Lab Directors, the California State District Attorneys Association, the California State Sheriffs Association, the California Peace Officers Association, the California Medical Association, the California Police Chiefs' Association, child advocates, the California Medical Training Center, child protective services, and other appropriate experts, establish medical forensic forms, instructions, and examination protocols for

victims of child physical abuse or neglect using as a model the form and guidelines developed pursuant to Section 13823.5.

(c) The form shall include, but not be limited to, a place for notation concerning each of the following:

(1) Any notification of injuries or any report of suspected child physical abuse or neglect to law enforcement authorities or children's protective services, in accordance with existing reporting procedures.

(2) Addressing relevant consent issues, if indicated.

(3) The taking of a patient history of child physical abuse or neglect that includes other relevant medical history.

(4) The performance of a physical examination for evidence of child physical abuse or neglect.

(5) The collection or documentation of any physical evidence of child physical abuse or neglect, including any recommended photographic procedures.

(6) The collection of other medical or forensic specimens, including drug ingestion or toxication, as indicated.

(7) Procedures for the preservation and disposition of evidence.

(8) Complete documentation of medical forensic exam findings with recommendations for diagnostic studies, including blood tests and X-rays.

(9) An assessment as to whether there are findings that indicate physical abuse or neglect.

(d) The forms shall become part of the patient's medical record pursuant to guidelines established by the advisory committee of the Office of Criminal Justice Planning and subject to the confidentiality laws pertaining to the release of a medical forensic examination record.

(e) The forms shall be made accessible for use on the Internet.

SEC. 236. Section 11199 of the Penal Code is amended to read:

11199. (a) Any employee of a county child or adult protective services agency, while acting in his or her professional capacity or within the scope of his or her employment, who has knowledge of or observes an animal whom he or she knows or reasonably suspects has been the victim of cruelty, abuse, or neglect, may report the known or reasonably suspected animal cruelty, abuse, or neglect to the entity or entities that investigate reports of animal cruelty, abuse, and neglect in that county.

(b) The report may be made within two working days of receiving the information concerning the animal by facsimile transmission of a written report presented in the form described in subdivision (e) or by telephone if all of the information that is required to be provided pursuant to subdivision (e) is furnished. In cases where an immediate response may be necessary in order to protect the health and safety of the animal or others, the report may be made by telephone as soon as possible.

(c) Nothing in this section shall be construed to impose a duty to investigate known or reasonably suspected animal cruelty, abuse, or neglect.

(d) As used in this section, the terms “animal,” “cruelty,” “abuse,” “neglect,” “reasonable suspicion,” and “owner” are defined as follows:

(1) “Animal” includes every dumb creature.

(2) “Cruelty,” “abuse,” and “neglect” include every act, omission, or neglect whereby unnecessary or unjustifiable physical pain or suffering is caused or permitted.

(3) “Reasonable suspicion” means that it is objectively reasonable for a person 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 animal cruelty, abuse, or neglect.

(4) “Owner” means any person who is the legal owner, keeper, harbinger, possessor, or the actual custodian of an animal. “Owner” includes corporations as well as individuals.

(e) Reports made pursuant to this section may be made on a preprinted form prepared by the entity or entities that investigate reports of animal cruelty, abuse, and neglect in that county that includes the definitions contained in subdivision (d), and a space for the reporter to include each of the following:

(1) His or her name and title.

(2) His or her business address and telephone number.

(3) The name, if known, of the animal owner or custodian.

(4) The location of the animal and the premises on which the known or reasonably suspected animal cruelty, abuse, or neglect took place.

(5) A description of the location of the animal and the premises.

(6) Type and numbers of animals involved.

(7) A description of the animal and its condition.

(8) The date, time, and a description of the observation or incident which led the reporter to suspect animal cruelty, abuse, or neglect and any other information the reporter believes may be relevant.

(f) When two or more employees of a county child or adult protective services agency are present and jointly have knowledge of known or reasonably suspected animal cruelty, abuse, or neglect, and where there is agreement among them, a report may be made by one person by mutual agreement. Any reporter who has knowledge that the person designated to report has failed to do so may thereafter make the report.

SEC. 237. Section 11226 of the Penal Code is amended to read:

11226. Whenever there is reason to believe that a nuisance as defined in this article is kept, maintained, or is in existence in any county, the district attorney, in the name of the people of the State of California,

or the city attorney of an incorporated city or any city and county may, or any citizen of the state resident within the county in his or her own name may, maintain an action in equity to abate and prevent the nuisance and to perpetually enjoin the person conducting or maintaining it, and the owner, lessee, or agent of the building or place, in or upon which the nuisance exists, from directly or indirectly maintaining or permitting it.

The complaint in the action shall be verified unless filed by the district attorney or the city attorney.

SEC. 238. Section 11230 of the Penal Code is amended to read:

11230. (a) (1) If the existence of a nuisance is established in an action as provided in this article, an order of abatement shall be entered as a part of the judgment in the case, directing the removal from the building or place of all fixtures, musical instruments and movable property used in conducting, maintaining, aiding, or abetting the nuisance, and directing the sale thereof in the manner provided for the sale of chattels under execution, and the effectual closing of the building or place against its use for any purpose, and that it be kept closed for a period of one year, unless sooner released. If the court finds that any vacancy resulting from closure of the building or place may create a nuisance or that closure is otherwise harmful to the community, in lieu of ordering the building or place closed, the court may order the person who is responsible for the existence of the nuisance to pay damages in an amount equal to the fair market rental value of the building or place for one year to the city or county in whose jurisdiction the nuisance is located. The actual amount of rent being received for the rental of the building or place, or the existence of any vacancy therein, may be considered, but shall not be the sole determinant of the fair market rental value. Expert testimony may be used to determine the fair market rental value.

(2) While the order remains in effect as to closing, the building or place is and shall remain in the custody of the court.

(3) For removing and selling the movable property, the officer is entitled to charge and receive the same fees as he or she would for levying upon and selling like property on execution.

(4) For closing the premises and keeping them closed, a reasonable sum shall be allowed by the court.

(b) The court may assess a civil penalty not to exceed twenty-five thousand dollars (\$25,000) against any and all of the defendants, based upon the severity of the nuisance and its duration.

(c) One-half of the civil penalties collected pursuant to this section shall be deposited in the Restitution Fund in the State Treasury, the proceeds of which shall be available for appropriation by the Legislature to indemnify persons filing claims pursuant to Article 1 (commencing with Section 13959) of Chapter 5 of Part 4 of Division 3 of Title 2 of the

Government Code, and one-half of the civil penalties collected shall be paid to the city in which the judgment was entered, if the action was brought by the city attorney or city prosecutor. If the action was brought by a district attorney, one-half of the civil penalties collected shall be paid to the treasurer of the county in which the judgment was entered.

SEC. 239. Article 4.5 (commencing with Section 12087) of Chapter 1 of Title 2 of Part 4 of the Penal Code, as added by Section 1 of Chapter 245 of the Statutes of 1999, is repealed.

SEC. 240. Section 12087.5 of the Penal Code, as added by Section 1 of Chapter 246 of the Statutes of 1999, is amended to read:

12087.5. The Legislature makes the following findings:

(a) In the years 1987 to 1996, nearly 2,200 children in the United States under the age of 15 years died in unintentional shootings. In 1996 alone, 138 children were shot and killed unintentionally. Thus, more than 11 children every month, or one child every three days, were shot or killed unintentionally in firearms-related incidents.

(b) The United States leads the industrialized world in the rates of children and youth lost to unintentional, firearms-related deaths. A 1997 study from the federal Centers for Disease Control and Prevention reveals that for unintentional firearm-related deaths for children under the age of 15, the rate in the United States was nine times higher than in 25 other industrialized countries combined.

(c) While the number of unintentional deaths from firearms is an unacceptable toll on America's children, nearly eight times that number are treated in U.S. hospital emergency rooms each year for nonfatal unintentional gunshot wounds.

(d) A study of unintentional firearm deaths among children in California found that unintentional gunshot wounds most often involve handguns.

(e) A study in the December 1995 issue of the Archives of Pediatric and Adolescent Medicine found that children as young as three years old are strong enough to fire most commercially available handguns. The study revealed that 25 percent of three to four year olds and 70 percent of five to six year olds had sufficient finger strength to fire 59 (92 percent) of the 64 commonly available handguns referenced in the study.

(f) The Government Accounting Office (GAO), in its March 1991 study, "Accidental Shootings: Many Deaths and Injuries Caused by Firearms Could be Prevented," estimates that 31 percent of accidental deaths caused by firearms might be prevented by the addition of two safety devices: a child-resistant safety device that automatically engages and a device that indicates whether the gun is loaded. According to the study results, of the 107 unintentional firearms-related fatalities the GAO examined for the calendar years 1988 and 1989, 8 percent could have been prevented had the firearm been equipped with a child-resistant

safety device. This 8 percent represents instances in which children under the age of six unintentionally shot and killed themselves or other persons.

(g) Currently, firearms are the only products manufactured in the United States that are not subject to minimum safety standards.

(h) A 1997 public opinion poll conducted by the National Opinion Research Center at the University of Chicago in conjunction with the Johns Hopkins Center for Gun Policy and Research found that 74 percent of Americans support safety regulation of the firearms industry.

(i) Some currently available trigger locks and other similar devices are inadequate to prevent the accidental discharge of the firearms to which they are attached, or to prevent children from gaining access to the firearm.

SEC. 241. Section 13823.9 of the Penal Code is amended to read:

13823.9. (a) Every public or private general acute care hospital that examines a victim of sexual assault or attempted sexual assault, including child molestation, shall comply with the standards specified in Section 13823.11 and the protocol and guidelines adopted pursuant to Section 13823.5.

(b) Each county with a population of more than 100,000 shall arrange that professional personnel trained in the examination of victims of sexual assault, including child molestation, shall be present or on call either in the county hospital which provides emergency medical services or in any general acute care hospital which has contracted with the county to provide emergency medical services. In counties with a population of 1,000,000 or more, the presence of these professional personnel shall be arranged in at least one general acute care hospital for each 1,000,000 persons in the county.

(c) Each county shall designate at least one general acute care hospital to perform examinations on victims of sexual assault, including child molestation.

(d) (1) The protocol published by the Office of Criminal Justice Planning shall be used as a guide for the procedures to be used by every public or private general acute care hospital in the state for the examination and treatment of victims of sexual assault and attempted sexual assault, including child molestation, and the collection and preservation of evidence therefrom.

(2) The informational guide developed by the Office of Criminal Justice Planning shall be consulted where indicated in the protocol, as well as to gain knowledge about all aspects of examination and treatment of victims of sexual assault and child molestation.

SEC. 242. Section 1513.1 of the Probate Code is amended to read:

1513.1. (a) Each court or county shall assess (1) the parent, parents, or other person charged with the support and maintenance of the ward

or proposed ward, and (2) the guardian, proposed guardian, or the estate of the ward or proposed ward, for court or county expenses incurred for any investigation or review conducted by the court investigator, probation officer, or domestic relations investigator. The court may order reimbursement to the court or to the county in the amount of the assessment, unless the court finds that all or any part of the assessment would impose a hardship on the ward or the ward's estate. A county may waive any or all of an assessment against the guardianship on the basis of hardship. There shall be a rebuttable presumption that the assessment would impose a hardship if the ward is receiving Medi-Cal benefits.

(b) Any amount chargeable as state-mandated local costs incurred by a county for the cost of the investigation or review shall be reduced by any assessments actually collected by the county pursuant to subdivision (a) during that fiscal year.

SEC. 242.5. Section 10524 of the Public Contract Code is amended to read:

10524. Persons convicted under Section 10522 or 10523 are also liable to the University of California for double the amount the university may have lost or be liable to lose by reason of the acts made crimes by this article.

SEC. 243. Section 20103.8 of the Public Contract Code is amended to read:

20103.8. A local agency may require a bid for a public works contract to include prices for items that may be added to, or deducted from, the scope of work in the contract for which the bid is being submitted. Whenever additive or deductive items are included in a bid, the bid solicitation shall specify which one of the following methods will be used to determine the lowest bid. In the absence of a specification, only the method provided by subdivision (a) will be used:

(a) The lowest bid shall be the lowest bid price on the base contract without consideration of the prices on the additive or deductive items.

(b) The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items that were specifically identified in the bid solicitation as being used for the purpose of determining the lowest bid price.

(c) The lowest bid shall be the lowest total of the bid prices on the base contract and those additive or deductive items that when taken in order from a specifically identified list of those items in the solicitation, and added to, or subtracted from, the base contract, are less than, or equal to, a funding amount publicly disclosed by the local agency before the first bid is opened.

(d) The lowest bid shall be determined in a manner that prevents any information that would identify any of the bidders or proposed subcontractors or suppliers from being revealed to the public entity

before the ranking of all bidders from lowest to highest has been determined.

A responsible bidder who submitted the lowest bid as determined by this section shall be awarded the contract, if it is awarded. This section does not preclude the local agency from adding to or deducting from the contract any of the additive or deductive items after the lowest responsible bidder has been determined.

(e) Nothing in this section shall preclude the prequalification of subcontractors.

SEC. 244. Section 4114.5 of the Public Resources Code is amended to read:

4114.5. (a) Any contract entered into by the department to retain the services of pilots to fly firefighting aircraft shall expressly provide that, if the pilot dies while performing the duties specified in the contract, eligible survivors, if any, of the pilot shall be paid a one-time death benefit equal to the sum of the following:

(1) The amount of the one-time benefit that the eligible survivors of the pilot would receive if the pilot were subject to the federal Public Safety Officers' Death Benefits Act (42 U.S.C. Sec. 3796 et seq.). This paragraph shall not be applicable if, at the time of the pilot's death, the eligible survivors of the pilot are entitled to benefits under that act.

(2) An amount, as determined by the department, that would be commensurate with the death benefit payable to a mid-career firefighter employed by the department who died in the line of duty.

(b) The benefits payable pursuant to any contract subject to this section shall be paid to eligible survivors in a lump sum as follows:

(1) If there is no eligible child, to the surviving spouse.

(2) If there is an eligible child or children and a surviving spouse, one-half to the child or to the children in equal shares and one-half to the surviving spouse.

(3) If there is no surviving spouse and there is an eligible child or children, to the eligible child or in equal shares to the eligible children.

(4) If there is no surviving spouse nor any eligible child or children, to the surviving parent or in equal shares to the surviving parents.

(c) If there are no eligible survivors, no benefit shall be payable and a pilot may not otherwise designate a beneficiary to receive the benefits under the contract.

(d) (1) As used in this section, an "eligible survivor" means the surviving spouse, eligible children, or surviving parents of the deceased pilot.

(2) "Surviving spouse" means a husband or wife who was married to the pilot at the time of the pilot's death.

(3) "Eligible child" means an unmarried, natural child of the deceased pilot who (A) was born before or after the death of the pilot or

is an adopted child or stepchild of the pilot, and (B) is 18 years of age or younger at the time of the pilot's death, or over the age of 18 years and incapable of self-support due to a physical or mental disability, or between the age of 18 and 22 years and pursuing a full-time course of study or training, if the child has not already completed four years of education beyond high school.

(e) This section shall be applicable irrespective of whether the department contracts directly with the pilot or contracts with a third party that employs or contracts with pilots.

(f) Nothing in this section relieves the pilot's employer from the obligation to secure coverage for workers' compensation; eliminates or reduces any workers' compensation benefits otherwise available; or affects, alters, or eliminates any other remedy otherwise available at law.

SEC. 245. Section 4123 of the Public Resources Code is amended to read:

4123. (a) The director of the department shall establish a working group that consists of the following members:

(1) Four representatives from either state or local government, or both.

(2) Three representatives of industries with experience in state forestry and fire suppression policy.

(3) Three representatives of environmental groups with experience in state forestry and fire suppression policy.

(4) Two representatives with experience in state forestry and fire suppression policy from sectors of the public that are not otherwise represented in the working group.

(b) The working group established pursuant to subdivision (a) shall do both of the following:

(1) Identify potential incentives for landowners to implement prefire activities in state responsibility areas and urban wildland interface communities.

(2) Identify all federal, state, or local programs, private programs, and any other programs requiring a cost share that involves prefire activities.

(c) The department shall report the findings of the working group to the Legislature on or before January 1, 2004. The department shall include in the report any recommendations identified by the working group to provide potential incentives for consideration by the Legislature.

(d) For the purposes of this section, the following terms mean:

(1) "Prefire activities" means those lawful activities that reduce the risk of wildfire, including precommercial thinning, selective harvesting, shaded fuel breaks, brush treatments, grazing, and prescribed burns.

(2) "Urban wildland interface community" means an area that is identified by the United States Department of Agriculture and the United

States Department of the Interior as an urban wildland interface community at high risk from wildfire and listed in the "List of fire threatened communities in California, Appendix A," issued by the Department of Forestry and Fire Protection.

SEC. 246. Section 5090.37 of the Public Resources Code is amended to read:

5090.37. Eminent domain shall not be exercised to acquire any interest in property for a state vehicular recreation area, the California Statewide Motorized Trail, or any grant program area or trail by the division or any public agency that has entered into a grant or cooperative agreement with the division.

SEC. 247. Section 5631 of the Public Resources Code is amended to read:

5631. The department, in cooperation with the federal government, local public agencies, and appropriate representatives of industry, shall, from time to time as needed but no less frequently than once every five years, coordinate and conduct a statewide needs analysis in relation to the purposes of this chapter. That analysis shall include a full review of the grant program authorized pursuant to this chapter. The department shall report its findings and recommendations from any analysis, including recommendations as to funding levels and sources in connection with the grant program, to the Legislature. The department may recommend specific legislative changes to the program.

SEC. 248. Section 6307.1 of the Public Resources Code is amended to read:

6307.1. (a) This section applies only to land in which California has a sovereign interest that lies within the boundaries of the State of Arizona and land in which Arizona has a sovereign interest that lies within the boundaries of the State of California, as a result of changes in the course of the Colorado River, and the redefinition in 1963 of the boundary between the two states.

(b) The commission may enter into land exchange agreements with Arizona to transfer California's sovereign interest in land located within the boundaries of Arizona and to acquire Arizona's sovereign interest in land located within the boundaries of California.

(c) The fair market value of the land transferred to Arizona shall be equal to the fair market value of the land acquired from Arizona. This requirement is not mandatory for each separate exchange transaction, but to the extent possible shall be complied with upon completion of all possible exchanges.

(d) The total value of all lands exchanged pursuant to this section shall be determined according to fair market value. Upon completion of all possible exchanges, if there is a difference between the total value of all land transferred to Arizona, and all land acquired by California, the

difference shall be eliminated by cash payments from or to the Land Bank Fund established by the Kapiloff Land Bank Act (Division 7 (commencing with Section 8600)).

(e) The commission may release the mineral rights in all the land transferred if it receives the mineral rights in all the land acquired.

(f) All land to be acquired by California pursuant to this section shall become, upon acquisition, sovereign land of California subject to the public trust. Any exchange shall be void unless the land to be acquired by Arizona pursuant to the exchange becomes, upon acquisition, sovereign land of Arizona subject to the public trust.

(g) Any land exchange made pursuant to this section shall be subject to the exemption from the California Environmental Quality Act contained in Section 21080.11.

SEC. 249. Section 21061.0.5 of the Public Resources Code is amended and renumbered to read:

21061.3. "Infill site" means a site in an urbanized area that meets either of the following criteria:

(a) The immediately adjacent parcels are developed with qualified urban uses or at least 75 percent of the perimeter of the site adjoins parcels that are developed with urban uses and the remaining 25 percent of the site adjoins parcels that have previously been developed for qualified urban uses, and the site has not been developed for urban uses and no parcel within the site has been created within the past 10 years.

(b) The site has been previously developed for qualified urban uses.

SEC. 250. Section 21098 of the Public Resources Code is amended to read:

21098. (a) For the purposes of this section, the following terms have the following meanings:

(1) "Low-level flight path" includes any flight path for any aircraft owned, maintained, or that is under the jurisdiction of the United States Department of Defense that flies lower than 1,500 feet above ground level, as indicated in the United States Department of Defense Flight Information Publication, "Area Planning Military Training Routes: North and South America (AP/1B)" published by the United States National Imagery and Mapping Agency.

(2) "Military impact zone" includes any area, including airspace, that meets both of the following criteria:

(A) Is within two miles of a military installation, including, but not limited to, any base, military airport, camp, post, station, yard, center, homeport facility for a ship, or any other military activity center that is under the jurisdiction of the United States Department of Defense.

(B) Covers greater than 500 acres of unincorporated land, or greater than 100 acres of city incorporated land.

(3) “Military service” means any branch of the United States Armed Forces.

(4) “Special use airspace” means the land area underlying the airspace that is designated for training, research, development, or evaluation for a military service, as that land area is established by the United States Department of Defense Flight Information Publication, “Area Planning: Special Use Airspace: North and South America (AP/1A)” published by the United States National Imagery and Mapping Agency.

(b) If the United States Department of Defense or a military service notifies a lead agency of the contact office and address for the military service and the specific boundaries of a low-level flight path, military impact zone, or special use airspace, the lead agency shall submit notices, as required pursuant to Sections 21080.4 and 21092, to the military service if the project is within those boundaries and any of the following apply:

(1) The project includes a general plan amendment.

(2) The project is of statewide, regional, or areawide significance.

(3) The project is required to be referred to the airport land use commission, or appropriately designated body, pursuant to Article 3.5 (commencing with Section 21670) of Chapter 4 of Part 1 of Division 9 of the Public Utilities Code.

(c) The requirement to submit notices imposed by this section does not apply to any of the following:

(1) Response actions taken pursuant to Chapter 6.8 (commencing with Section 25300) of Division 20 of the Health and Safety Code.

(2) Response actions taken pursuant to Chapter 6.85 (commencing with Section 25396) of Division 20 of the Health and Safety Code.

(3) Sites subject to corrective action orders issued pursuant to Section 25187 of the Health and Safety Code.

(d) (1) The effect or potential effect that a project may have on military activities does not itself constitute an adverse effect on the environment for the purposes of this division.

(2) Notwithstanding paragraph (1), a project’s impact on military activities may cause, or be associated with, adverse effects on the environment that are subject to the requirements of this division, including, but not limited to, Section 21081.

SEC. 251. Section 25534 of the Public Resources Code is amended to read:

25534. (a) The commission may, after one or more hearings, amend the conditions of, or revoke the certification for, any facility for any of the following reasons:

(1) Any material false statement set forth in the application, presented in proceedings of the commission, or included in supplemental documentation provided by the applicant.

(2) Any significant failure to comply with the terms or conditions of approval of the application, as specified by the commission in its written decision.

(3) A violation of this division or any regulation or order issued by the commission under this division.

(4) The owner of a project does not start construction of the project within 12 months after the date all permits necessary for the project become final and all administrative and judicial appeals have been resolved provided the California Consumer Power and Conservation Financing Authority notifies the commission that it is willing and able to construct the project pursuant to subdivision (g). The project owner may extend the 12-month period by 24 additional months pursuant to subdivision (f). This paragraph applies only to projects with a project permit application deemed complete by the commission after January 1, 2003.

(b) The commission may also administratively impose a civil penalty for a violation of paragraph (1) or (2) of subdivision (a). Any civil penalty shall be imposed in accordance with Section 25534.1 and may not exceed seventy-five thousand dollars (\$75,000) per violation, except that the civil penalty may be increased by an amount not to exceed one thousand five hundred dollars (\$1,500) per day for each day in which the violation occurs or persists, but the total of the per day penalties may not exceed fifty thousand dollars (\$50,000).

(c) A project owner shall commence construction of a project subject to the start-of-construction deadline provided by paragraph (4) of subdivision (a) within 12 months after the project has been certified by the commission and after all accompanying project permits are final and administrative and judicial appeals have been completed. The project owner shall submit construction and commercial operation milestones to the commission within 30 days after project certification. Construction milestones shall require the start of construction within the 12-month period established by this subdivision. The commission shall approve milestones within 60 days after project certification. If the 30-day deadline to submit construction milestones to the commission is not met, the commission shall establish milestones for the project.

(d) The failure of the owner of a project subject to the start-of-construction deadline provided by paragraph (4) of subdivision (a) to meet construction or commercial operation milestones, without a finding by the commission of good cause, shall be cause for revocation of certification or the imposition of other penalties by the commission.

(e) A finding by the commission that there is good cause for failure to meet the start-of-construction deadline required by paragraph (4) of subdivision (a) or any subsequent milestones of subdivision (c) shall be made if the commission determines that any of the following criteria are met:

(1) The change in any deadline or milestone does not change the established deadline or milestone for the start of commercial operation.

(2) The deadline or milestone is changed due to circumstances beyond the project owner's control, including, but not limited to, administrative and legal appeals.

(3) The deadline or milestone will be missed but the project owner demonstrates a good faith effort to meet the project deadline or milestone.

(4) The deadline or milestone will be missed due to unforeseen natural disasters or acts of God that prevent timely completion of the project deadline or milestone.

(5) The deadline or milestone will be missed for any other reason determined reasonable by the commission.

(f) The commission shall extend the start-of-construction deadline required by paragraph (4) of subdivision (a) by an additional 24 months, if the owner reimburses the commission's actual cost of licensing the project. For the purposes of this section, the commission's actual cost of licensing the project shall be based on a certified audit report filed by the commission staff within 180 days of the commission's certification of the project. The certified audit shall be filed and served on all parties to the proceeding, is subject to public review and comment, and is subject to at least one public hearing if requested by the project owner. Any reimbursement received by the commission pursuant to this subdivision shall be deposited in the General Fund.

(g) If the owner of a project subject to the start-of-construction deadline provided by paragraph (4) of subdivision (a) fails to commence construction, without good cause, within 12 months after the project has been certified by the commission and has not received an extension pursuant to subdivision (f), the commission shall provide immediate notice to the California Consumer Power and Conservation Financing Authority. The authority shall evaluate whether to pursue the project independently or in conjunction with any other public or private entity, including the original certificate holder. If the authority demonstrates to the commission that it is willing and able to construct the project either independently or in conjunction with any other public or private entity, including the original certificate holder, the commission may revoke the original certification and issue a new certification for the project to the authority, unless the authority's statutory authorization to finance or approve new programs, enterprises, or projects has expired. If the

authority declines to pursue the project, the permit shall remain with the current project owner until it expires pursuant to the regulations adopted by the commission.

(h) If the commission issues a new certification for a project subject to the start-of-construction deadline provided by paragraph (4) of subdivision (a) to the authority, the commission shall adopt new milestones for the project that allow the authority up to 24 months to start construction of the project or to start to meet the applicable deadlines or milestones. If the authority fails to begin construction in conformity with the deadlines or milestones adopted by the commission, without good cause, the certification may be revoked.

(i) (1) If the commission issues a new certification for a project subject to the start-of-construction deadline provided by paragraph (4) of subdivision (a) to the authority and the authority pursues the project, without participation of the original certificate holder, the authority shall offer to reimburse the original certificate holder for the actual costs the original certificate holder incurred in permitting the project and in procuring assets associated with the license, including, but not limited to, major equipment and the emission offsets. In order to receive reimbursement, the original certificate holder shall provide to the commission documentation of the actual costs incurred in permitting the project. The commission shall validate those costs. The certificate holder may refuse to accept the offer of reimbursement for any asset associated with the license and retain the asset. To the extent the certificate holder chooses to accept the offer for an asset, it shall provide the authority with the asset.

(2) If the authority reimburses the original certificate holder for the costs described in paragraph (1), the original certificate holder shall provide the authority with all of the assets for which the original certificate holder received reimbursement.

(j) This section does not prevent a certificate holder from selling its license to construct and operate a project prior to its revocation by the commission. In the event of a sale to an entity that is not an affiliate of the certificate holder, the commission shall adopt new deadlines or milestones for the project that allow the new certificate holder up to 12 months to start construction of the project or to start to meet the applicable deadlines or milestones.

(k) Paragraph (4) of subdivision (a) and subdivisions (c) to (j), inclusive, do not apply to licenses issued for the modernization, repowering, replacement, or refurbishment of existing facilities or to a qualifying small power production facility or a qualifying cogeneration facility within the meaning of Sections 201 and 210 of Title II of the federal Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Secs. 796(17), 796(18), and 824a-3), and the regulations adopted pursuant to

those sections by the Federal Energy Regulatory Commission (18 C.F.R. Parts 292.101 to 292.602, inclusive), nor shall those provisions apply to any other generation units installed, operated, and maintained at a customer site exclusively to serve that facility's load. For the purposes of this subdivision, "replacement" of an existing facility includes, but is not limited to, a comparable project at a location different than the facility being replaced, provided that the commission certifies that the new project will result in the decommissioning of the existing facility.

(l) Paragraph (4) of subdivision (a) and subdivisions (c) to (j), inclusive, do not apply to licenses issued to "local publicly owned electric utilities" as defined in subdivision (d) of Section 9604 of the Public Utilities Code whose governing bodies certify to the commission that the project is needed to meet the projected native load of the local publicly owned utility.

(m) To implement this section, the commission and the California Consumer Power and Conservation Financing Authority may, in consultation with each other, adopt 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. For purposes of that chapter, including, without limitation, Section 11349.6 of the Government Code, the adoption of the regulations shall be considered by the Office of Administrative Law to be necessary for the immediate preservation of the public peace, health and safety, or general welfare.

SEC. 252. Section 30812 of the Public Resources Code is amended to read:

30812. (a) Whenever the executive director of the commission has determined, based on substantial evidence, that real property has been developed in violation of this division, the executive director may cause a notification of intention to record a notice of violation to be mailed by regular and certified mail to the owner of the real property at issue, describing the real property, identifying the nature of the violation, naming the owners thereof, and stating that if the owner objects to the filing of a notice of violation, an opportunity will be given to the owner to present evidence on the issue of whether a violation has occurred.

(b) The notification specified in subdivision (a) shall indicate that the owner is required to respond in writing, within 20 days of the postmarked mailing of the notification, to object to recording the notice of violation. The notification shall also state that if, within 20 days of mailing of the notification, the owner of the real property at issue fails to inform the executive director of the owner's objection to recording the notice of violation, the executive director shall record the notice of violation in the office of each county recorder where all or part of the property is located.

(c) If the owner submits a timely objection to the proposed filing of the notice of violation, a public hearing shall be held at the next regularly scheduled commission meeting for which adequate public notice can be provided, at which the owner may present evidence to the commission why the notice of violation should not be recorded. The hearing may be postponed for cause for not more than 90 days after the date of the receipt of the objection to recordation of the notice of violation.

(d) If, after the commission has completed its hearing and the owner has been given the opportunity to present evidence, the commission finds that, based on substantial evidence, a violation has occurred, the executive director shall record the notice of violation in the office of each county recorder where all or part of the real property is located. If the commission finds that no violation has occurred, the executive director shall mail a clearance letter to the owner of the real property.

(e) (1) The notice of violation shall be contained in a separate document prominently entitled "Notice of Violation of the Coastal Act." The notice of violation shall contain all of the following information:

(A) The names of the owners of record.

(B) A legal description of the real property affected by the notice.

(C) A statement specifically identifying the nature of the alleged violation.

(D) A commission file number relating to the notice.

(2) The notice of violation, when properly recorded and indexed, shall be considered notice of the violation to all successors in interest in that property. This notice is for informational purposes only and is not a defect, lien, or encumbrance on the property.

(f) Within 30 days after the final resolution of a violation that is the subject of a recorded notice of violation, the executive director shall mail a clearance letter to the owner of the real property and shall record a notice of rescission in the office of each county recorder in which the notice of violation was filed, indicating that the notice of violation is no longer valid. The notice of rescission shall have the same effect of a withdrawal or expungement under Section 405.61 of the Code of Civil Procedure.

(g) The executive director may not invoke the procedures of this section until all existing administrative methods for resolving the violation have been utilized and the property owner has been made aware of the potential for the recordation of a notice of violation. For purposes of this subdivision, existing methods for resolving the violation do not include the commencement of an administrative or judicial proceeding.

(h) This section only applies in circumstances where the commission is the legally responsible coastal development permitting authority or where a local government or port governing body requests the commission to assist in the resolution of an unresolved violation if the

local government is the legally responsible coastal development permitting authority.

(i) The commission, 24 months from the date of recordation, shall review each notice of violation that has been recorded to determine why the violation has not been resolved and whether the notice of violation should be expunged.

(j) The commission, at any time and for cause, on its own initiative or at the request of the property owner, may cause a notice of rescission to be recorded invalidating the notice of violation recorded pursuant to this section. The notice of rescission shall have the same effect of a withdrawal or expungement under Section 405.61 of the Code of Civil Procedure.

SEC. 253. Section 30950 of the Public Resources Code, as added by Chapter 1079 of the Statutes of 1986, is amended and renumbered to read:

30960. The Secretary of the Resources Agency shall initiate a comprehensive, long-range planning process for the use of ocean waters offshore of California, may use the advisory panel appointed pursuant to paragraph (4) of subdivision (d) of Section 6217 as the planning committee, and may use the California Sea Grant Program to promote sound scientific data analysis and assessment in this planning process.

SEC. 254. Section 31119 of the Public Resources Code is amended to read:

31119. (a) (1) The conservancy may undertake educational projects and programs for pupils in kindergarten to grade 12, inclusive, relating to the preservation, protection, enhancement, and maintenance of coastal resources, and may award grants to nonprofit organizations, educational institutions, and public agencies for those purposes, subject to the limitations contained in subdivision (b).

(2) An educational grant program established pursuant to paragraph (1) shall comply with all of the following:

(A) Funds provided for the educational program may be used for planning and implementation or development of marine science education programs.

(B) An educational program shall meet State Board of Education adopted content standards.

(C) The conservancy may consult with the Superintendent of Public Instruction prior to awarding grants pursuant to this section.

(D) A grant recipient shall use a portion of any funding provided for an educational program to promote maximum participation of pupils and schools, by providing scholarships or grants for this purpose.

(E) A nonprofit organization shall comply with all of the following as a condition of receiving a grant:

(i) Document increased pupil participation in its educational programs.

(ii) Provide outreach to low-income, underserved, and noncoastal areas.

(iii) Maintain any data necessary for evaluation, as determined by the conservancy.

(b) The conservancy is not required to take any action under subdivision (a), unless and until new funds from sources not currently available to the conservancy are made available by the Legislature for the purposes described in subdivision (a). No more than 10 percent of the funds provided for the educational programs under subdivision (a) may be used for the costs of the conservancy in administering the projects. No General Fund money may be used to fund a grant awarded pursuant to subdivision (a) to a local public educational agency or community college.

SEC. 255. Section 40507 of the Public Resources Code is amended to read:

40507. (a) On or before March 1 of each year, the board shall file an annual report with the Legislature highlighting significant programs or actions undertaken by the board to implement programs pursuant to this division during the prior calendar year. The report shall include, but is not limited to, the information described in subdivision (b).

(b) Commencing January 1, 1997, the board shall file annual progress reports with the Legislature covering the activities and actions undertaken by the board in the prior fiscal year. The board shall prepare the progress reports throughout the calendar year, as determined by the board, on the following programs:

- (1) The local enforcement agency program.
- (2) The research and development program.
- (3) The public education program.
- (4) The market development program.
- (5) The used oil program.
- (6) The planning and local assistance program.
- (7) The site cleanup program.

(c) The progress report shall specifically include, but is not limited to, all of the following information:

(1) Pursuant to paragraph (1) of subdivision (b), the status of the certification and evaluation of local enforcement agencies pursuant to Chapter 2 (commencing with Section 43200) of Part 4.

(2) Pursuant to paragraph (2) of subdivision (b), all of the following information:

(A) The results of the research and development programs established pursuant to Chapter 13 (commencing with Section 42650) of Part 3.

(B) A report on information and activities associated with the establishment of the Plastics Recycling Information Clearinghouse, pursuant to Section 42520.

(C) A report on the progress in implementing the monitoring and control program for the subsurface migration of landfill gas established pursuant to Section 43030, including recommendations, as needed, to improve the program.

(D) A report on the comparative costs and benefits of the recycling or conversion processes for waste tires funded pursuant to Chapter 17 (commencing with Section 42860) of Part 3.

(3) Pursuant to paragraph (3) of subdivision (b), all of the following information:

(A) A review of actions taken by the board to educate and inform individuals and public and private sector entities who generate solid waste on the importance of source reduction, recycling, and composting of solid waste, and recommendations for administrative or legislative actions which will inform and educate these parties.

(B) A report on the effectiveness of the public information program required to be implemented pursuant to Chapter 12 (commencing with Section 42600) of Part 3, including recommendations on administrative and legislative changes to improve the program.

(C) A report on the status and effectiveness of school district source reduction and recycling programs implemented pursuant to Chapter 12.5 (commencing with Section 42620) of Part 3, including recommendations on administrative and legislative changes to improve the program's effectiveness.

(D) A report on the effectiveness of the integrated waste management educational program and teacher training plan implemented pursuant to Section 42603, including recommendations on administrative and legislative changes which will improve the program.

(E) A summary of available and wanted materials, a profile of the participants, and the amount of waste diverted from disposal sites as a result of the California Materials Exchange Program established pursuant to subdivision (a) of Section 42600.

(4) Pursuant to paragraph (4) of subdivision (b), all of the following information:

(A) A review of market development strategies undertaken by the board pursuant to this division to ensure that markets exist for materials diverted from solid waste facilities, including recommendations for administrative and legislative actions which will promote expansion of those markets. The recommendations shall include, but not be limited to, all of the following:

(i) Recommendations for actions to develop more direct liaisons with private manufacturing industries in the state to promote increased utilization of recycled feedstock in manufacturing processes.

(ii) Recommendations for actions which can be taken to assist local governments in the inclusion of recycling activities in county overall economic development plans.

(iii) Recommendations for actions to utilize available financial resources for expansion of recycling industry capacity.

(iv) Recommendations to improve state, local, and private industry product and material procurement practices.

(B) Development and implementation of a program to assist local agencies in the identification of markets for materials that are diverted from disposal facilities through source reduction, recycling, and composting pursuant to Section 40913.

(C) A report on the Recycling Market Development Zone Loan Program conducted pursuant to Article 3 (commencing with Section 42010) of Chapter 1 of Part 3.

(D) A report on implementation of the Compost Market Program pursuant to Chapter 5 (commencing with Section 42230) of Part 3.

(E) A report on the progress in developing and implementing the comprehensive Market Development Plan, pursuant to Article 2 of Chapter 1 (commencing with Section 42005) of Part 3.

(F) The number of retreaded tires purchased by the Department of General Services during the prior fiscal year pursuant to Section 42414.

(G) The results of the study performed in consultation with the Department of General Services pursuant to Section 42415 to determine if tire retreads, procured by the department, have met all quality and performance criteria of a new tire, including any recommendations to expand, revise, or curtail the program.

(H) The number of recycled lead-acid batteries purchased during the prior fiscal year by the Department of General Services pursuant to Section 42443.

(I) A list of established price preferences for recycled paper products for the prior fiscal year pursuant to paragraph (1) of subdivision (c) of Section 12162 of the Public Contract Code.

(J) A report on the implementation of the white office paper recovery program pursuant to Chapter 10 (commencing with Section 42560) of Part 3.

(5) Pursuant to paragraph (5) of subdivision (b), both of the following information:

(A) A report on the annual audit of the used oil recycling program established pursuant to Chapter 4 (commencing with Section 48600) of Part 7.

(B) A summary of industrial and lubricating oil sales and recycling rates, the results of programs funded pursuant to Chapter 4 (commencing with Section 48600) of Part 7, recommendations, if any, for statutory changes to the program, including changes in the amounts of the payment required by Section 48650 and the recycling incentive, and plans for present and future programs to be conducted over the next two years.

(6) Pursuant to paragraph (6) of subdivision (b), all of the following information:

(A) The development by the board of the model countywide or regional siting element and model countywide or regional agency integrated waste management plan pursuant to Section 40912, including its effectiveness in assisting local agencies.

(B) The adoption by the board of a program to provide assistance to cities, counties, or regional agencies in the development and implementation of source reduction programs pursuant to subdivision (c) of Section 40912.

(C) The development by the board of model programs and materials to assist rural counties and cities in preparing city and county source reduction and recycling elements pursuant to Section 41787.3.

(D) A report on the number of tires that are recycled or otherwise diverted from disposal in landfills or stockpiles.

(E) A report on the development and implementation of recommendations, with proposed implementing regulations, for providing technical assistance to counties and cities that meet criteria specified in Section 41782, so that those counties and cities will be able to meet the objectives of this division. The recommendations shall, among other things, address both of the following matters:

(i) Assistance in developing methods of raising revenue at the local level to fund rural integrated waste management programs.

(ii) Assistance in developing alternative methods of source reduction, recycling, and composting of solid waste suitable for rural local governments.

(F) A report on the status and implementation of the "Buy Recycled" program established pursuant to subdivision (d) of Section 42600, including the waste collection and recycling programs established pursuant to Sections 12164.5 and 12165 of the Public Contract Code.

(7) Pursuant to paragraph (7) of subdivision (b), a description of sites cleaned up under the Solid Waste Disposal and Codisposal Site Cleanup Program established pursuant to Article 2.5 (commencing with Section 48020) of Chapter 2 of Part 7, a description of remaining sites where there is no responsible party or the responsible party is unable or unwilling to pay for cleanup, and recommendations for any needed legislative changes.

SEC. 256. Section 334 of the Public Utilities Code is amended to read:

334. The Legislature finds and declares that in order to ensure the success of electric industry restructuring, in the transition to a new market structure it is important to ensure a reliable supply of electricity. Reliable electric service is of paramount importance to the safety, health, and comfort of the people of California. Transmission connections between electric utilities allow them to share generation resources and reduce the number of powerplants necessary to maintain a reliable system. The connections between utilities also create exposure to events that can cause widespread and extended transmission and service outages that reach far beyond the originating utility service area. California utilities and those in the western United States voluntarily adhere to reliability standards developed by the Western Electricity Coordinating Council. The economic cost of extended electricity outages, such as those that occurred in California and throughout the Western Electricity Coordinating Council on July 2, 1996, and August 10, 1996, to California's residential, commercial, agricultural, and industrial customers is significant. The proposed restructuring of the electricity industry would transfer responsibility for ensuring short- and long-term reliability away from electric utilities and regulatory bodies to the Independent System Operator and various market-based mechanisms. The Legislature has an interest in ensuring that the change in the locus of responsibility for reliability does not expose California citizens to undue economic risk in connection with system reliability.

SEC. 257. Section 345 of the Public Utilities Code is amended to read:

345. The Independent System Operator shall ensure efficient use and reliable operation of the transmission grid consistent with achievement of planning and operating reserve criteria no less stringent than those established by the Western Electricity Coordinating Council and the North American Electric Reliability Council.

SEC. 258. Section 346 of the Public Utilities Code is amended to read:

346. The Independent System Operator shall immediately participate in all relevant Federal Energy Regulatory Commission proceedings. The Independent System Operator shall ensure that additional filings at the Federal Energy Regulatory Commission request confirmation of the relevant provisions of this chapter and seek the authority needed to give the Independent System Operator the ability to secure generating and transmission resources necessary to guarantee achievement of planning and operating reserve criteria no less stringent than those established by the Western Electricity Coordinating Council and the North American Electric Reliability Council.

SEC. 259. Section 350 of the Public Utilities Code is amended to read:

350. The Independent System Operator, in consultation with the California Energy Resources Conservation and Development Commission, the Public Utilities Commission, the Western Electricity Coordinating Council, and concerned regulatory agencies in other western states, shall within six months after the Federal Energy Regulatory Commission approval of the Independent System Operator, provide a report to the Legislature and to the Oversight Board that does the following:

(a) Conducts an independent review and assessment of Western Electricity Coordinating Council operating reliability criteria.

(b) Quantifies the economic cost of major transmission outages relating to the Pacific Intertie, Southwest Power Link, DC link, and other important high voltage lines that carry power both into and from California.

(c) Identifies the range of cost-effective options that would prevent or mitigate the consequences of major transmission outages.

(d) Identifies communication protocols that may be needed to be established to provide advance warning of incipient problems.

(e) Identifies the need for additional generation reserves and other voltage support equipment, if any, or other resources that may be necessary to carry out its functions.

(f) Identifies transmission capacity additions that may be necessary at certain times of the year or under certain conditions.

(g) Assesses the adequacy of current and prospective institutional provisions for the maintenance of reliability.

(h) Identifies mechanisms to enforce transmission right-of-way maintenance.

(i) Contains recommendations regarding cost-beneficial improvements to electric system reliability for the citizens of California.

SEC. 260. Section 360 of the Public Utilities Code is amended to read:

360. The commission shall ensure that existing, and if necessary, additional filings at the Federal Energy Regulatory Commission request confirmation of the relevant provisions of this chapter and seek the authority needed to give the Independent System Operator the ability to secure generating and transmission resources necessary to guarantee achievement of planning and operating reserve criteria no less stringent than those established by the Western Electricity Coordinating Council and the North American Electric Reliability Council.

SEC. 261. Section 362 of the Public Utilities Code is amended to read:

362. (a) In proceedings pursuant to Section 455.5, 851, or 854, the commission shall ensure that facilities needed to maintain the reliability of the electric supply remain available and operational, consistent with maintaining open competition and avoiding an overconcentration of market power. In order to determine whether the facility needs to remain available and operational, the commission shall utilize standards that are no less stringent than the Western Electricity Coordinating Council and North American Electric Reliability Council standards for planning reserve criteria.

(b) The commission shall require that generation facilities located in the state that have been disposed of in proceedings pursuant to Section 851 are operated by the persons or corporations who own or control them in a manner that ensures their availability to maintain the reliability of the electric supply system.

SEC. 262. Section 394.25 of the Public Utilities Code is amended to read:

394.25. (a) The commission may enforce Sections 2102, 2103, 2104, 2105, 2107, 2108, and 2114 against electric service providers as if those electric service providers were public utilities as defined in these code sections. Notwithstanding the above, nothing in this section grants the commission jurisdiction to regulate electric service providers other than as specifically set forth in this part. Electric service providers shall continue to be subject to Sections 2111 and 2112. Upon a finding by the commission's executive director that there is evidence to support a finding that the electric service provider has committed an act constituting grounds for suspension or revocation of registration as set forth in subdivision (b) of Section 394.25, the commission shall notify the electric service provider in writing and notice an expedited hearing on the suspension or revocation of the electric service provider's registration to be held within 30 days of the notification to the electric service provider of the executive director's finding of evidence to support suspension or revocation of registration. The commission shall, within 45 days after holding the hearing, issue a decision on the suspension or revocation of registration, which shall be based on findings of fact and conclusions of law based on the evidence presented at the hearing. The decision shall include the findings of fact and the conclusions of law relied upon.

(b) An electric service provider may have its registration suspended or revoked, immediately or prospectively, in whole or in part, for any of the following acts:

(1) Making material misrepresentations in the course of soliciting customers, entering into service agreements with those customers, or administering those service agreements.

(2) Dishonesty, fraud, or deceit with the intent to substantially benefit the electric service provider or its employees, agents, or representatives, or to disadvantage retail electricity customers.

(3) Where the commission finds that there is evidence that the electric service provider is not financially or operationally capable of providing the offered electric service.

(4) The misrepresentation of a material fact by an applicant in obtaining a registration pursuant to Section 394.

(c) Pursuant to its authority to revoke or suspend registration, the commission may suspend a registration for a specified period or revoke the registration, or in lieu of suspension or revocation, impose a moratorium on adding or soliciting additional customers. Any suspension or revocation of a registration shall require the electric service provider to cease serving customers within the boundaries of investor-owned electrical corporations, and the affected customers shall be served by the electrical corporation until the time when they may select service from another service provider. Customers shall not be liable for the payment of any early termination fees or other penalties to any electric service provider under the service agreement if the serving electric service provider's registration is suspended or revoked.

(d) The commission shall require any electric service provider whose registration is revoked pursuant to paragraph (4) of subdivision (b) to refund all of the customer credit funds that the electric service provider received from the State Energy Resources Conservation and Development Commission pursuant to paragraph (1) of subdivision (f) of Section 383.5. The repayment of these funds shall be in addition to all other penalties and fines appropriately assessed the electric service provider for committing those acts under other provisions of law. All customer credit funds refunded under this subdivision shall be deposited in the Renewable Resource Trust Fund for redistribution by the State Energy Resources Conservation and Development Commission pursuant to Section 383.5. This subdivision may not be construed to apply retroactively.

(e) If a customer of an electric service provider or a community choice aggregator is involuntarily returned to service provided by an electrical corporation, any reentry fee imposed on that customer that the commission deems is necessary to avoid imposing costs on other customers of the electric corporation shall be the obligation of the electric service provider or a community choice aggregator, except in the case of a customer returned due to default in payment or other contractual obligations or because the customer's contract has expired. As a condition of its registration, an electric service provider or a community choice aggregator shall post a bond or demonstrate insurance sufficient to cover those reentry fees. In the event that an electric service provider

becomes insolvent and is unable to discharge its obligation to pay reentry fees, the fees shall be allocated to the returning customers.

SEC. 263. Section 398.4 of the Public Utilities Code is amended to read:

398.4. (a) Every retail supplier that makes an offering to sell electricity that is consumed in California shall disclose its electricity sources. A retail supplier that does not make any claims that identify its electricity sources as different than net system power may disclose net system power. Every retail supplier that makes an offering to sell electricity that is consumed in California and makes any claims that identify any of its electricity sources as different than net system power shall disclose these sources as specific purchases.

(b) The disclosures required by this section shall be made to potential end-use consumers in all product-specific written promotional materials that are distributed to consumers by either printed or electronic means, except that advertisements and notices in general circulation media shall not be subject to this requirement.

(c) The disclosures required by this section shall be made at least quarterly to end-use consumers of the offered electricity.

(d) The disclosures required by this section shall be made separately for each offering made by the retail supplier.

(e) On or before January 1, 1998, the California Energy Resources Conservation and Development Commission shall specify guidelines for the format and means for disclosure required by Section 398.3 and this section, based on the requirements of this article and subject to public hearing.

(f) The costs of making the disclosures required by this section shall be considered to be generation-related.

(g) The disclosures required by this section shall be expressed as a percentage of annual sales derived from each of the following categories, unless no specific purchases are disclosed, in which case only the first category shall be disclosed:

(1) Net system power.

(2) Specific purchases.

(h) (1) Each of the categories specified in subdivision (g) shall be additionally identified as a percentage of annual sales that is derived from each fuel type of the categories specified as follows:

(A) Coal.

(B) Large hydroelectric (greater than 30 megawatts).

(C) Natural gas.

(D) Nuclear.

(E) Other.

(F) Eligible renewables, which means renewable resource technologies defined as electricity produced from other than a

conventional power source within the meaning of Section 2805, provided that a power source utilizing more than 25 percent fossil fuel may not be included, shall be additionally identified as a percentage of annual sales that is derived from each fuel type of the subcategories specified as follows:

- (i) Biomass and waste.
- (ii) Geothermal.
- (iii) Small hydroelectric (less than or equal to 30 megawatts).
- (iv) Solar.
- (v) Wind.

(2) The category "Other" shall be used for fuel types other than those listed above that represent less than 2 percent of net system power. The California Energy Resources Conservation and Development Commission may specify additional categories or change these categories, consistent with the requirements of this article and subject to public hearing, if it determines that the changes will facilitate the disclosure objectives of this section.

(i) All electricity sources disclosed as specific purchases shall meet the requirements of subdivision (b) of Section 398.2.

(j) Specific purchases identified pursuant to this section shall be from sources connected to the Western Electricity Coordinating Council interconnected grid.

(k) Net system power shall be disclosed for the most recent calendar year available. Disclosure of net system power shall be accompanied by this qualifying note: "The State of California determines this net system power mix annually; your actual electricity purchases may vary." The California Energy Resources Conservation and Development Commission may modify this note, consistent with the requirements of this article and subject to public hearing, if it determines that the changes will facilitate the disclosure objectives of this section.

(l) For each offering made by a retail supplier for which specific purchases are disclosed, the retail supplier shall disclose projected specific purchases for the current calendar year. Projected specific purchases need not be disclosed by numerical percentage at the subcategory level identified in subparagraph (F) of paragraph (1) of subdivision (h). On or before April 15, 1999, and annually thereafter, every retail supplier that discloses specific purchases shall also disclose to its customers, separately for each offering made by the retail supplier, its actual specific purchases for the previous calendar year consistent with information provided to the California Energy Resources Conservation and Development Commission pursuant to Section 398.5. Disclosure of projected specific purchases and actual specific purchases shall each be accompanied by statements identifying whether the data

are projected or actual, as developed by the California Energy Resources Conservation and Development Commission, subject to public hearing.

(m) The provisions of this section shall not apply to generators providing electric service onsite, under an over-the-fence transaction as described in Section 218, or to an affiliate or affiliates, as defined in subdivision (a) of Section 372.

SEC. 264. Section 5411.5 of the Public Utilities Code is amended to read:

5411.5. (a) Whenever a peace officer arrests a person for a violation of Section 5411 involving the operation of a charter-party carrier of passengers without a valid certificate or permit at a public airport, within 100 feet of a public airport, or within two miles of the international border between the United States and Mexico, the peace officer may impound and retain possession of the vehicle used in violation of Section 5411.

(b) If the vehicle is seized from a person who is not the owner of the vehicle, the impounding authority shall immediately give notice to the owner by first-class mail.

(c) The vehicle shall immediately be returned to the owner without cost to the owner if the infraction or violation is not prosecuted or is dismissed, the owner is found not guilty of the offense, or it is determined that the vehicle was used in violation of Section 5411 without the knowledge and consent of the owner. Otherwise, the vehicle shall be returned to the owner upon payment of any fine ordered by the court. After the expiration of six weeks from the final disposition of the criminal case, the impounding authority may deal with the vehicle as lost or abandoned property under Section 1411 of the Penal Code.

(d) At any time, a person may make a motion in superior court for the immediate return of the vehicle on the ground that there was no probable cause to seize it or that there is some other good cause, as determined by the court, for the return of the vehicle. A proceeding under this section is a limited civil case.

(e) No peace officer, however, may impound any vehicle owned or operated by a nonprofit organization exempt from taxation pursuant to Section 501(c)(3) of the Internal Revenue Code which serves youth or senior citizens and provides transportation incidental to its programs or services.

SEC. 265. Section 7000 of the Public Utilities Code is amended to read:

7000. (a) For purposes of this chapter, a utility shall mean all of the following:

- (1) An electric corporation, as defined in Section 218.
- (2) A water corporation, as defined in Section 241.
- (3) A telephone corporation, as defined in Section 234.

(4) A telecommunications carrier, as defined in Section 153 of Title 47 of the United States Code.

(5) A gas corporation, as defined in Section 222.

(6) A local publicly owned electric utility, as defined in Section 9604, and a publicly owned gas utility.

(7) A special district that owns or operates utilities.

(b) This chapter shall also apply to the following entities:

(1) A cable television corporation, as defined in Section 215.5.

(2) A cable operator, as defined in Section 522 of Title 47 of the United States Code.

SEC. 266. Section 15704 of the Public Utilities Code is amended to read:

15704. Each petition shall name or describe the territory within which the registered voters signing it reside. Every petition shall set forth the boundaries and name of the proposed district, which shall include the words "public utility district." Every petition shall contain a prayer that a public utility district comprising all of the proposed territory, or any portions thereof as are designated in the petitions as essential to its formation, be incorporated pursuant to this division. Every registered voter signing a petition shall write his or her address opposite his or her signature.

SEC. 267. Section 132353.2 of the Public Utilities Code is amended to read:

132353.2. (a) A transition plan for the transfer of project development and construction responsibilities of the transit boards and the financial resources therefore to the consolidated agency shall be developed by the consolidated agency in consultation with the transit boards to ensure the efficient and timely transfer of the transit boards' project development and construction functions and responsibilities to the consolidated agency no later than September 30, 2003. The transfer and consolidation of project development and construction functions and responsibilities and the funding therefore shall occur no later than January 30, 2004, and shall be referred to as the subsequent transfer.

(b) The transition plans should define the functional roles and responsibilities of the consolidated agency and the transit boards and should define, in the applicable transition plan, service and operational planning, programming, project development, and construction. The transition plans should acknowledge a strong linkage between service planning and operations scheduling.

(c) Local route planning and scheduling and local financial planning therefor, would continue to be the responsibility of the transit boards in accordance with guidelines provided by the consolidated agency. The initial transition plan would include the development of guidelines and would define local route planning.

(d) Notwithstanding the provisions of Section 132353.2, at any time after the initial transfer, the consolidated agency may enter into individual agreements with the MTDB or the NCTD for the transfer and consolidation of any or all functions, personnel, and funding of either agency, except those functions set forth in Section 132354.5, to the consolidated agency on terms and conditions as may be mutually agreed upon.

(e) The MTDB and the NCTD shall continue to be a claimant, applicant, and grantee of local, state, and federal grants until the transfer and consolidation of functions or responsibilities to the consolidated agency pursuant to a transition plan at which time the consolidated agency shall become the claimant, applicant, and grantee for these funds. Except for funds which are transferred to the consolidated agency pursuant to a transition plan, the MTDB and the NCTD shall continue to receive funding pursuant to Article 4 (commencing with Section 99260) and Article 4.5 (commencing with Section 99275) of the Transportation Development Act in Chapter 4 of Part 11 of Division 10 and the State Transportation Assistance Fund in accordance with state law. Except for funds which are transferred to the consolidated agency pursuant to a transition plan, the MTDB and the NCTD shall continue to receive the Federal Section 5307 Urbanized Area Formula funds pursuant to federal statute. These funds should be allocated in a manner which will help enable the transit boards to meet their obligations and responsibilities recognizing the methodology and historic funding levels that have previously guided these funding decisions. The consolidated agency shall conduct a periodic review of the allocation and methodology for all formula-based funding.

(f) The consolidated agency and the MTDB and the NCTD shall work together to obtain funds for transit projects and services.

(g) It is the intent of the Legislature that future consolidation of transit operations of the MTDB and the NCTD into the consolidated agency should be comprehensively evaluated by the consolidated agency. This consolidation shall be referred to as a complete consolidation and shall be implemented only if it is considered to be appropriate by the consolidated agency and approved by a statute enacted by the Legislature.

SEC. 268. Section 132370.5 of the Public Utilities Code is amended to read:

132370.5. The consolidated agency shall be considered to be a "local agency" as defined in subdivision (f) of Section 6585 of the Government Code and the provisions of Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code are applicable to the consolidated agency.

SEC. 269. Section 132370.6 of the Public Utilities Code is amended to read:

132370.6. The consolidated agency may borrow money in accordance with Article 7 (commencing with Section 53820), Article 7.6 (commencing with Section 53850), or Article 7.7 (commencing with Section 53859) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

SEC. 270. Section 132632 of the Public Utilities Code is amended and renumbered to read:

132362. In addition to the authority set forth in Article 5 (commencing with Section 132300) and Article 6 (commencing with Section 132320) of Chapter 2 of Division 12.7, if the consolidated agency provides compensation to San Diego County for the cost of including an ordinance or measure on the ballot, the consolidated agency may call an election, including an advisory election, in San Diego County on any ordinance or measure regarding the governance of or matters related to the powers, privileges, or duties of the consolidated agency, including, but not limited to, merger or complete consolidation of the transit boards.

SEC. 271. Section 132634 of the Public Utilities Code is amended and renumbered to read:

132364. The county shall conduct an election, including an advisory election, called by the consolidated agency in the same manner as provided by law for the conduct of elections by a county.

SEC. 272. Section 96.1 of the Revenue and Taxation Code is amended to read:

96.1. (a) Except as otherwise provided in Article 3 (commencing with Section 97), and in Article 4 (commencing with Section 98), for the 1980–81 fiscal year and each fiscal year thereafter, property tax revenues shall be apportioned to each jurisdiction pursuant to this section and Section 96.2 by the county auditor, subject to allocation and payment of funds as provided for in subdivision (b) of Section 33670 of the Health and Safety Code, to each jurisdiction in the following manner:

(1) For each tax rate area, each jurisdiction shall be allocated an amount of property tax revenue equal to the amount of property tax revenue allocated pursuant to this chapter to each jurisdiction in the prior fiscal year, modified by any adjustments required by Section 99 or 99.02.

(2) The difference between the total amount of property tax revenue and the amounts allocated pursuant to paragraph (1) shall be allocated pursuant to Section 96.5, and shall be known as the “annual tax increment.”

(3) For purposes of this section, the amount of property tax revenue referred to in paragraph (1) shall not include amounts generated by the

increased assessments under Chapter 3.5 (commencing with Section 75).

(b) Any allocation of property tax revenue that was subjected to a prior completed audit by the Controller, pursuant to the requirements of Section 12468 of the Government Code, where all findings have been resolved, shall be deemed correct.

(c) (1) Guidelines for legislation implementation issued and determined necessary by the State Association of County Auditors, and when adopted as regulations by either the Controller or the Department of Finance pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, shall be considered an authoritative source deemed correct until some future clarification by legislation or court decision.

(2) If a county auditor knowingly does not follow the guidelines referred to in paragraph (1), that county auditor shall inform the Controller of the reason or reasons for not following the guidelines. If the Controller disagrees with the stated reason or reasons for not following the guidelines, the provisions of paragraph (3) do not apply.

(3) If, by audit begun on or after July 1, 2001, or discovery by an entity on or after July 1, 2001, it is determined that an allocation method is required to be adjusted and a reallocation is required for previous fiscal years, the cumulative reallocation or adjustment may not exceed 1 percent of the total amount levied at a 1 percent rate of the current year's original secured tax roll. The reallocation shall be completed in equal increments within the following three fiscal years, or as negotiated with the Controller in the case of reallocation to the Educational Revenue Augmentation Fund or school entities.

(4) If it is determined that an allocation method is required to be adjusted as provided in paragraph (3), the county auditor shall, in the fiscal year following the fiscal year in which this determination is made, correct the allocation method in accordance with statute.

SEC. 273. Section 408 of the Revenue and Taxation Code is amended to read:

408. (a) Except as otherwise provided in subdivisions (b), (c), (d), and (e), any information and records in the assessor's office that are not required by law to be kept or prepared by the assessor, and homeowners' exemption claims, are not public documents and shall not be open to public inspection. Property receiving the homeowners' exemption shall be clearly identified on the assessment roll. The assessor shall maintain records which shall be open to public inspection to identify those claimants who have been granted the homeowners' exemption.

(b) The assessor may provide any appraisal data in his or her possession to the assessor of any county.

The assessor shall disclose information, furnish abstracts, or permit access to all records in his or her office to law enforcement agencies, the county grand jury, the board of supervisors or their duly authorized agents, employees, or representatives when conducting an investigation of the assessor's office pursuant to Section 25303 of the Government Code, the Controller, employees of the Controller for property tax postponement purposes, probate referees, employees of the Franchise Tax Board for tax administration purposes only, staff appraisers of the Department of Financial Institutions, the Department of Transportation, the Department of General Services, the State Board of Equalization, the State Lands Commission, the State Department of Social Services, the Department of Child Support Services, the Department of Water Resources, and other duly authorized legislative or administrative bodies of the state pursuant to their authorization to examine the records. Whenever the assessor discloses information, furnishes abstracts, or permits access to records in his or her office to staff appraisers of the Department of Financial Institutions, the Department of Transportation, the Department of General Services, the State Lands Commission, or the Department of Water Resources pursuant to this section, the department shall reimburse the assessor for any costs incurred as a result thereof.

(c) Upon the request of the tax collector, the assessor shall disclose and provide to the tax collector information used in the preparation of that portion of the unsecured roll for which the taxes thereon are delinquent. The tax collector shall certify to the assessor that he or she needs the information requested for the enforcement of the tax lien in collecting those delinquent taxes. Information requested by the tax collector may include social security numbers, and the assessor shall recover from the tax collector his or her actual and reasonable costs for providing the information. The tax collector shall add the costs described in the preceding sentence to the assessee's delinquent tax lien and collect those costs subject to subdivision (e) of Section 2922.

(d) The assessor shall, upon the request of an assessee or his or her designated representative, permit the assessee or representative to inspect or copy any market data in the assessor's possession. For purposes of this subdivision, "market data" means any information in the assessor's possession, whether or not required to be prepared or kept by him or her, relating to the sale of any property comparable to the property of the assessee, if the assessor bases his or her assessment of the assessee's property, in whole or in part, on that comparable sale or sales. The assessor shall provide the names of the seller and buyer of each property on which the comparison is based, the location of that property, the date of the sale, and the consideration paid for the property, whether paid in money or otherwise. However, for purposes of providing market

data, the assessor may not display any document relating to the business affairs or property of another.

(e) (1) With respect to information, documents, and records, other than market data as defined in subdivision (d), the assessor shall, upon request of an assessee of property, or his or her designated representative, permit the assessee or representative to inspect or copy all information, documents, and records, including auditors' narrations and workpapers, whether or not required to be kept or prepared by the assessor, relating to the appraisal and the assessment of the assessee's property, and any penalties and interest thereon.

(2) After enrolling an assessment, the assessor shall respond to a written request for information supporting the assessment, including, but not limited to, any appraisal and other data requested by the assessee.

(3) Except as provided in Section 408.1, an assessee, or his or her designated representative, may not be permitted to inspect or copy information and records that also relate to the property or business affairs of another, unless that disclosure is ordered by a competent court in a proceeding initiated by a taxpayer seeking to challenge the legality of the assessment of his or her property.

(f) (1) Permission for the inspection or copying requested pursuant to subdivision (d) or (e) shall be granted as soon as reasonably possible to the assessee or his or her designated representative.

(2) If the assessee, or his or her designated representative, requests the assessor to make copies of any of the requested records, the assessee shall reimburse the assessor for the reasonable costs incurred in reproducing and providing the copies.

(3) If the assessor fails to permit the inspection or copying of materials or information as requested pursuant to subdivision (d) or (e) and the assessor introduces any requested materials or information at any assessment appeals board hearing, the assessee or his or her representative may request and shall be granted a continuance for a reasonable period of time. The continuance shall extend the two-year period specified in subdivision (c) of Section 1604 for a period of time equal to the period of continuance.

SEC. 274. Section 426 of the Revenue and Taxation Code is amended to read:

426. (a) Notwithstanding any provision of Section 423 to the contrary, if either the county, city, or nonprofit organization or the owner of land subject to contract, agreement, scenic restriction, or open-space easement has served notice of nonrenewal as provided in Section 51091, 51245, or 51296.9 of the Government Code, and the county assessors shall, unless the parties shall have subsequently rescinded the contract pursuant to Section 51254 or 51255 of the Government Code, value the land as provided in this section.

(b) If the owner of land serves notice of nonrenewal or the county, city, or nonprofit organization serves notice of nonrenewal and the owner fails to protest as provided in Section 51091, 51245, or 51296.9 of the Government Code, subdivision (c) shall apply immediately. If the county, city, or nonprofit organization serves notice of nonrenewal and the owner does protest as provided in Section 51091, 51245, or 51296 of the Government Code, subdivision (c) shall apply when less than six years remain until the termination of the period for which the land is enforceably restricted.

(c) Where any of the conditions in subdivision (b) apply, the board or assessor in each year until the termination of the period for which the land is enforceably restricted shall do all of the following:

(1) Determine the value of the land pursuant to Section 110.1. If the land is not subject to Section 110.1 when the restriction expires, the value shall be determined pursuant to Section 110 as if it were free of contractual restriction. If the land will be subject to a use for which this code provides a special restricted assessment, the value shall be determined as if it were subject to the new restriction.

(2) Determine the value of the land by capitalization of income as provided in Section 423 and without regard to the existence of any of the conditions in subdivision (b).

(3) Subtract the value determined in paragraph (2) of subdivision (c) by capitalization of income from the full value determined in paragraph (1).

(4) Using the rate announced by the board pursuant to paragraph (1) of subdivision (b) of Section 423, discount the amount obtained in paragraph (3) for the number of years remaining until the termination of the contract, agreement, scenic restriction, or open-space easement.

(5) Determine the value of the land by adding the value determined by capitalization of income as provided in paragraph (2) and the value obtained in paragraph (4).

(6) Apply the ratio prescribed in Section 401 to the value of the land determined in paragraph (5) to obtain its assessed value.

SEC. 275. Section 998 of the Revenue and Taxation Code is amended to read:

998. (a) The full value of a time-share estate or a time-share use subject to tax under this division shall be determined by finding the real property value of the interest involved and shall not include the value of any nonreal property items, including, but not limited to, vacation exchange rights, vacation conveniences and services, and club memberships. Accordingly, the full value of a time-share estate or time-share use may be determined by reference to resort properties, condominiums, cooperatives, or other properties which are similar in size, type, and location to the property subject to time-share ownership

and are not owned on a time-share basis. The aggregate assessed value of all the time-share estates or uses relating to a single lot, parcel, unit, or other segment of real property shall be determined by adding (1) the fair market value of the similar lot, parcel, unit, or other segment not owned on a time-share basis, and (2) an amount necessary to reflect any increase or decrease to the market value attributable to the fact that the property is marketed in increments of time, or by any alternate method which will determine the real property value without regard to any nonreal property items which may be included.

(b) Nothing in this section shall authorize a reassessment of real property as a result of the creation or transfer of a time-share interest in the property unless the creation or transfer of the time-share interest constitutes a change in ownership under Chapter 2 (commencing with Section 60) of Part 2 and Section 2 of Article XIII A of the California Constitution.

(c) For purposes of this section, "time-share estate" and "time-share use" shall have the meanings set forth in Section 11003.5 of the Business and Professions Code, and "time-share interest" shall refer to both time-share estates and time-share uses.

(d) Nothing in this section may be construed as requiring the assessment of any property at less than fair market value as required by Section 401.

SEC. 276. Section 2921.5 of the Revenue and Taxation Code is amended to read:

2921.5. Taxes, penalties, and costs on unsecured property, as defined in subdivision (b) of Section 134, shall be transferred from the "secured roll" to the "unsecured roll" of the corresponding year by the county auditor on order of the board of supervisors with the written consent of the county legal advisor pursuant to Article 5 (commencing with Section 5081) of Chapter 4 of Part 9 at the same time the taxes are canceled on the property, and shall be collected in the same manner as other delinquent taxes on the "unsecured roll." Amounts transferred pursuant to this section continue to be subject to delinquent penalties until the amounts are paid and are collectible from either the person from whom the property was acquired or the public entity that acquired the property.

SEC. 277. Section 7280 of the Revenue and Taxation Code is amended to read:

7280. (a) The legislative body of any city or county may levy a tax on the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging unless the occupancy is for any period of more than 30 days. The tax when levied by the legislative body of a county shall apply only to the unincorporated areas of the county.

(b) For purposes of this section, the term “the privilege of occupying a room or rooms, or other living space, in a hotel, inn, tourist home or house, motel, or other lodging” does not include the right of an owner of a time-share estate in a room or rooms in a time-share project, or the owner of a membership camping contract in a camping site at a campground, or the guest of the owner, to occupy the room, rooms, camping site, or other real property in which the owner retains that interest.

For purposes of this subdivision:

(1) “Time-share estate” means a time-share estate, as defined by Section 11003.5 of the Business and Professions Code.

(2) “Membership camping contract” means a right or license as defined by subdivision (b) of Section 1812.300 of the Civil Code.

(3) “Guest of that owner” means a person who does either of the following:

(A) Occupies real property accompanied by the owner of either of the following:

(i) A time-share estate in that real property.

(ii) A camping site in a campground pursuant to a right or license under a membership camping contract.

(B) Exercises that owner’s right of occupancy without payment of any compensation to the owner.

“Guest of that owner” specifically includes a person occupying a time-share unit or a camping site in a campground pursuant to any form of exchange program.

(c) For purposes of this section, “other lodging” includes, but is not limited to, a camping site or a space at a campground or recreational vehicle park, but does not include any of the following:

(1) Any facilities operated by a local government entity.

(2) Any lodging excluded pursuant to subdivision (b).

(3) Any campsite excluded from taxation pursuant to Section 7282.

(d) Subdivision (b) shall not affect or apply to the authority of any city or county to collect a transient occupancy tax from time-share projects which were in existence as of May 1, 1985, and which time-share projects were then subject to a transient occupancy tax imposed by an ordinance duly enacted prior to May 1, 1985, pursuant to this section. The act adding this subdivision shall not in any way affect any litigation pending on or prior to December 31, 1985.

SEC. 278. Section 7286.24 of the Revenue and Taxation Code is amended to read:

7286.24. (a) (1) In addition to any tax levied pursuant to Part 1.5 (commencing with Section 7200) and any other tax authorized by this part, and subject to paragraph (2), a qualified city may levy a transactions

and use tax at a rate of 0.25 percent, or a multiple thereof not to exceed 1 percent, if both of the following conditions are met:

(A) An ordinance proposing the transactions and use tax is approved by a majority vote of all the members of the city council.

(B) The proposing ordinance is approved by a two-thirds majority of qualified voters of the city in an election on the issue.

(2) (A) Any transactions and use tax levied under this section shall be levied pursuant to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)).

(B) The net revenues derived from a tax levied under this section shall be exclusively expended for the maintenance, repair, replacement, construction, or reconstruction of the qualified city’s road system.

(b) For purposes of this section, “qualified city” means the City of Clearlake, the City of Fort Bragg, the City of Point Arena, the City of Ukiah, and the City of Willits.

SEC. 279. The heading of Chapter 2.98 (commencing with Section 7286.75) of Part 1.7 of Division 2 of the Revenue and Taxation Code is amended and renumbered to read:

CHAPTER 2.985. WEST SACRAMENTO TRANSACTIONS AND USE TAX

SEC. 280. Section 17041 of the Revenue and Taxation Code is amended to read:

17041. (a) There shall be imposed for each taxable year upon the entire taxable income of every resident of this state who is not a part-year resident, except the head of a household as defined in Section 17042, taxes in the following amounts and at the following rates upon the amount of taxable income computed for the taxable year as if the resident were a resident of this state for the entire taxable year and for all prior taxable years for any carryover items, deferred income, suspended losses, or suspended deductions:

If the taxable income is:	The tax is:
Not over \$3,650	1% of the taxable income
Over \$3,650 but not over \$8,650	\$36.50 plus 2% of the excess over \$3,650
Over \$8,650 but not over \$13,650	\$136.50 plus 4% of the excess over \$8,650
Over \$13,650 but not over \$18,950	\$336.50 plus 6% of the excess over \$13,650

Over \$18,950 but not over \$23,950	\$654.50 plus 8% of the excess over \$18,950
Over \$23,950	\$1,054.50 plus 9.3% of the excess over \$23,950

(b) (1) There shall be imposed for each taxable year upon the taxable income of every nonresident or part-year resident, except the head of a household as defined in Section 17042, a tax as calculated in paragraph (2).

(2) The tax imposed under paragraph (1) shall be calculated by multiplying the “taxable income of a nonresident or part-year resident,” as defined in subdivision (i), by a rate (expressed as a percentage) equal to the tax computed under subdivision (a) on the entire taxable income of the nonresident or part-year resident as if the nonresident or part-year resident were a resident of this state for the taxable year and as if the nonresident or part-year resident were a resident of this state for all prior taxable years for any carryover items, deferred income, suspended losses, or suspended deductions, divided by the amount of that income.

(c) There shall be imposed for each taxable year upon the entire taxable income of every resident of this state who is not a part-year resident for that taxable year, when the resident is the head of a household, as defined in Section 17042, taxes in the following amounts and at the following rates upon the amount of taxable income computed for the taxable year as if the resident were a resident of the state for the entire taxable year and for all prior taxable years for carryover items, deferred income, suspended losses, or suspended deductions:

If the taxable income is:	The tax is:
Not over \$7,300	1% of the taxable income
Over \$7,300 but not over \$17,300	\$73 plus 2% of the excess over \$7,300
Over \$17,300 but not over \$22,300	\$273 plus 4% of the excess over \$17,300
Over \$22,300 but not over \$27,600	\$473 plus 6% of the excess over \$22,300

Over \$27,600 but not	
over \$32,600	\$791 plus 8% of the excess over \$27,600
Over \$32,600	\$1,191 plus 9.3% of the excess over \$32,600

(d) (1) There shall be imposed for each taxable year upon the taxable income of every nonresident or part-year resident when the nonresident or part-year resident is the head of a household, as defined in Section 17042, a tax as calculated in paragraph (2).

(2) The tax imposed under paragraph (1) shall be calculated by multiplying the "taxable income of a nonresident or part-year resident," as defined in subdivision (i), by a rate (expressed as a percentage) equal to the tax computed under subdivision (a) on the entire taxable income of the nonresident or part-year resident as if the nonresident or part-year resident were a resident of this state for the taxable year and as if the nonresident or part-year resident were a resident of this state for all prior taxable years for any carryover items, deferred income, suspended losses, or suspended deductions, divided by the amount of that income.

(e) There shall be imposed for each taxable year upon the taxable income of every estate, trust, or common trust fund taxes equal to the amount computed under subdivision (a) for an individual having the same amount of taxable income.

(f) The tax imposed by this part is not a surtax.

(g) (1) Section 1 (g) of the Internal Revenue Code, relating to certain unearned income of minor children taxed as if the parent's income, shall apply, except as otherwise provided.

(2) Section 1(g)(7)(B)(ii)(II) of the Internal Revenue Code, relating to income included on parent's return, is modified, for purposes of this part, by substituting "1 percent" for "15 percent."

(h) For each taxable year beginning on or after January 1, 1988, the Franchise Tax Board shall recompute the income tax brackets prescribed in subdivisions (a) and (c). That computation shall be made as follows:

(1) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index for all items from June of the prior calendar year to June of the current calendar year, no later than August 1 of the current calendar year.

(2) The Franchise Tax Board shall do both of the following:

(A) Compute an inflation adjustment factor by adding 100 percent to the percentage change figure that is furnished pursuant to paragraph (1) and dividing the result by 100.

(B) Multiply the preceding taxable year income tax brackets by the inflation adjustment factor determined in subparagraph (A) and round off the resulting products to the nearest one dollar (\$1).

(i) (1) For purposes of this part, the term “taxable income of a nonresident or part-year resident” includes each of the following:

(A) For any part of the taxable year during which the taxpayer was a resident of this state (as defined by Section 17014), all items of gross income and all deductions, regardless of source.

(B) For any part of the taxable year during which the taxpayer was not a resident of this state, gross income and deductions derived from sources within this state, determined in accordance with Article 9 of Chapter 3 (commencing with Section 17031) and Chapter 11 (commencing with Section 17951).

(2) For purposes of computing “taxable income of a nonresident or part-year resident” under paragraph (1), the amount of any net operating loss sustained in any taxable year during any part of which the taxpayer was not a resident of this state shall be limited to the sum of the following:

(A) The amount of the loss attributable to the part of the taxable year in which the taxpayer was a resident.

(B) The amount of the loss that, during the part of the taxable year the taxpayer is not a resident, is attributable to California source income and deductions allowable in arriving at taxable income of a nonresident or part-year resident.

(3) For purposes of computing “taxable income of a nonresident or part-year resident” under paragraph (1), any carryover items, deferred income, suspended losses, or suspended deductions shall only be includible or allowable to the extent that the carryover item, deferred income, suspended loss, or suspended deduction was derived from sources within this state.

SEC. 281. Section 17052.2 of the Revenue and Taxation Code is amended to read:

17052.2. (a) For each taxable year beginning on or after January 1, 2000, and before January 1, 2002, and for each taxable year beginning on or after January 1, 2003, there shall be allowed as a credit against the “net tax” (as defined by Section 17039) to a credentialed teacher an amount equal to the amount determined in subdivision (b).

(b) The amount of the credit shall be the lesser of the amounts computed under paragraph (1) or (2):

(1) In the case of any credentialed teacher who has, as of the last day of the taxable year:

(A) Completed at least four but less than six years of service as a credentialed teacher, the credit shall be two hundred fifty dollars (\$250).

(B) Completed at least six but less than 11 years of service as a credentialed teacher, the credit shall be five hundred dollars (\$500).

(C) Completed at least 11 but less than 20 years of service as a credentialed teacher, the credit shall be one thousand dollars (\$1,000).

(D) Completed 20 or more years of service as a credentialed teacher, the credit shall be one thousand five hundred dollars (\$1,500).

(E) For purposes of determining years of service, years of service performed as a teacher in a qualifying educational institution, which otherwise meets the criteria specified in paragraph (2) of subdivision (c) except that the qualifying educational institution is not located in this state, in another state shall qualify for each year the teacher was credentialed by the public education agency in that state.

(2) Fifty percent of the amount determined as follows:

(A) Divide the amount received by the taxpayer as wages and salary for services as a credentialed teacher, as defined in paragraph (3) of subdivision (c), by the taxpayer's total adjusted gross income from all sources.

(B) Multiply the taxpayer's total tax, as defined in paragraph (4) of subdivision (c), by a ratio, not to exceed 1.00, that is otherwise equal to the ratio determined for the taxpayer under subparagraph (A).

(c) For purposes of this section, all of the following definitions apply:

(1) "Credentialed teacher" means a person who holds a preliminary or professional clear credential as determined by the Commission on Teacher Credentialing pursuant to Article 1 (commencing with Section 44200) of Chapter 2 of Part 25 of Division 2 of Title 2 of the Education Code and who teaches at a qualifying educational institution.

(2) "Qualifying educational institution" means any elementary, secondary, or vocational-technical school located in this state providing education for kindergarten, grades 1 to 12, inclusive, or any part thereof. "Qualifying educational institution" includes an agency or instrumentality of the federal government providing education for kindergarten, grades 1 to 12, inclusive, or any part thereof, at any location within this state, including an Indian reservation or a military installation located within the geographical borders of this state, where a credentialed teacher is employed by the federal government or an agency or instrumentality thereof. "Qualifying educational institution" includes any elementary, secondary, or vocational-technical school located in California, that files an affidavit pursuant to Sections 33190 and 33191 of the Education Code, and provides education for kindergarten and grades 1 to 12, inclusive, or any part thereof.

(3) "Wages and salaries for services as a credentialed teacher" includes only those amounts received with respect to services performed as a credentialed teacher, but does not include pensions or other deferred compensation.

(4) "Total tax" means the tax imposed under this part for the taxable year, before the application under Section 19007 of any payment of estimated tax or any installment thereof, less all credits allowed for the taxable year except for the following:

(A) The credit allowed under this section.

(B) The credit allowed under Section 17061 (relating to refunds under the Unemployment Insurance Code).

(C) The credit allowed under Section 19002 (relating to tax withholding).

(D) Any refundable credit that is allowed under this part.

SEC. 282. Section 17052.6 of the Revenue and Taxation Code is amended to read:

17052.6. (a) For each taxable year beginning on or after January 1, 2000, there shall be allowed as a credit against the "net tax" (as defined in Section 17039) an amount determined in accordance with Section 21 of the Internal Revenue Code, as modified by the Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107-16), except that the amount of the credit shall be a percentage, as provided in subdivision (b) of the allowable federal credit without taking into account whether there is a federal tax liability.

(b) For the purposes of subdivision (a), the percentage of the allowable federal credit shall be determined as follows:

(1) For taxable years beginning before January 1, 2003:

If the California adjusted gross income is:	The percentage of credit is:
\$40,000 or less	63%
Over \$40,000 but not over \$70,000	53%
Over \$70,000 but not over \$100,000	42%
Over \$100,000	0%

(2) For taxable years beginning on or after January 1, 2003:

If the California adjusted gross income is:	The percentage of credit is:
\$40,000 or less	50%
Over \$40,000 but not over \$70,000	43%
Over \$70,000 but not over \$100,000	34%
Over \$100,000	0%

(c) In the case of a taxpayer whose credits provided under this section exceed the taxpayer's tax liability computed under this part, the excess shall be credited against other amounts due, if any, from the taxpayer and

the balance, if any, shall be paid from the Tax Relief and Refund Account and refunded to the taxpayer.

(d) For purposes of this section, California adjusted gross income means California adjusted gross income as computed for purposes of Section 17041.

(e) The credit authorized by this section shall be limited to those taxpayers who, during the taxable year, maintain a household, within the meaning of Section 21(e)(1) of the Internal Revenue Code, that is located within this state.

(f) For purposes of this section, Section 21(b)(1) of the Internal Revenue Code, relating to a qualifying individual, is modified to additionally provide that a child (as defined in Section 151(c)(3) of the Internal Revenue Code) shall be treated, for purposes of Section 152 of the Internal Revenue Code (as applicable for purposes of this section), as receiving over one-half of his or her support during the calendar year from the parent having custody for a greater portion of the calendar year, that parent shall be treated as a "custodial parent" (within the meaning of Section 152(e) of the Internal Revenue Code, as applicable for purposes of this section), and the child shall be treated as a qualifying individual under Section 21(b)(1) of the Internal Revenue Code, as applicable for purposes of this section, if both of the following apply:

(1) The child receives over one-half of his or her support during the calendar year from his or her parents who never married each other and who lived apart at all times during the last six months of the calendar year.

(2) The child is in the custody of one or both of his or her parents for more than one-half of the calendar year.

(g) The amendments to this section made by the act adding this subdivision shall apply only to taxable years beginning on or after January 1, 2002.

SEC. 283. Section 17062 of the Revenue and Taxation Code is amended to read:

17062. (a) In addition to the other taxes imposed by this part, there is hereby imposed for each taxable year, a tax equal to the excess, if any, of—

(1) The tentative minimum tax for the taxable year, over

(2) The regular tax for the taxable year.

(b) For purposes of this chapter, each of the following shall apply:

(1) The tentative minimum tax shall be computed in accordance with Sections 55 to 59, inclusive, of the Internal Revenue Code, except as otherwise provided in this part.

(2) The regular tax shall be the amount of tax imposed by Section 17041 or 17048, before reduction for any credits against the tax, less any

amount imposed under paragraph (1) of subdivision (d) and paragraph (1) of subdivision (e) of Section 17560.

(3) (A) The provisions of Section 55(b)(1) of the Internal Revenue Code shall be modified to provide that the tentative minimum tax for the taxable year shall be equal to the following percent of so much of the alternative minimum taxable income for the taxable year as exceeds the exemption amount, before reduction for any credits against the tax:

(i) For any taxable year beginning on or after January 1, 1991, and before January 1, 1996, 8.5 percent.

(ii) For any taxable year beginning on or after January 1, 1996, 7 percent.

(B) In the case of a nonresident or part-year resident, the tentative minimum tax shall be computed by multiplying the alternative minimum taxable income of the nonresident or part-year resident, as defined in subparagraph (C), by a rate (expressed as a percentage) equal to the tax computed under subdivision (b) on the alternative minimum taxable income of the nonresident or part-year resident as if the nonresident or part-year resident were a resident of this state for the taxable year and as if the nonresident or part-year resident were a resident of this state for all prior taxable years for any carryover items, deferred income, suspended losses, or suspended deductions, divided by the amount of that income.

(C) For purposes of this section, the term “alternative minimum taxable income of a nonresident or part-year resident” includes each of the following:

(i) For any period during which the taxpayer was a resident of this state (as defined by Section 17014), all items of alternative minimum taxable income (as modified for purposes of this chapter), regardless of source.

(ii) For any period during which the taxpayer was not a resident of this state, alternative minimum taxable income (as modified for purposes of this chapter) which were derived from sources within this state, determined in accordance with Article 9 of Chapter 3 (commencing with Section 17301) and Chapter 11 (commencing with Section 17951).

(iii) For purposes of computing “alternative minimum taxable income of a nonresident or part-year resident,” any carryover items, deferred income, suspended losses, or suspended deductions shall only be allowable to the extent that the carryover item, suspended loss, or suspended deduction was derived from sources within this state.

(4) The provisions of Section 55(b)(2) of the Internal Revenue Code, relating to alternative minimum taxable income, shall be modified to provide that alternative minimum taxable income shall not include the income, adjustments, and items of tax preference attributable to any trade or business of a qualified taxpayer.

(A) For purposes of this paragraph, “qualified taxpayer” means a taxpayer who meets both of the following:

- (i) Is the owner of, or has an ownership interest in, a trade or business.
- (ii) Has aggregate gross receipts, less returns and allowances, of less than one million dollars (\$1,000,000) during the taxable year from all trades or businesses of which the taxpayer is the owner or has an ownership interest, in the amount of that taxpayer’s proportionate interest in each trade or business.

(B) For purposes of this paragraph, “aggregate gross receipts, less returns and allowances” means the sum of the gross receipts of the trades or businesses that the taxpayer owns and the proportionate interest of the gross receipts of the trades or businesses that the taxpayer owns and of pass-through entities in which the taxpayer holds an interest.

(C) For purposes of this paragraph, “gross receipts, less returns and allowances” 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) For purposes of this paragraph, “proportionate interest” means:

(i) In the case of a pass-through entity that reports a profit for the taxable year, the taxpayer’s profit interest in the entity at the end of the taxpayer’s taxable year.

(ii) In the case of a pass-through entity that reports a loss for the taxable year, the taxpayer’s loss interest in the entity at the end of the taxpayer’s taxable year.

(iii) In the case of a pass-through entity that is sold or liquidates during the taxable year, the taxpayer’s capital account interest in the entity at the time of the sale or liquidation.

(E) (i) For purposes of this paragraph, “proportionate interest” includes an interest in a pass-through entity.

(ii) For purposes of this paragraph, “pass-through entity” means any of the following:

(I) A partnership, as defined by Section 17008.

(II) An “S corporation,” as provided in Chapter 4.5 (commencing with Section 23800) of Part 11.

(III) A regulated investment company, as provided in Section 24871.

(IV) A real estate investment trust, as provided in Section 24872.

(V) A real estate mortgage investment conduit, as provided in Section 24874.

(5) For taxable years beginning on or after January 1, 1998, Section 55(d)(1) of the Internal Revenue Code, relating to exemption amount for taxpayers other than corporations is modified, for purposes of this part, to provide the following exemption amounts in lieu of those contained therein:

(A) Fifty-seven thousand two hundred sixty dollars (\$57,260) in the case of either of the following:

- (i) A joint return.
- (ii) A surviving spouse.

(B) Forty-two thousand nine hundred forty-five dollars (\$42,945) in the case of an individual who is both of the following:

- (i) Not a married individual.
- (ii) Not a surviving spouse.

(C) Twenty-eight thousand six hundred thirty dollars (\$28,630) in the case of either of the following:

- (i) A married individual who files a separate return.
- (ii) An estate or trust.

(6) For taxable years beginning on or after January 1, 1998, Section 55(d)(3) of the Internal Revenue Code, relating to the phaseout of exemption amount for taxpayers other than corporations is modified, for purposes of this part, to provide the following phaseout of exemption amounts in lieu of those contained therein:

(A) Two hundred fourteen thousand seven hundred twenty-five dollars (\$214,725) in the case of a taxpayer described in subparagraph (A) of paragraph (5).

(B) One hundred sixty-one thousand forty-four dollars (\$161,044) in the case of a taxpayer described in subparagraph (B) of paragraph (5).

(C) One hundred seven thousand three hundred sixty-two dollars (\$107,362) in the case of a taxpayer described in subparagraph (C) of paragraph (5).

(7) For each taxable year beginning on or after January 1, 1999, the Franchise Tax Board shall recompute the exemption amounts prescribed in paragraph (5) and the phaseout of exemption amounts prescribed in paragraph (6). Those computations shall be made as follows:

(A) The California Department of Industrial Relations shall transmit annually to the Franchise Tax Board the percentage change in the California Consumer Price Index for all items from June of the prior calendar year to June of the current calendar year, no later than August 1 of the current calendar year.

(B) The Franchise Tax Board shall do both of the following:

(i) Compute an inflation adjustment factor by adding 100 percent to the percentage change figure that is furnished pursuant to subparagraph (A) and dividing the result by 100.

(ii) Multiply the preceding taxable year exemption amounts and the phaseout of exemption amounts by the inflation adjustment factor determined in clause (i) and round off the resulting products to the nearest one dollar (\$1).

(c) (1) (A) Section 56(a)(6) of the Internal Revenue Code as in effect on January 1, 1997, relating to installment sales of certain

property, shall not apply to payments received in taxable years beginning on or after January 1, 1997, with respect to dispositions occurring in taxable years beginning after December 31, 1987.

(B) This paragraph shall not apply to taxable years beginning on or after January 1, 1998.

(2) Section 56(b)(1)(E) of the Internal Revenue Code, relating to standard deduction and deduction for personal exemptions not allowed, is modified, for purposes of this part, to deny the standard deduction allowed by Section 17073.5.

(3) Section 56(b)(3) of the Internal Revenue Code, relating to treatment of incentive stock options, shall be modified to additionally provide the following:

(A) Section 421 of the Internal Revenue Code shall not apply to the transfer of stock acquired pursuant to the exercise of a California qualified stock option under Section 17502.

(B) Section 422(c)(2) of the Internal Revenue Code shall apply in any case where the disposition and inclusion of a California qualified stock option for purposes of this chapter are within the same taxable year and that section shall not apply in any other case.

(C) The adjusted basis of any stock acquired by the exercise of a California qualified stock option shall be determined on the basis of the treatment prescribed by this paragraph.

(d) The provisions of Section 57(a)(5) of the Internal Revenue Code, relating to tax-exempt interest shall not apply.

(e) Section 57(a) of the Internal Revenue Code, relating to items of tax preference, is modified to include as an item of tax preference an amount equal to one-half of the amount excluded from gross income for the taxable year under Section 18152.5.

(f) The provisions of Section 59(a) of the Internal Revenue Code, relating to the alternative minimum tax foreign tax credit, shall not apply.

SEC. 284. Section 17952.5 of the Revenue and Taxation Code is amended to read:

17952.5. (a) For purposes of computing “taxable income of a nonresident or part-year resident” under paragraph (1) of subdivision (i) of Section 17041, gross income of a nonresident, as defined in Section 17015, from sources within this state shall not include “qualified retirement income” received on or after January 1, 1996, for any part of the taxable year during which the taxpayer was not a resident of this state.

(b) For purposes of this section, “qualified retirement income” means income from any of the following:

(1) A qualified trust under Section 401(a) of the Internal Revenue Code that is exempt under Section 501(a) of the Internal Revenue Code from taxation.

(2) A simplified employee pension as defined in Section 408(k) of the Internal Revenue Code.

(3) An annuity plan described in Section 403(a) of the Internal Revenue Code.

(4) An annuity contract described in Section 403(b) of the Internal Revenue Code.

(5) An individual retirement plan described in Section 7701(a)(37) of the Internal Revenue Code.

(6) An eligible deferred compensation plan as defined in Section 457 of the Internal Revenue Code.

(7) A governmental plan as defined in Section 414(d) of the Internal Revenue Code.

(8) A trust described in Section 501(c)(18) of the Internal Revenue Code.

(9) Any plan, program, or arrangement described in Section 3121(v)(2)(C) of the Internal Revenue Code, if that income is either of the following:

(A) Part of a series of substantially equal periodic payments (not less frequently than annually) made for either of the following:

(i) The life or the life expectancy of the recipient (or the joint lives or joint life expectancies of the recipient and the designated beneficiary of the recipient).

(ii) A period of not less than 10 years.

(B) A payment received after termination of employment, under a plan, program, or arrangement to which that employment relates, maintained solely for the purpose of providing retirement benefits for employees in excess of the limitation imposed by Section 401(a)(17), 401(k), 401(m), 402(g), 403(b), 408(k), or 415 of the Internal Revenue Code, or any combination of those sections, or any other limitation on contributions or benefits in the Internal Revenue Code on plans to which any of those sections apply.

(10) Any retired or retiree pay of a member or former member of a uniform service computed under Section 1401 and following of Title 10 of the United States Code.

(c) This section shall apply only to any taxable year, or portion thereof, that the provisions of Section 114 of Title 4 of the United States Code, relating to limitation on state income taxation of certain pension income, are effective.

(d) References to the Internal Revenue Code are subject to paragraph (1) of subdivision (a) of Section 17024.5, which identifies, for each taxable year, the effective date of the referenced provisions of the Internal Revenue Code.

SEC. 285. Section 18713 of the Revenue and Taxation Code is amended to read:

18713. All money transferred to the State Children's Trust Fund, upon appropriation by the Legislature, shall be allocated as follows:

(a) To the Franchise Tax Board and the Controller for reimbursement of all costs incurred by the Franchise Tax Board and the Controller in connection with their duties under this article.

(b) To the State Department of Social Services for innovative child abuse and neglect prevention and intervention programs operated by private nonprofit organizations or public institutions of higher education with recognized expertise in fields related to child welfare and for evaluation, research, or dissemination of information concerning existing program models for the purpose of replication of successful models as specified in Article 5 (commencing with Section 18969) of Chapter 11 of Part 6 of Division 10 of the Welfare and Institutions Code.

SEC. 286. Section 18716 of the Revenue and Taxation Code is amended to read:

18716. (a) This article shall remain in effect only until January 1, 2008, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2008, deletes or extends that date.

(b) If, in any calendar year, the Franchise Tax Board estimates by September 1 that contributions described in this article made on returns filed in that calendar year will be less than two hundred fifty thousand dollars (\$250,000) for taxable years beginning in 2002, or the adjusted amount specified in subdivision (c), as may be applicable, then this article is repealed with respect to taxable years beginning on or after January 1 of that calendar year. The Franchise Tax Board shall estimate the annual contribution amount by September 1 of each year using the actual amounts known to be contributed and an estimate of the remaining year's contributions.

(c) For each calendar year, beginning with calendar year 2003, the Franchise Tax Board shall adjust, on or before September 1 of that calendar year, the minimum estimated contribution amount specified in subdivision (b) as follows:

(1) The minimum estimated contribution amount for the calendar year shall be an amount equal to the product of the minimum estimated contribution amount for the prior September 1 multiplied by the inflation factor adjustment as specified in paragraph (2) of subdivision (h) of Section 17041, rounded off to the nearest dollar.

(2) The inflation factor adjustment used for the calendar year shall be based on the figures for the percentage change in the California Consumer Price Index received on or before August 1 of the calendar year pursuant to paragraph (1) of subdivision (h) of Section 17041.

SEC. 287. Section 18831 of the Revenue and Taxation Code is amended to read:

18831. (a) An individual may designate on the tax return that a contribution in excess of the tax liability, if any, be made to the Asthma and Lung Disease Research Fund established by Section 18832. That designation is to be used as a voluntary contribution on the tax return.

(b) The contributions shall be in full dollar amounts and may be made individually by each signatory on a joint return.

(c) A designation shall be made for any taxable year on the initial return for that taxable year and, once made, is irrevocable. If payments and credits reported on the return, together with any other credits associated with the taxpayer's account, do not exceed the taxpayer's liability, the return shall be treated as though no designation has been made. If no designee is specified, the contribution shall be transferred to the General Fund after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of funds under this article.

(d) If an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(e) The Franchise Tax Board shall revise the form of the return to include a space labeled the "Asthma and Lung Disease Research Fund" to allow for the designation permitted. The form shall also include in the instructions information that the contribution may be in the amount of one dollar (\$1) or more and that the contribution shall be used for asthma and lung disease research.

(f) Notwithstanding any other provision, a voluntary contribution designation for the Asthma and Lung Disease Research Fund shall not be added on the tax return until another voluntary contribution designation is removed.

(g) A deduction shall be allowed under Article 6 (commencing with Section 17201) of Chapter 3 of Part 10 for any contribution made pursuant to subdivision (a).

SEC. 288. Section 19006 of the Revenue and Taxation Code is amended to read:

19006. (a) The spouse who controls the disposition of or who receives or spends community income as well as the spouse who is taxable on the income is liable for the payment of the taxes imposed by Part 10 (commencing with Section 17001) on that income.

(b) Whenever a joint return is filed by a husband and wife, the liability for the tax on the aggregate income is joint and several. The liability may be revised by a court in a proceeding for dissolution of the marriage of the husband and wife, provided:

(1) The order revising tax liability may not relieve a spouse of tax liability on income earned by or subject to the exclusive management

and control of the spouse. The liability of the spouse for the tax, penalties, and interest due for the taxable year shall be in the same ratio to total tax, penalties, and interest due for the taxable year as the income earned by or subject to the management and control of the spouse is to total gross income reportable on the return.

(2) The order revising tax liability:

(A) Must separately state the income tax liabilities for the taxable years for which revision of tax liability is granted.

(B) Shall not revise a tax liability that has been fully paid prior to the effective date of the order; however, any unpaid amount may be revised.

(C) Shall become effective when the Franchise Tax Board is served with or acknowledges receipt of the order.

(D) Shall not be effective if the gross income reportable on the return exceeds one hundred fifty thousand dollars (\$150,000) or the amount of tax liability the spouse is relieved of exceeds seven thousand five hundred dollars (\$7,500), unless a tax revision clearance certificate is obtained from the Franchise Tax Board and filed with the court.

(c) Notwithstanding subdivisions (a) and (b), whenever a joint return is filed by a husband and wife and the tax liability is not fully paid, that liability, including interest and penalties, may be revised by the Franchise Tax Board as to one spouse.

(1) However, the liability shall not be revised:

(A) To relieve a spouse of tax liability on income earned by or subject to the exclusive management and control of the spouse. The liability of the spouse for the tax, penalties, and interest due for the taxable year shall be in the same ratio to total tax, penalties, and interest due for the taxable year as the income earned by or subject to the management and control of the spouse is to total gross income reportable on the return.

(B) To relieve a spouse of liability below the amount actually paid on the liability prior to the granting of relief, including credit from any other taxable year available for application to the liability.

(2) The liability may be revised only if the spouse whose liability is to be revised establishes that he or she did not know of, and had no reason to know of, the nonpayment at the time the return was filed. For purposes of this paragraph, "reason to know" means whether or not a reasonably prudent person would have had reason to know of the nonpayment.

(3) For purposes of this section, the determination of the spouse to whom items of gross income are attributable shall be made without regard to community property laws.

(4) The determination of the Franchise Tax Board as to whether the liability is to be revised as to one spouse shall be made not less than 30 days after notification of the other spouse and shall be based upon whether, under all of the facts and circumstances surrounding the nonpayment, it would be inequitable to hold the spouse requesting

revision liable for the nonpayment. Any action taken under this section shall be treated as though it were action on a protest taken under Section 19044 and shall become final upon the expiration of 30 days from the date that notice of the action is mailed to both spouses, unless, within that 30-day period, one or both spouses appeal the determination to the board as provided in Section 19045.

(5) This subdivision shall apply to all taxable years subject to the provisions of this part, but shall not apply to any taxable year which has been closed by a statute of limitations, res judicata, or otherwise.

SEC. 289. Section 20503 of the Revenue and Taxation Code is amended to read:

20503. (a) "Income" means adjusted gross income as defined in Section 17072 plus all of the following cash items:

- (1) Public assistance and relief.
- (2) Nontaxable amount of pensions and annuities.
- (3) Social security benefits (except Medicare).
- (4) Railroad retirement benefits.
- (5) Unemployment insurance payments.
- (6) Veterans' benefits.
- (7) Exempt interest received from any source.
- (8) Gifts and inheritances in excess of three hundred dollars (\$300), other than transfers between members of the household. Gifts and inheritances include noncash items.
- (9) Amounts contributed on behalf of the contributor to a tax-sheltered retirement plan or deferred compensation plan.
- (10) Temporary workers' compensation payments.
- (11) Sick leave payments.
- (12) Nontaxable military compensation as defined in Section 112 of the Internal Revenue Code.
- (13) Nontaxable scholarship and fellowship grants as defined in Section 117 of the Internal Revenue Code.
- (14) Nontaxable gain from the sale of a residence as defined in Section 121 of the Internal Revenue Code.
- (15) Life insurance proceeds to the extent that the proceeds exceed the expenses incurred for the last illness and funeral of the deceased spouse of the claimant. "Expenses incurred for the last illness" includes unreimbursed expenses paid or incurred during the income calendar year and any expenses paid or incurred thereafter up until the date the claim is filed. For purposes of this paragraph, funeral expenses shall not exceed five thousand dollars (\$5,000).
- (16) If an alternative minimum tax is required to be paid pursuant to Chapter 2.1 (commencing with Section 17062) of Part 10, the amount of alternative minimum taxable income (whether or not cash) in excess of the regular taxable income.

(17) Annual winnings from the California Lottery in excess of six hundred dollars (\$600) for the current year.

(b) For purposes of this chapter, total income shall be determined for the calendar year (or approved fiscal year ending within that calendar year) which ends within the fiscal year for which assistance is claimed.

(c) For purposes of Chapter 2 (commencing with Section 20581), Chapter 3 (commencing with Section 20625), and Chapter 3.5 (commencing with Section 20640), total income shall be determined for the calendar year ending immediately prior to the commencement of the fiscal year for which postponement is claimed.

SEC. 290. Section 20563 of the Revenue and Taxation Code is amended to read:

20563. (a) The claim on which the assistance is based shall be filed after June 30 of the fiscal year for which assistance is claimed but on or before October 15 of the fiscal year succeeding the fiscal year for which assistance is claimed. The Franchise Tax Board may thereafter accept claims through June 30 of the fiscal year succeeding the fiscal year for which assistance is claimed.

(b) The state shall assist the claimant after July 15 and before November 15 of the calendar year in which the claim is filed, except that if the claim is defective, assistance shall be made as promptly as is practicable after the claim has been perfected.

(c) A claimant who, because of a medical incapacity, is prevented from filing a timely claim, may file a claim within six months after the end of his or her medical incapacity or three years succeeding the end of the fiscal year for which assistance is claimed, whichever date is earlier.

SEC. 291. 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 time-share rights to use, or time-share ownership interests in, association property in the case of a time-share 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 time-share 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 time-share association, “association property” includes property in which the time-share association, or members of the association, have rights arising out of recorded easements, covenants, or other recorded instruments to use property related to the time-share 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).

(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 time-share rights to use, or time-share ownership interests in, association property in the case of a time-share association.

(d) The term “homeowners’ association” includes a condominium management association, a residential real estate management association, a time-share 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 “time-share 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 time-share right to use, or a time-share 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. 292. Section 60361.5 of the Revenue and Taxation Code is amended to read:

60361.5. (a) Except in the case of a qualified highway vehicle operator, the backup tax imposed under Section 60058 and any applicable penalties and interest shall be immediately due and payable. The board shall forthwith ascertain as best it may the amount of diesel fuel sold, or delivered into the fuel tank of a diesel fuel-powered highway vehicle, or sold and delivered into the fuel tank of a diesel fuel-powered highway vehicle, and shall determine immediately the tax on the amount and shall give the highway vehicle operator/fueler notice of this determination as prescribed by Section 60340. The determination shall include interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the last day of the month following the date the backup tax applies until the date of remittance to the state. The provisions of Sections 60331 and 60332 shall be applicable with respect to the finality of the determination and the right of the highway vehicle operator/fueler to petition for a redetermination.

(b) A penalty of 25 percent of the amount of tax or five hundred dollars (\$500), whichever is greater, shall be added to the tax.

(c) If more than one of the penalties specified in this section and Section 60105, 60106.3, or 60503.2 is otherwise applicable, only the penalty totaling the greatest amount shall be imposed, and the penalty specified in this section may be imposed only if the amount of penalty exceeds any other applicable penalty.

(d) Where the board determines that the sale, delivery into the fuel tank of a diesel fuel-powered highway vehicle, or sale and delivery into the fuel tank of a diesel fuel-powered highway vehicle of untaxed diesel fuel was due to reasonable cause and circumstances beyond the person’s control, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of the penalty. A person seeking to be relieved of the penalty shall file with the board

a statement under penalty of perjury setting forth the facts upon which the request for relief is based.

(e) All administrative provisions contained in this part that apply to a supplier shall also be applicable to a highway vehicle operator/fueler.

SEC. 293. Section 60401 of the Revenue and Taxation Code is amended to read:

60401. The board, whenever it deems it necessary to ensure compliance with this part or any rule or regulation adopted under this part, may require any person to deposit with it any security as it may determine appropriate. The amount of the security shall be fixed by the board but shall not be more than three times the estimated average monthly tax liability of the person. The total amount of security shall not be in excess of one million dollars (\$1,000,000) where the person has established to the satisfaction of the board that this security, together with property to which the lien imposed by Section 60445 attaches, is sufficient security to ensure payment of taxes equivalent to three times the estimated average monthly tax liability of the person. The amount of the security may be increased or decreased by the board at any time. Any security in the form of cash or insured deposits in banks and savings and loan institutions shall be held by the board in trust to be used solely in the manner provided for in this section and Section 60406. Any security in the form of a bond or bonds shall be duly executed by an admitted surety insurer, payable to the state, conditioned upon faithful performance of all the requirements of this part, and expressly providing for the payment of all taxes, penalties, and other obligations of the person arising out of this part. Security held by the board shall be released after a three-year period in which the person has filed all returns and paid all tax to the state or any amount of tax required to be collected and paid to the state within the time required.

SEC. 294. Section 216.5 of the Streets and Highways Code is amended to read:

216.5. (a) The department shall construct at least one demonstration noise attenuation barrier fabricated from rice straw upon meeting the conditions and requirements of this section.

(b) Prior to construction of the barrier specified in subdivision (a), the department shall identify an appropriate location, and shall develop separate cost estimates for constructing a barrier at that location using a standard noise attenuation barrier design and constructing the barrier using the rice straw design.

(c) If a noise barrier system fabricated from rice straw appears on the department's list of approved noise barrier systems, the department shall, within one year, identify a suitable regularly programmed transportation project that includes a noise barrier element for construction of the demonstration noise barrier system. In making its

project selection, the department shall consider projected completion schedules for potential candidate projects with the intent of completing the demonstration project expeditiously.

(d) The department shall not be required to construct the rice straw barrier specified in subdivision (a) until all the following have occurred:

(1) A noise barrier system fabricated from rice straw is approved by the department and appears on the department's list of approved noise barrier systems.

(2) Funding has been secured and made available by the manufacturer of the selected rice straw system to offset any additional costs incurred by the department in using the rice straw barrier design based on the cost estimates prepared pursuant to subdivision (b).

(3) A location has been identified for construction of the rice straw barrier system that meets safety, environmental, and related project requirements, and sufficient funding has been programmed and is available for construction of the barrier based on the cost estimate for the standard noise barrier design.

(e) The department may select any approved rice straw barrier system for use in the demonstration project as long as the manufacturer of the selected system secures and provides the required funding specified in paragraph (2) of subdivision (d). If no manufacturer of an approved rice straw barrier system provides the required funding, the department shall not be required to complete the demonstration project.

(f) The department shall, on or before January 1, 2005, transmit to the Legislature a report regarding the implementation of this section.

SEC. 295. Section 390 of the Streets and Highways Code is amended to read:

390. (a) Route 90 is from Route 1 northwest of the Los Angeles International Airport to Route 91 in Santa Ana Canyon passing near La Habra.

(b) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Yorba Linda the portion of Route 90 that is located within the city limits of that city, upon terms and conditions the commission finds to be in the best interests of the state.

(2) A relinquishment under this subdivision shall become effective immediately following the recordation by the county recorder of the relinquishment resolution containing the commission's approval of the terms and conditions of the relinquishment.

(3) On and after the effective date of the relinquishment, both of the following shall occur:

(A) The portion of Route 90 relinquished under this subdivision shall cease to be a state highway.

(B) The portion of Route 90 relinquished under this subdivision may not be considered for future adoption under Section 81.

(c) The City of Yorba Linda shall ensure the continuity of traffic flow on the relinquished portion of Route 90, including any traffic signal progression.

(d) For relinquished portions of Route 90, the City of Yorba Linda shall maintain signs directing motorists to the continuation of Route 90.

SEC. 296. Section 27322 of the Streets and Highways Code is amended to read:

27322. If the board consents to the annexation after any bonded debt of this district has been authorized, the board of supervisors so applying for annexation shall call an election at which the proposition to join the district and assume the obligation of the bonds of the district along with the territory already included therein, shall be submitted to the electors of the county or portion thereof as one proposition. Unless the proposition receives two-thirds of the votes cast at the election the county or part thereof shall not be annexed to the district. If the proposition carries by two-thirds or more of the votes cast at the election the result of the election shall be certified to the Secretary of State by the county elections official and thereupon the Secretary of State shall give notice and call for protests in the same manner as upon the original incorporation of the district.

SEC. 297. Section 411 of the Unemployment Insurance Code is amended to read:

411. The appeals board, acting as a whole, may promulgate rules or amend or rescind rules pertaining to hearing appeals and other matters falling within its jurisdiction. All these rules, amendments thereto, or repeals thereof, shall be made in accordance with the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 298. Section 15051 of the Unemployment Insurance Code is amended to read:

15051. The department shall establish rules, regulations, and procedures necessary to govern the administration of the provisions of this division and to ensure that its legislative purposes and intent are carried out. These regulations shall include to the extent permitted by federal law:

(a) Standards and criteria for determining eligibility and services priorities pursuant to Section 15011. These shall include, but are not limited to, standards for ensuring that a service delivery area plan gives appropriate priority to public assistance recipients.

(b) Standards for determining appropriate and allowable services and training activities, and entities providing services and training. These shall include, but are not limited to, ensuring that all occupational skill training corresponds to area labor market demand, ensuring that any training entity providing services has a demonstrated record of past

performances in training and placing persons in unsubsidized private sector employment or offers reasonable assurance that services provided will result in these placements, and prohibiting contracting with entities whose officers have been convicted of fraud or misappropriation of funds within the last two years.

(c) Standards and criteria to be used in developing plans. These shall include, but are not limited to, appropriate placement goals and requirements for adequate public notice and opportunity for public involvement in the development of service delivery area plans.

(d) Standards, criteria, and procedures to be used by the department in evaluating and approving service delivery area plans.

(e) Standards for ensuring adequate, efficient service delivery area administration including standards for ensuring efficient service delivery area management information and financial accounting systems.

(f) Standards and criteria for ensuring effective coordination and linkages with other agencies that deliver training and employment-related services.

(g) Standards and criteria for ensuring that no participant shall be employed or that no job opening shall be filled:

(1) When any other individual is on layoff from the same or any substantially equivalent job.

(2) When the employer has terminated the employment of any regular employee or otherwise reduced its workforce with the intention of filling the vacancy so created by hiring a participant whose wages are subsidized by the Workforce Investment Act of 1998 (P.L. 105-220), the successor to the Job Training Partnership Act.

(3) When the employer has not rehired a seasonal employee who has a history of regular seasonal employment with the employer. This paragraph shall only apply to the construction industry.

SEC. 299. Section 5068 of the Vehicle Code is amended to read:

5068. (a) (1) Any veterans' organization may apply either individually or with other veterans' organizations to meet the 7,500 application threshold set forth in Section 5060 for special interest plates. An organization that meets the 7,500 minimum application requirement by applying with other organizations pursuant to this subdivision shall be issued a regular license plate bearing a distinctive design or decal approved pursuant to subdivision (a) of Section 5060.

(2) Special interest plates issued pursuant to this section may be issued in a combination of numbers or letters, or both, requested by the owner or lessee of the vehicle, to be displayed in addition to the design or decal authorized under paragraph (1), subject to Section 5105.

(b) In addition to the regular fees for an original registration, a renewal of registration, or a transfer of registration, the following fees

shall be paid by individuals applying for a veterans' organization special interest license plate or decal:

(1) Thirty dollars (\$30) for the initial issuance of the plates and decals. The plates shall be permanent and shall not be required to be replaced.

(2) Thirty dollars (\$30) for each renewal of registration which includes the continued display of the plates or decals.

(3) Fifteen dollars (\$15) for transfer of the plates to another vehicle.

(4) Thirty-five dollars (\$35) for replacement plates, if they become damaged or unserviceable.

(5) Ten dollars (\$10) for replacement decals, if they become damaged or unserviceable.

(6) Forty dollars (\$40) for the personalization of the plates, as authorized under paragraph (2) of subdivision (a).

(c) This section shall become operative on July 1, 2002.

SEC. 300. Section 9250.19 of the Vehicle Code is amended to read:

9250.19. (a) (1) In addition to any other fees specified in this code and the Revenue and Taxation Code, upon the adoption of a resolution pursuant to this subdivision by any county board of supervisors, a fee of one dollar (\$1) shall be paid at the time of registration, renewal, or supplemental application for apportioned registration pursuant to Article 4 (commencing with Section 8050) of Chapter 4 of every vehicle, except vehicles described in subdivision (a) of Section 5014.1, registered to an address within that county except those expressly exempted from payment of registration fees. The fees, after deduction of the administrative costs incurred by the department in carrying out this section, shall be paid quarterly to the Controller.

(2) In addition to the one dollar (\$1) service fee, and upon the implementation of the permanent trailer identification plate program, and as part of the Commercial Vehicle Registration Act of 2001, all commercial motor vehicles subject to Section 9400.1 registered to an owner with an address in the county that established a service authority under this section, shall pay an additional service fee of two dollars (\$2).

(3) A resolution adopted pursuant to paragraph (1) shall include findings as to the purpose of, and the need for, imposing the additional registration fee, and shall identify the date after which the fee shall no longer be imposed.

(b) Notwithstanding Section 13340 of the Government Code, the money paid to the Controller pursuant to subdivision (a) is continuously appropriated, without regard to fiscal years, for disbursement by the Controller to each county that has adopted a resolution pursuant to subdivision (a), based upon the number of vehicles registered, or whose registration is renewed, to an address within that county, or supplemental application for apportioned registration, and, upon appropriation by the

Legislature, for the administrative costs of the Controller incurred under this section.

(c) Money allocated to a county pursuant to subdivision (b) shall be expended exclusively to fund programs that enhance the capacity of local law enforcement to provide automated mobile and fixed location fingerprint identification of individuals who may be involved in driving under the influence of alcohol or drugs in violation of Section 23152 or 23153, or vehicular manslaughter in violation of Section 191.5 of the Penal Code or subdivision (c) of Section 192 of the Penal Code, or any combination of those and other vehicle-related crimes, and other crimes committed while operating a motor vehicle.

(d) The data from any program funded pursuant to subdivision (c) shall be made available by the local law enforcement agency to any local public agency that is required by law to obtain a criminal history background of persons as a condition of employment with that local public agency. A local law enforcement agency that provides the data may charge a fee to cover its actual costs in providing that data.

(e) (1) No money collected pursuant to this section shall be used to offset a reduction in any other source of funds for the purposes authorized under this section.

(2) Funds collected pursuant to this section, upon recommendation of local or regional Remote Access Network Boards to the Board of Supervisors, shall be used exclusively for the purchase, by competitive bidding procedures, and the operation of equipment which is compatible with the Department of Justice's Cal-ID master plan, as described in Section 11112.2 of the Penal Code, and the equipment shall interface in a manner that is in compliance with the requirement described in the Criminal Justice Information Services, Electronic Fingerprint Transmission Specification, prepared by the Federal Bureau of Investigation and dated August 24, 1995.

(f) Every county that has authorized the collection of the fee pursuant to subdivision (a) shall issue a fiscal yearend report to the Controller on or before November 1 of each year, summarizing all of the following with respect to those fees:

(1) The total revenues received by the county for the fiscal year.

(2) The total expenditures and encumbered funds by the county for the fiscal year. For purposes of this subdivision, "encumbered funds" means funding that is scheduled to be spent pursuant to a determined schedule and for an identified purchase consistent with this section.

(3) Any unexpended or unencumbered fee revenues for the county for the fiscal year.

(4) The estimated annual cost of the purchase, operation, and maintenance of automated mobile and fixed location fingerprint equipment, related infrastructure, law enforcement enhancement

programs, and personnel created or utilized in accordance with this section for the fiscal year. The listing shall detail the make and model number of the equipment, and include a succinct description of the related infrastructure items, law enforcement enhancement programs, and the classification or title of any personnel.

(5) How the use of the funds benefits the motoring public.

(g) For each county that fails to submit the report required pursuant to subdivision (f) by November 1 of each year, the Controller shall notify the Department of Motor Vehicles to suspend the fee for that county imposed pursuant to subdivision (a) for one year.

(h) If any funds received by a county pursuant to subdivision (a) are not expended or encumbered in accordance with this section by the close of the fiscal year in which the funds were received, the Controller shall notify the Department of Motor Vehicles to suspend the fee for that county imposed pursuant to subdivision (a) for one year. For purposes of this subdivision, "encumbered funds" means funding that is scheduled to be spent pursuant to a determined schedule and for an identified purchase consistent with this section.

(i) On or before January 1, 2004, and on January 1 annually thereafter, the Controller shall prepare and submit to the Legislature a revenue and expenditure summary based on the information provided pursuant to paragraphs (1) to (3), inclusive, of subdivision (f), for each county that has authorized the collection of the fee pursuant to subdivision (a). The Controller shall attach to the revenue and expenditure summary the documents provided by each county pursuant to paragraphs (4) and (5) of subdivision (f).

(j) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date. No fee imposed pursuant to this section may be collected beyond that date.

SEC. 301. Section 9554 of the Vehicle Code is amended to read:

9554. (a) (1) The penalty shall be computed as provided in Sections 9406 and 9559 and shall be collected with the fee, except that the penalty for delinquency with respect to any transfer is ten dollars (\$10) and applies only to the last transfer.

(2) A penalty shall be added on any application for renewal of registration made later than midnight of the date of expiration or on or after the date penalties become due. The penalty shall be computed after the registration and weight fees have been combined with the license fee specified in Section 10751 of the Revenue and Taxation Code, as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period of more than 10 days to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days to and including one year, the penalty is 60 percent of the fee.

(D) For a delinquency period of more than one year to and including two years, the penalty is 80 percent of the fee.

(E) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(3) This subdivision applies to the renewal of registration for vehicles with expiration dates on or before December 31, 2002.

(b) Penalties specified in paragraphs (1), (2), and (3) of this subdivision shall be computed as provided in Section 9559 and shall be collected with the fee, except that the penalty for delinquency with respect to any transfer is ten dollars (\$10) and applies only to the last transfer. A penalty shall be added on any application for a renewal of registration made later than midnight of the date of expiration or on or after the date penalties become due.

(1) (A) For a delinquency period of 10 days or less, the penalty is ten dollars (\$10).

(B) For a delinquency period of more than 10 days, to and including 30 days, the penalty is fifteen dollars (\$15).

(C) For a delinquency period of more than 30 days, to and including one year, the penalty is thirty dollars (\$30).

(D) For a delinquency period of more than one year, to and including two years, the penalty is fifty dollars (\$50).

(E) For a delinquency period of more than two years, the penalty is one hundred dollars (\$100).

(2) The penalty on the weight fee and the vehicle license fee shall be computed after the weight fee as provided in Section 9400 or 9400.1 plus the vehicle license fee specified in Section 10751 of the Revenue and Taxation Code have been added together as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period exceeding 10 days, to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days, to and including one year, the penalty is 60 percent of the fee.

(D) For a delinquency period of more than one year, to and including two years, the penalty is 80 percent of the fee.

(E) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(3) Weight fees not reported and not paid within 20 days, as required by Section 9406, shall be assessed a penalty on the difference in the weight fee, as follows:

(A) For a delinquency period of 10 days or less, the penalty is 10 percent of the fee.

(B) For a delinquency period exceeding 10 days, to and including 30 days, the penalty is 20 percent of the fee.

(C) For a delinquency period of more than 30 days, to and including one year, the penalty is 60 percent of the fee.

(D) For a delinquency period of more than one year, to and including two years, the penalty is 80 percent of the fee.

(E) For a delinquency period of more than two years, the penalty is 160 percent of the fee.

(4) This subdivision applies to the renewal of registration for vehicles with expiration dates on or after January 1, 2003.

SEC. 302. Section 11614.1 of the Vehicle Code is amended to read:

11614.1. No lessor-retailer licensed under this chapter may do any of the following in connection with any activity for which this license is required:

(a) Use a picture in connection with any advertisement of the price of a specific vehicle or class of vehicles, unless the picture is of the year, make, and model being offered for sale. The picture may not depict a vehicle with optional equipment or a design not actually offered at the advertised price.

(b) Advertise a vehicle for sale that was used by the selling lessor-retailer in its business as a demonstrator, executive vehicle, service vehicle, rental, loaner, or lease vehicle, unless the advertisement clearly and conspicuously discloses the previous use made by that licensee of the vehicle. An advertisement may not describe any of those vehicles as "new."

(c) Advertise any used vehicle of the current or prior model-year without expressly disclosing the vehicle as "used," "previously owned," or a similar term that indicates that the vehicle is used, as defined in this code.

(d) Use the terms "on approved credit" or "on credit approval" in an advertisement for the sale of a vehicle unless those terms are clearly and conspicuously disclosed and unabbreviated.

(e) Advertise an amount described by terms such as "unpaid balance" or "balance can be financed" unless the total sale price is clearly and conspicuously disclosed and is in close proximity to the advertised balance.

(f) Advertise credit terms that fail to comply with the disclosure requirements of Section 226.24 of Title 12 of the Code of Federal Regulations. Advertisements of terms that include escalated payments, balloon payments, or deferred downpayments shall clearly and conspicuously identify those payments as to amounts and time due.

(g) Advertise claims such as “everyone financed,” “no credit rejected,” or similar claims unless the dealer is willing to extend credit to any person under any and all circumstances.

(h) Advertise the amount of any downpayment unless it represents the total payment required of a purchaser prior to delivery of the vehicle, including any payment for sales tax or license. A statement such as “\$_____ delivers,” is an example of an advertised downpayment.

(i) Fail to clearly and conspicuously disclose in an advertisement for the sale of a vehicle any disclosure required by this code or any qualifying term used in conjunction with advertised credit terms. Unless otherwise provided by statute, the specific size of disclosures or qualifying terms is not prescribed.

SEC. 303. Section 11701 of the Vehicle Code is amended to read:

11701. Every manufacturer, manufacturer branch, remanufacturer, remanufacturer branch, distributor, distributor branch, transporter, or dealer of vehicles of a type subject to registration, or snowmobiles, motorcycles, or trailers of a type subject to identification, shall make application to the department for a license containing a general distinguishing number. The applicant shall submit proof of his or her status as a bona fide manufacturer, manufacturer branch, remanufacturer, remanufacturer branch, distributor, distributor branch, transporter, or dealer as may reasonably be required by the department.

SEC. 304. Section 11711.3 of the Vehicle Code is amended to read:

11711.3. A person acting as a dealer, who was not licensed as a dealer as required by this article, or a person acting as a lessor-retailer, who was not licensed as a lessor-retailer as required by Chapter 3.5 (commencing with Section 11600), may not enforce any security interest or bring or maintain any action in law or equity to recover any money or property or obtain other relief from the purchaser or lessee of a vehicle in connection with a transaction in which the person was, at the time of the transaction, required to be licensed as a dealer or a lessor-retailer.

SEC. 305. Section 12509 of the Vehicle Code is amended to read:

12509. (a) Except as otherwise provided in subdivision (f) of Section 12514, the department, for good cause, may issue an instruction permit to any physically and mentally qualified person who meets one of the following requirements and who applies to the department for an instruction permit:

(1) Is age 15 years and 6 months or over and has successfully completed approved courses in automobile driver education and driver training as provided in paragraph (3) of subdivision (a) of Section 12814.6.

(2) Is age 15 years and 6 months or over, has successfully completed an approved course in automobile driver education, and is taking driver

training as provided in paragraph (3) of subdivision (a) of Section 12814.6.

(3) Is age 15 years or over, is enrolled in an approved driver education course, and is at the same time or during the same semester enrolled in an approved driver training course.

(4) Is over the age of 17 years and 6 months.

(5) Is over the age of 16 years and is applying for a restricted driver's license pursuant to Section 12814.7.

(b) The applicant shall qualify for and be issued an instruction permit within 12 months from the date of the application.

(c) An instruction permit issued pursuant to subdivision (a) shall entitle the applicant to operate a vehicle, subject to the limitations imposed by this section and any other provisions of law, upon the highways for a period not exceeding 24 months from the date of the application.

(d) Except as provided in Section 12814.6, any person, while having in his or her immediate possession a valid permit issued pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), may operate a motor vehicle, other than a motorcycle or a motorized bicycle, when accompanied by, and under the immediate supervision of, a California licensed driver with a valid license of the appropriate class, 18 years of age or over whose driving privilege is not on probation. Except as provided in subdivision (e), an accompanying licensed driver at all times shall occupy a position within the driver's compartment that would enable the accompanying licensed driver to assist the person in controlling the vehicle as may be necessary to avoid a collision and to provide immediate guidance in the safe operation of the vehicle.

(e) Any person, while having in his or her immediate possession a valid permit issued pursuant to paragraphs (1) to (4), inclusive, of subdivision (a), who is age 15 years and 6 months or over and who has successfully completed approved courses in automobile education and driver training as provided in paragraph (3) of subdivision (a) of Section 12814.6, and any person, while having in his or her immediate possession a valid permit issued pursuant to subdivision (a), who is age 17 years and 6 months or over, may, in addition to operating a motor vehicle pursuant to subdivision (d), also operate a motorcycle or a motorized bicycle, except that the person shall not operate a motorcycle or a motorized bicycle during hours of darkness, shall stay off any freeways that have full control of access and no crossings at grade and shall not carry any passenger except an instructor licensed under Chapter 1 (commencing with Section 11100) of Division 5 of this code or a qualified instructor as defined in Section 18252.2 of the Education Code.

(f) Any person having in his or her immediate possession a valid permit issued pursuant to paragraph (5) of subdivision (a) may only

operate a government-owned motor vehicle, other than a motorcycle or a motorized bicycle, when taking the driver training instruction administered by the California National Guard as required by paragraph (2) of subdivision (a) of Section 21814.7.

(g) The department may also issue an instruction permit to a person who has been issued a valid driver's license to authorize the person to obtain driver training instruction and to practice that instruction in order to obtain another class of driver's license or an endorsement.

(h) The department may further restrict permits issued under subdivision (a) as it may determine to be appropriate to assure the safe operation of a motor vehicle by the permittee.

SEC. 306. Section 21228 of the Vehicle Code is amended to read:

21228. Any person operating a motorized scooter upon a highway at a speed less than the normal speed of traffic moving in the same direction at that time shall ride as close as practicable to the right-hand curb or right edge of the roadway, except under the following situations:

(a) When overtaking and passing another vehicle proceeding in the same direction.

(b) When preparing for a left turn, the operator shall stop and dismount as close as practicable to the right-hand curb or right edge of the roadway and complete the turn by crossing the roadway on foot, subject to the restrictions placed on pedestrians in Chapter 5 (commencing with Section 21950).

(c) (1) When reasonably necessary to avoid conditions, including, but not limited to, fixed or moving objects, vehicles, bicycles, pedestrians, animals, surface hazards, or substandard width lanes, which make it unsafe to continue along the right-hand curb or right edge of the roadway, subject to Section 21656.

(2) For the purposes of paragraph (1), a "substandard width lane" is a lane that is too narrow for a motorized scooter and another vehicle to travel safely side by side within the lane.

(d) Any person operating a motorized scooter upon a highway that carries traffic in one direction only and has two or more marked traffic lanes may operate the motorized scooter as near the left-hand curb or left edge of that roadway as practicable.

However, when preparing for a right turn, the operator shall stop and dismount as close as practicable to the left-hand curb or left edge of the highway and complete the turn by crossing the roadway on foot, subject to the restrictions placed on pedestrians in Chapter 5 (commencing with Section 21950).

SEC. 307. Section 21655.3 of the Vehicle Code is amended to read:

21655.3. (a) A high-occupancy vehicle lane on a state highway that has been given permanent operational status as a high-occupancy lane by the department on or after January 1, 1987, but before December 31,

1987, in conjunction with a transportation planning agency, and that is operated as a high-occupancy vehicle lane on a 24-hour basis after that date, shall be separated from adjacent mixed-flow lanes by a buffer area of at least four feet in width.

(b) The transportation planning agency having within its area of jurisdiction a high-occupancy vehicle lane meeting the operational requirements of subdivision (a) and having no buffer or a buffer less than four feet in width shall, by July 1, 1988, do one of the following:

(1) Enter into an agreement with the department to provide a four-foot buffer between the high-occupancy vehicle lane and the adjacent lanes and agree to pay any costs for the buffer not programmed by the department.

(2) Submit to the department a written request that the high-occupancy vehicle lane be changed to a mixed-flow lane.

(c) Upon receipt of notification by the transportation planning agency of its request that the high-occupancy vehicle lane become a mixed-flow lane, the department shall proceed with the work necessary to change the high-occupancy lane to a mixed-flow lane.

(d) The width of a buffer between a high-occupancy vehicle lane and adjacent lanes may be less than four feet at locations where a four-foot buffer would require the removal, relocation, or reconstruction of any existing bridge support structures or where part of the buffer space is required for enforcement refuge areas.

SEC. 308. Section 23109.2 of the Vehicle Code, as amended by Section 2 of Chapter 411 of the Statutes of 2002, is amended to read:

23109.2. (a) (1) Whenever a peace officer determines that a person was engaged in any of the activities set forth in paragraph (2), the peace officer may immediately arrest and take into custody that person and may cause the removal and seizure of the motor vehicle used in that contest in accordance with Chapter 10 (commencing with Section 22650). A motor vehicle so seized may be impounded for not more than 30 days.

(2) (A) A motor vehicle speed contest, as described in subdivision (a) of Section 23109.

(B) Reckless driving on a highway, as described in subdivision (a) of Section 23103.

(C) Reckless driving in any offstreet parking facility, as described in subdivision (b) of Section 23103.

(D) Exhibition of speed on a highway, as described in subdivision (c) of Section 23109.

(b) The registered and legal owner of a vehicle that is removed and seized under subdivision (a) or their agents shall be provided the opportunity for a storage hearing to determine the validity of the storage in accordance with Section 22852.

(c) (1) Notwithstanding Chapter 10 (commencing with Section 22650) or any other provision of law, an impounding agency shall release a motor vehicle to the registered owner or his or her agent prior to the conclusion of the impoundment period described in subdivision (a) under any of the following circumstances:

(A) If the vehicle is a stolen vehicle.

(B) If the person alleged to have been engaged in the motor vehicle speed contest, as described in subdivision (a), was not authorized by the registered owner of the motor vehicle to operate the motor vehicle at the time of the commission of the offense.

(C) If the registered owner of the vehicle was neither the driver nor a passenger of the vehicle at the time of the alleged violation pursuant to subdivision (a), or was unaware that the driver was using the vehicle to engage in any of the activities described in subdivision (a).

(D) If the legal owner or registered owner of the vehicle is a rental car agency.

(E) If, prior to the conclusion of the impoundment period, a citation or notice is dismissed under Section 40500, criminal charges are not filed by the district attorney because of a lack of evidence, or the charges are otherwise dismissed by the court.

(2) A vehicle shall be released pursuant to this subdivision only if the registered owner or his or her agent presents a currently valid driver's license to operate the vehicle and proof of current vehicle registration, or if ordered by a court.

(3) If, pursuant to subparagraph (E) of paragraph (1) a motor vehicle is released prior to the conclusion of the impoundment period, neither the person charged with a violation of subdivision (a) of Section 23109 nor the registered owner of the motor vehicle is responsible for towing and storage charges nor shall the motor vehicle be sold to satisfy those charges.

(d) A vehicle seized and removed under subdivision (a) shall be released to the legal owner of the vehicle, or the legal owner's agent, on or before the 30th day of impoundment if all of the following conditions are met:

(1) The legal owner is a motor vehicle dealer, bank, credit union, acceptance corporation, or other licensed financial institution legally operating in this state, or is another person, not the registered owner, holding a security interest in the vehicle.

(2) The legal owner or the legal owner's agent pays all towing and storage fees related to the impoundment of the vehicle. No lien sale processing fees shall be charged to a legal owner who redeems the vehicle on or before the 15th day of impoundment.

(3) The legal owner or the legal owner's agent presents foreclosure documents or an affidavit of repossession for the vehicle.

(e) (1) The registered owner or his or her agent is responsible for all towing and storage charges related to the impoundment, and any administrative charges authorized under Section 22850.5.

(2) Notwithstanding paragraph (1), if the person convicted of engaging in the activities set forth in paragraph (2) of subdivision (a) was not authorized by the registered owner of the motor vehicle to operate the motor vehicle at the time of the commission of the offense, the court shall order the convicted person to reimburse the registered owner for any towing and storage charges related to the impoundment, and any administrative charges authorized under Section 22850.5 incurred by the registered owner to obtain possession of the vehicle, unless the court finds that the person convicted does not have the ability to pay all or part of those charges.

(3) If the vehicle is a rental vehicle, the rental car agency may require the person to whom the vehicle was rented to pay all towing and storage charges related to the impoundment and any administrative charges authorized under Section 22850.5 that were incurred by the rental car agency in connection with obtaining possession of the vehicle.

(4) The owner is not liable for any towing and storage charges related to the impoundment if acquittal or dismissal occurs.

(5) The vehicle may not be sold prior to the defendant's conviction.

(6) The impounding agency is responsible for the actual costs incurred by the towing agency as a result of the impoundment should the registered owner be absolved of liability for those charges pursuant to paragraph (3) of subdivision (c) of Section 23109.2. Notwithstanding this provision, nothing shall prohibit impounding agencies from making prior payment arrangements to satisfy this requirement.

(f) Any period in which a vehicle is subjected to storage under this section shall be included as part of the period of impoundment ordered by the court under subdivision (h) of Section 23109.

(g) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2007, deletes or extends that date.

SEC. 309. Section 42011 of the Vehicle Code is amended to read:

42011. (a) For any offense specified in subdivision (b) that is committed by the driver of a vehicle under either of the following conditions, the fine in a misdemeanor case shall be double the base amount otherwise prescribed, not including any penalty assessments or other fees or additions, and in an infraction case, the fine shall be one category higher than the penalty otherwise prescribed by the uniform traffic penalty schedule established pursuant to Section 40310, not including any penalty assessments or other fees or additions:

(1) When passing a school building or the grounds thereof, if the building or grounds are contiguous to a highway and posted with a

standard "SCHOOL" warning sign and an accompanying sign notifying motorists that increased penalties apply for traffic violations that are committed within that school zone, and children are going to or leaving the school either during school hours or during the noon recess period.

(2) When passing any school grounds that are not separated from the highway by a fence, gate, or other physical barrier while the grounds are in use by children, and the highway is posted with a standard "SCHOOL" warning sign and an accompanying sign notifying motorists that increased penalties apply for traffic violations that are committed within that school zone.

(b) A violation of any of the following provisions is an offense that is subject to subdivision (a):

(1) Article 3 (commencing with Section 21450) of Chapter 2 of Division 11, relating to obedience to traffic devices.

(2) Chapter 3 (commencing with Section 21650) of Division 11, relating to driving, overtaking, and passing.

(3) Chapter 4 (commencing with Section 21800) of Division 11, relating to yielding the right-of-way.

(4) Chapter 6 (commencing with Section 22100) of Division 11, relating to turning and stopping and turn signals.

(5) Chapter 7 (commencing with Section 22348) of Division 11, relating to speed limits.

(6) Chapter 8 (commencing with Section 22450) of Division 11, relating to special traffic stops.

(7) Section 23103, relating to reckless driving.

(8) Section 23104, relating to reckless driving which results in bodily injury to another.

(9) Section 23109, relating to speed contests.

(10) Section 23152, relating to driving under the influence of alcohol or a controlled substance, or a violation of Section 23103, as specified in Section 23103.5, relating to alcohol-related reckless driving.

(11) Section 23153, relating to driving under the influence of alcohol or a controlled substance, which results in bodily injury to another.

(12) Section 23220, relating to drinking while driving.

(13) Section 23221, relating to drinking in a motor vehicle while on the highway.

(14) Section 23222, relating to driving while possessing marijuana or an open alcoholic beverage container.

(15) Section 23223, relating to being in a vehicle on the highway while possessing an open alcoholic beverage container.

(16) Section 23224, relating to being a driver or passenger under the age of 21 years possessing an open alcoholic beverage container.

(17) Section 23225, relating to being the owner or driver of a vehicle in which there is an open alcoholic beverage container.

(18) Section 23226, relating to being a passenger in a vehicle in which there is an open alcoholic beverage container.

(c) (1) This section applies only in Alameda County, Santa Barbara County, Ventura County, or in a city in any of these counties, and only if that jurisdiction has adopted this section by a vote of the city council or county board of supervisors, as appropriate.

(2) The increased fines authorized by subdivision (a) may only be imposed and collected once per offense notwithstanding the fact that the offense occurred within more than one jurisdiction all of which have adopted this section. Furthermore, no increased fine shall be imposed if an increased fine is imposed under Section 42009 or 42010 because the offense occurred within a highway construction or maintenance area or safety enhancement area.

(d) Any city or county that adopts this section shall promptly notify the California Highway Patrol and the law enforcement agency having the primary traffic investigative authority of that fact.

(e) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

SEC. 310. Section 1013 of the Water Code is amended to read:

1013. (a) The Imperial Irrigation District, acting under a contract with the United States for diversion and use of Colorado River water or pursuant to the California Constitution or to this chapter, or complying with an order of the Secretary of the Interior, a court, or the board, to reduce through conservation measures, the volume of the flow of water directly or indirectly into the Salton Sea, shall not be held liable for any effects to the Salton Sea or its bordering area resulting from the conservation measures.

(b) For the purposes of this section, and during the term of the Quantification Settlement Agreement as defined in subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002, "land fallowing conservation measures" means the generation of water to be made available for transfer or for environmental mitigation purposes by fallowing land or removing land from agricultural production regardless of whether the fallowing or removal from agricultural production is temporary or long term, and regardless of whether it occurs in the course of normal and customary agricultural production, if both of the following apply:

(1) The measure is part of a land fallowing conservation plan that includes mitigation provisions adopted by the Board of Directors of the Imperial Irrigation District.

(2) Before the Imperial Irrigation District adopts a land fallowing conservation plan, the district shall consult with the Board of Supervisors of the County of Imperial and obtain the board's assessment

of whether the proposed land fallowing conservation plan includes adequate measures to avoid or mitigate unreasonable economic or environmental impacts in the County of Imperial.

(c) In order to minimize impacts on the environment, during the term of the Quantification Settlement Agreement and for six years thereafter, in any evaluation or assessment of the Imperial Irrigation District's use of water, it shall be conclusively presumed that any water conserved, or used for mitigation purposes, through land fallowing conservation measures has been conserved in the same volume as if conserved by efficiency improvements, such as by reducing canal seepage, canal spills, or surface or subsurface runoff from irrigation fields.

(d) If a party to the Quantification Settlement Agreement engages in water efficiency conservation measures or land fallowing conservation measures to carry out a Quantification Settlement Agreement transfer or to mitigate the environmental impacts of a Quantification Settlement Agreement transfer, there may be no forfeiture, diminution, or impairment of the right of that party to use of the water conserved.

(e) During the period that the Quantification Settlement Agreement is in effect and the Imperial Irrigation District is meeting its water delivery obligations under the Quantification Settlement Agreement, if the Imperial Irrigation District utilizes land fallowing conservation measures that ensure compliance with the criteria of subdivision (c) of Section 2081.7 of the Fish and Game Code for the environmental impacts of a water transfer to implement the Quantification Settlement Agreement, no person or local agency, as defined in Section 21062 of the Public Resources Code, may seek to obtain additional conserved Colorado River water from the district, voluntarily or involuntarily, until the district has adopted a resolution offering to make conserved Colorado River water available.

(f) Subdivisions (c), (d), and (e) shall not become operative unless the parties have executed the Quantification Settlement Agreement on or before December 31, 2002.

(g) This section may not be construed to exempt the Imperial Irrigation District from any requirement established under the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

SEC. 311. Section 12949.6 of the Water Code is amended to read:

12949.6. (a) Not later than July 1, 2004, the department shall report to the Legislature on potential opportunities for the use of seawater and brackish water desalination in California. The report shall evaluate impediments to the use of desalination technology and shall examine what role, if any, the state should play in furthering the use of desalination in California.

(b) The department shall convene a task force, to be known as the Water Desalination Task Force, to advise the department in implementation of subdivision (a), including making recommendations to the Legislature regarding the following:

(1) The need for research, development, and demonstration projects for more cost effective and technologically efficient desalination processes.

(2) The environmental impacts of brine disposal, energy use related to desalination, and large-scale ocean water desalination.

(3) An evaluation of the current regulatory framework of state and local rules, regulations, ordinances, and permits to identify the obstacles and methods to creating an efficient siting and permitting system.

(4) Determining a relationship between existing electricity generation facilities and potential desalination facilities, including an examination of issues related to the amounts of electricity required to maintain a desalination facility.

(5) Ensuring desalinated water meets state water quality standards.

(6) Impediments or constraints, other than water rights, to increasing the use of desalinated water both in coastal and inland regions.

(7) The economic impact and potential impacts of the desalination industry on state revenues.

(8) The role that the state should play in furthering the use of desalination technology in California.

(9) An evaluation of a potential relationship between desalination technology and alternative energy sources, including photovoltaic energy and desalination.

(c) (1) The task force shall be convened by the department and be comprised of one representative from each of the following agencies:

(A) The department.

(B) The California Coastal Commission.

(C) The State Energy Resources Conservation and Development Commission.

(D) The California Environmental Protection Agency.

(E) The State Department of Health Services.

(F) The Resources Agency.

(G) The State Water Resources Control Board.

(H) The CALFED Bay-Delta Program.

(I) The Department of Food and Agriculture.

(J) The University of California.

(K) The United States Department of Interior, if that agency wishes to participate.

(2) The task force shall also include, as determined by the department, one representative from a recognized environmental advocacy group, one representative from a consumer advocacy group, one representative

of local agency health officers, one representative of a municipal water supply agency, one representative of urban water wholesalers, one representative from a regional water control board, one representative from a groundwater management entity, one representative of water districts, one representative from a nonprofit association of public and private members created to further the use of desalinated water, one representative of land development, and one representative of industrial interests.

(d) The sum of one hundred thousand dollars (\$100,000) is hereby appropriated from the Bosco-Keene Renewable Resources Investment Fund to the department for the purpose of establishing the task force and preparing the report required in subdivision (a).

SEC. 312. Section 12994 of the Water Code is amended to read:

12994. (a) The Legislature finds and declares all of the following:

(1) The CALFED Bay-Delta Program has identified as a core action the need for emergency levee management planning for delta levees to improve system reliability.

(2) Even with active levee maintenance, the threat of delta levee failures from earthquake, flood, or poor levee foundation, will continue to exist.

(3) Because of this threat of failure, and the potential need to mobilize people and equipment in an emergency to protect delta levees and public benefits, the department needs authority that will enable it to act quickly.

(b) The department may do all of the following:

(1) In an emergency, as defined by Section 21060.3 of the Public Resources Code, that requires immediate levee work to protect public benefits in the delta, the department may use funds pursuant to this part without prior approval of a plan by the board or the Department of Fish and Game, in which case the requirements of Sections 12314 and 12987, and the memorandum of understanding pursuant to Section 12307, shall be carried out as soon as possible.

(A) The amount of funds that may be expended each year on emergency levee work under this section shall not be greater than two hundred thousand dollars (\$200,000) and the amount that may be expended per emergency levee site shall not be greater than fifty thousand dollars (\$50,000). The local agency shall fund 25 percent of the total costs of the emergency repair at a site or shall fund an appropriate share of the costs as approved by the board and based upon information of the local agency's ability to pay for the repairs.

(B) Department contracts executed for emergency levee work under this section shall be exempted from Department of General Services approval required under the Public Contract Code.

(C) As soon as feasible after the emergency repair, the department shall submit a report to the board describing the levee work, costs

incurred, and plans for future work at the site, including any necessary mitigation.

(D) This section is intended to supplement emergency services provided by the state or the United States. Nothing in this section overrides or supersedes the authority of the Director of the Office of Emergency Services under the California Emergency Services Act (Chapter 7 (commencing with Section 8550) of Division 1 of Title 2 of the Government Code) or the Disaster Assistance Act (Chapter 7.5 (commencing with Section 8680) of Division 1 of Title 2 of the Government Code).

(2) Prepare and submit to the board for adoption a delta emergency response plan for levee failures. The plan is exempt from Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The plan may include recommendations of the multiagency response team established pursuant to paragraph (3) and may include, but not be limited to, the following:

(A) Standardized contracts for emergency levee work to be executed by the department, local agencies, or other appropriate entities.

(B) Criteria for eligible emergency levee work.

(C) Definition of an emergency levee site.

(D) Documentation requirements.

(E) Proposals for complying with the federal Endangered Species Act of 1973 (16 U.S.C. Sec. 1531 et seq.) and the California Endangered Species Act (Chapter 1.5 (commencing with Section 2050) of Division 3 of the Fish and Game Code) in an emergency.

(F) Stages of emergency response that may occur in various situations.

(3) Establish a multiagency emergency response team, consisting of representatives from the department, the board, the Department of Fish and Game, the California Conservation Corps, the Office of Emergency Services, the Federal Emergency Management Agency, the United States Army Corps of Engineers, and the United States Fish and Wildlife Service to advise on methods to ensure that levee emergencies will be resolved as quickly and safely as possible.

SEC. 313. Section 13307.1 of the Water Code is amended to read:

13307.1. (a) The state board and the regional boards shall not consider cleanup or site closure proposals from the primary or active responsible discharger, issue a closure letter, or make a determination that no further action is required with respect to a site subject to a cleanup or abatement order pursuant to Section 13304, unless all current record owners of fee title to the site of the proposed action have been notified of the proposed action by the state board or regional board.

(b) The state board and regional boards shall take all reasonable steps necessary to accommodate responsible landowner participation in the

cleanup or site closure process and shall consider all input and recommendations from any responsible landowner wishing to participate.

(c) In addition to the requirements of subdivision (a), if the state board or the regional board finds that the property is not suitable for unrestricted use and that a land use restriction is necessary for the protection of public health, safety, or the environment, then the state board and the regional boards may not issue a closure letter, or make a determination that no further action is required, with respect to a site that is subject to a cleanup or abatement order pursuant to Section 13304 and that is not an underground storage tank site, unless a land use restriction is recorded or required to be recorded pursuant to Section 1471 of the Civil Code.

SEC. 314. Section 22762 of the Water Code is amended to read:

22762. An action to determine the validity of the Quantification Settlement Agreement defined in subdivision (a) of Section 1 of Chapter 617 of the Statutes of 2002, or any action regarding a contract entered into that implements, or is referenced in, that Quantification Settlement Agreement, may be brought pursuant to Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure.

SEC. 315. The heading of Article 1 (commencing with Section 71660) of Chapter 3 of Part 5 of Division 20 of the Water Code is amended to read:

Article 1. Recreation and Electrical Power

SEC. 316. Section 75480 of the Water Code is amended to read:

75480. (a) The North San Joaquin Water Conservation District, in addition to its other powers, may levy assessments as provided in this chapter.

(b) "District," for the purposes of this chapter, means the North San Joaquin Water Conservation District.

(c) "Collected water" and "water that is collected," for the purposes of this chapter, means the net acre-feet of water caused to be deposited onto land by the district. In determining the amount of collected water, both the amount of water entering the water system and the amount of water leaving the water system, having not been applied, shall be measured. The amount of water that leaves the system, having not been applied, shall be subtracted from the amount of water that enters the system. The difference shall be reduced by the amount of water lost due to evaporation and further reduced for water subject to export from the district. The sum difference is the amount of collected water.

(d) "Applied," for the purposes of this chapter, means that the water has been used for irrigation, recharge, in lieu of flooding, deposited into an area for storage, or held in an area for percolation purposes.

(e) "System," for the purposes of this chapter, means all of the physical apparatus owned, operated, or maintained by the district for the purpose of moving or holding water.

SEC. 317. Section 79420 of the Water Code, as added by Chapter 955 of the Statutes of 2002, is amended to read:

79420. (a) The authority may exercise all of the following powers:

(1) Sue or be sued.
(2) Delegate administrative functions to the staff of the authority.
(3) Request reports from state, federal, and local government agencies on issues related to the implementation of the California Bay-Delta Program.

(4) Receive funds, including funds from private and local government sources, and contributions from public and private sources, as well as state and federal appropriations.

(5) Enter into contracts consistent with existing contracting practices of the Department of General Services.

(6) Disburse funds through grants, public assistance, loans, and contracts to entities, including federally recognized Indian tribes, within the Bay-Delta Program regions, as described in subdivision (e) of Section 79401, to carry out the Bay-Delta Program goals and objectives.

(7) Employ the services of other public, nonprofit, or private entities.

(8) Employ its own legal staff or contract with other state or federal agencies for legal services, or both. The authority may employ special legal counsel with the approval of the Attorney General.

(9) Adopt regulations as needed for the implementation of this division. A federal representative may decline to participate in actions described in this subdivision if he or she identifies a constitutional or statutory limitation on that participation. The authority granted by this paragraph does not extend to the adoption of regulations to implement the program elements described in subdivisions (a) to (f), inclusive, and subdivision (h) of Section 79441.

(10) Obtain and hold regulatory permits and prepare environmental documents.

(11) Pursuant to Section 78684.8, the authority is hereby designated the successor to the Secretary of the Resources Agency for the purpose of carrying out the balancing and related procedures established pursuant to Section 78684.12.

(b) This section shall become operative only if this bill and Senate Bill 1653 of the 2001–02 Regular Session are both chaptered and become effective on or before January 1, 2003, and this bill is chaptered last, in which case this section shall prevail over Section 79420, as added by Senate Bill 1653.

SEC. 318. Section 79460 of the Water Code is amended to read:

79460. (a) The authority shall provide administrative support for the Bay-Delta Public Advisory Committee.

(b) The authority shall take any administrative actions necessary to maintain the Bay-Delta Public Advisory Committee's status as an advisory committee under the Federal Advisory Committee Act (P.L. 92-463, as amended).

(c) The authority shall provide assistance to the Governor and Secretary of the Interior to ensure that the candidates for appointment to the Bay-Delta Public Advisory Committee are representatives of federally recognized Indian tribes or "stakeholder" groups, reflect a geographic diversity and diversity of interests affected by the health of the bay-delta, and have expertise in the relevant fields as specified in the committee's federal charter. Appointment shall be made to ensure that the committee as a whole is both balanced and diverse.

(d) The Bay-Delta Public Advisory Committee shall advise and make recommendations to the authority and director on issues related to the California Bay-Delta Program and any of the processes, projects, or programs required by this division.

(e) The members of the Bay-Delta Public Advisory Committee may receive reimbursement for necessary travel expenses incurred by the members in the performance of the members' duties, consistent with state per diem rates.

SEC. 319. Section 225.05 of the Welfare and Institutions Code is amended to read:

225.05. (a) The Department of the Youth Authority shall convene a task force to identify and recommend methods of achieving better coordination of, and savings in, the continuum of correctional, rehabilitative, and preventive services for youthful offenders, including status offenders adjudicated pursuant to Section 601 and delinquents adjudicated pursuant to Sections 602 and 707. The department shall report on the findings and recommendations of the task force to the Legislature no later than January 15, 1992.

(b) The task force shall develop recommendations for achieving the following:

(1) The use of local community corrections options, including innovative methods of providing delinquency prevention and treatment programs.

(2) Innovative, intensive programs for wards committed to the Department of the Youth Authority facilities.

(3) Coordination with state and local programs which provide treatment and services to youthful offenders.

(4) Restructuring current state and local juvenile justice funding mechanisms in order to provide fiscal and program incentives for the utilization of local juvenile justice treatment and services, including, but

not limited to, the utilization of a negotiated net amount or rate model pursuant to Article 3 (commencing with Section 5700) of Chapter 2 of Part 1, for payment of costs associated with commitment of wards to the Department of the Youth Authority facilities.

(5) (A) Appropriate funding of juvenile justice programs contained in county realignment under Section 17602, including all of the following provisions:

(i) Article 25.4 (commencing with Section 894) of Chapter 2 of Division 2.

(ii) Article 5.5 (commencing with Section 1790) of Chapter 1 of Division 2.5.

(iii) Article 7 (commencing with Section 1805) of Chapter 1 of Division 2.5.

(iv) Article 10 (commencing with Section 1900) of Chapter 1 of Division 2.5.

(B) The task force shall recommend both short-term and long-term funding solutions for the programs specified in subparagraph (A), including recommendations for appropriate state and local agency responsibility for determining funding levels, program administration, oversight, and evaluation.

(c) The task force shall be composed of persons knowledgeable in delinquency prevention programs, juvenile justice issues, and alternative juvenile justice models, including representatives of the Department of the Youth Authority, the State Department of Social Services, the Chief Probation Officers Association, the County Supervisors Association of California, the County Welfare Directors Association, the Juvenile Court Judges of California, and county and private nonprofit agencies involved with juvenile justice services. In developing its recommendations, the task force shall consult with representatives of providers of group home care for delinquent minors.

SEC. 320. Section 366.4 of the Welfare and Institutions Code is amended to read:

366.4. (a) Any minor for whom a guardianship has been established resulting from the selection or implementation of a permanency plan pursuant to Section 366.26 is within the jurisdiction of the juvenile court. For those minors, Part 2 (commencing with Section 1500) of Division 4 of the Probate Code, relating to guardianship, shall not apply. If no specific provision of this code or the California Rules of Court is applicable, the provisions applicable to the administration of estates under Part 4 (commencing with Section 2100) of Division 4 of the Probate Code govern so far as they are applicable to like situations.

(b) Nonrelated legal guardians of the person of a minor established as a result of a permanency plan selected pursuant to Section 366.26 shall

be exempt from the provisions of Sections 2850 and 2851 of the Probate Code.

SEC. 321. Section 1719 of the Welfare and Institutions Code is amended to read:

1719. The following powers and duties shall be exercised and performed by the Youthful Offender Parole Board, or may be delegated to a panel, member, or case hearing representative as provided in Section 1721: return of persons to the court of commitment for redispotion by the court, discharge of commitment, orders to parole and conditions thereof, revocation or suspension of parole, recommendation for treatment program, determination of the date of next appearance, and return of nonresident persons to the jurisdiction of the state of legal residence.

SEC. 322. Section 4015 of the Welfare and Institutions Code is amended to read:

4015. (a) The State Department of Mental Health shall, in coordination with the task force described in subdivision (c) and with other state entities, including, but not limited to, the Department of General Services, the State Department of Developmental Services, the Secretary of State, and the California State Library, do all of the following:

(1) Conduct and complete inventories of all of the following:

(A) All materials and records necessary to create the most complete record of persons who died while residing at any state hospital as defined in Section 7200, or any developmental center as defined in Section 4440.

(B) Within existing resources, identify the location of all gravesites at existing state hospitals and developmental center lands and of gravesites not located on state lands but designated by the state for burial of state hospital or developmental center residents. This shall include the location of remains that may have been moved from their original burial site and the location of grave markers that may have been moved from gravesites.

(C) Within existing resources, identify the names of patients whose remains were donated for medical research, the entity to which the remains were donated, and the final disposition of those remains.

(2) Assist and cooperate with the California Memorial Project in conducting research regarding the records of deaths and burials of persons at state hospitals and developmental centers and cemeteries based on the grounds of these facilities. This assistance shall, subject to paragraph (3), include the granting of access to those state records as necessary to perform the inventories described in this section.

(3) Notwithstanding Sections 4514 and 5328 or any other provision of law regarding confidentiality of patient records, the information described in this section shall be limited to the name, date of birth, date

of death, and photographic images of any person who died while in residency at any state hospital or developmental center and shall be made available for the purposes of the implementation of this section. The exportation and use of these records or photographic images from state facilities shall be limited to the information delineated within, and the purposes of, this section.

(4) Assist the California Memorial Project in developing a plan for the restoration of gravesites and cemeteries at state hospitals and developmental centers and gravesites not located on state lands but designated by the state for burial of state hospital or developmental center residents.

(5) Develop a protocol for the future interment of patients who die while residing at a state hospital or developmental center and are unclaimed by a family member.

(b) The department may develop a protocol to coordinate the efforts of the state entities described in subdivision (a).

(c) (1) The department shall establish a task force to provide leadership and direction in carrying out the activities described in this section. The task force shall consist of representatives selected by each of the following entities:

(A) The Peer Self-Advocacy Unit of Protection and Advocacy, Inc.

(B) California Network of Mental Health Clients.

(C) Capitol People First.

(2) To the extent that funding is available, task force members shall be reimbursed for necessary travel expenses associated with serving on the task force. When requested by a task force member with a disability, the state shall pay the cost of a facilitator chosen by the task force member.

(d) In implementing this section, the state shall make no structural changes to existing gravesites on state hospital or developmental center lands prior to the submission of, and which do not conform with, the restoration plan described in paragraph (4) of subdivision (a).

(e) The department shall submit a status update on the implementation of this section, including a description of barriers, if any, to conducting the activities described in this section, to the Legislature by January 31, 2004.

SEC. 323. Section 4094 of the Welfare and Institutions Code is amended to read:

4094. (a) The State Department of Mental Health shall establish, by regulations adopted at the earliest possible date, but no later than December 31, 1994, program standards for any facility licensed as a community treatment facility. This section shall apply only to community treatment facilities described in this subdivision.

(b) A certification of compliance issued by the State Department of Mental Health shall be a condition of licensure for the community treatment facility by the State Department of Social Services. The department may, upon the request of a county, delegate the certification and supervision of a community treatment facility to the county department of mental health.

(c) The State Department of Mental Health shall adopt regulations to include, but not be limited to, the following:

(1) Procedures by which the Director of Mental Health shall certify that a facility requesting licensure as a community treatment facility pursuant to Section 1502 of the Health and Safety Code is in compliance with program standards established pursuant to this section.

(2) Procedures by which the Director of Mental Health shall deny a certification to a facility or decertify a facility licensed as a community treatment facility pursuant to Section 1502 of the Health and Safety Code, but no longer complying with program standards established pursuant to this section, in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(3) Provisions for site visits by the State Department of Mental Health for the purpose of reviewing a facility's compliance with program standards established pursuant to this section.

(4) Provisions for the community care licensing staff of the State Department of Social Services to report to the State Department of Mental Health when there is reasonable cause to believe that a community treatment facility is not in compliance with program standards established pursuant to this section.

(5) Provisions for the State Department of Mental Health to provide consultation and documentation to the State Department of Social Services in any administrative proceeding regarding denial, suspension, or revocation of a community treatment facility license.

(d) The standards adopted by regulations pursuant to subdivision (a) shall include, but not be limited to, standards for treatment staffing and for the use of psychotropic medication, discipline, and restraints in the facilities. The standards shall also meet the requirements of Section 4094.5.

(e) During the initial public comment period for the adoption of the regulations required by this section, the community care facility licensing regulations proposed by the State Department of Social Services and the program standards proposed by the State Department of Mental Health shall be presented simultaneously.

(f) A minor shall be admitted to a community treatment facility only if the requirements of Section 4094.5 and either of the following conditions is met:

(1) The minor is within the jurisdiction of the juvenile court, and has made voluntary application for mental health services pursuant to Section 6552.

(2) Informed consent is given by a parent, guardian, conservator, or other person having custody of the minor.

(g) Any minor admitted to a community treatment facility shall have the same due process rights afforded to a minor who may be admitted to a state hospital, pursuant to the holding in *In re Roger S.* (1977) 19 Cal. 3d 921. Minors who are wards or dependents of the court and to whom this subdivision applies shall be afforded due process in accordance with Section 6552 and related case law, including *In re Michael E.* (1975) 15 Cal. 3d 183. Regulations adopted pursuant to Section 4094 shall specify the procedures for ensuring these rights, including provisions for notification of rights and the time and place of hearings.

(h) Notwithstanding Section 13340 of the Government Code, the sum of forty-five thousand dollars (\$45,000) is hereby appropriated annually from the General Fund to the State Department of Mental Health for one personnel year to carry out the provisions of this section.

SEC. 324. Section 4503 of the Welfare and Institutions Code is amended to read:

4503. Each person with developmental disabilities who has been admitted or committed to a state hospital, community care facility as defined in Section 1502 of the Health and Safety Code, or a health facility as defined in Section 1250 of the Health and Safety Code shall have the following rights, a list of which shall be prominently posted in English, Spanish, and other appropriate languages, in all facilities providing those services and otherwise brought to his or her attention by any additional means as the Director of Developmental Services may designate by regulation:

(a) To wear his or her own clothes, to keep and use his or her own personal possessions including his or her toilet articles, and to keep and be allowed to spend a reasonable sum of his or her own money for canteen expenses and small purchases.

(b) To have access to individual storage space for his or her private use.

(c) To see visitors each day.

(d) To have reasonable access to telephones, both to make and receive confidential calls.

(e) To have ready access to letterwriting materials, including stamps, and to mail and receive unopened correspondence.

(f) To refuse electroconvulsive therapy.

(g) To refuse behavior modification techniques which cause pain or trauma.

(h) To refuse psychosurgery notwithstanding the provisions of Sections 5325, 5326, and 5326.3. Psychosurgery means those operations currently referred to as lobotomy, psychiatric surgery, and behavioral surgery and all other forms of brain surgery if the surgery is performed for any of the following purposes:

(1) Modification or control of thoughts, feelings, actions, or behavior rather than the treatment of a known and diagnosed physical disease of the brain.

(2) Modification of normal brain function or normal brain tissue in order to control thoughts, feelings, action, or behavior.

(3) Treatment of abnormal brain function or abnormal brain tissue in order to modify thoughts, feelings, actions, or behavior when the abnormality is not an established cause for those thoughts, feelings, actions, or behavior.

(i) To make choices in areas including, but not limited to, his or her daily living routines, choice of companions, leisure and social activities, and program planning and implementation.

(j) Other rights, as specified by regulation.

SEC. 325. Section 5205 of the Welfare and Institutions Code is amended to read:

5205. The petition shall be in substantially the following form:

In the Superior Court of the State of California
for the County of _____

The People of the State of California
Concerning _____ and

No. _____
Petition for
Evaluation

Respondents

_____, residing at _____ (tel. _____), being duly sworn, alleges: That there is now in the county, in the City or Town of _____, a person named _____, who resides at _____, and who is, as a result of mental disorder:

- (1) A danger to others.
- (2) A danger to himself or herself.
- (3) Gravely disabled as defined in subdivision (h) of Section 5008 of the Welfare and Institutions Code (Strike out all inapplicable classifications).

That the person is ____ years of age; that __ the person is ____ (sex); and that __ the person is ____ (single, married, widowed, or divorced); and that ____ occupation is ____.

That the facts upon which the allegations of the petition are based are as follows: That __ the person, at ____ in the county, on the ____ day of ____, 20__, _____

That petitioner’s interest in the case is _____

That the person responsible for the care, support, and maintenance of the person, and their relationship to the person are, so far as known to the petitioner, as follows: (Give names, addresses, and relationship of persons named as respondents)

Wherefore, petitioner prays that evaluation be made to determine the condition of ____, alleged, as a result of mental disorder, to be a danger to others, or to himself or herself, or to be gravely disabled.

Petitioner

Subscribed and sworn to before me this ____ day of ____ 20__.

_____, Clerk of the Court
By _____ Deputy

SEC. 326. Section 5346 of the Welfare and Institutions Code is amended to read:

5346. (a) In any county in which services are available as provided in Section 5348, a court may order a person who is the subject of a petition filed pursuant to this section to obtain assisted outpatient treatment if the court finds, by clear and convincing evidence, that the facts stated in the verified petition filed in accordance with this section are true and establish that all of the requisite criteria set forth in this section are met, including, but not limited to, each of the following:

- (1) The person is 18 years of age or older.
- (2) The person is suffering from a mental illness as defined in paragraphs (2) and (3) of subdivision (b) of Section 5600.3.
- (3) There has been a clinical determination that the person is unlikely to survive safely in the community without supervision.
- (4) The person has a history of lack of compliance with treatment for his or her mental illness, in that at least one of the following is true:
 - (A) The person’s mental illness has, at least twice within the last 36 months, been a substantial factor in necessitating hospitalization, or receipt of services in a forensic or other mental health unit of a state correctional facility or local correctional facility, not including any

period during which the person was hospitalized or incarcerated immediately preceding the filing of the petition.

(B) The person's mental illness has resulted in one or more acts of serious and violent behavior toward himself or herself or another, or threats, or attempts to cause serious physical harm to himself or herself or another within the last 48 months, not including any period in which the person was hospitalized or incarcerated immediately preceding the filing of the petition.

(5) The person has been offered an opportunity to participate in a treatment plan by the director of the local mental health department, or his or her designee, provided the treatment plan includes all of the services described in Section 5348, and the person continues to fail to engage in treatment.

(6) The person's condition is substantially deteriorating.

(7) Participation in the assisted outpatient treatment program would be the least restrictive placement necessary to ensure the person's recovery and stability.

(8) In view of the person's treatment history and current behavior, the person is in need of assisted outpatient treatment in order to prevent a relapse or deterioration that would be likely to result in grave disability or serious harm to himself or herself, or to others, as defined in Section 5150.

(9) It is likely that the person will benefit from assisted outpatient treatment.

(b) (1) A petition for an order authorizing assisted outpatient treatment may be filed by the county mental health director, or his or her designee, in the superior court in the county in which the person who is the subject of the petition is present or reasonably believed to be present.

(2) A request may be made only by any of the following persons to the county mental health department for the filing of a petition to obtain an order authorizing assisted outpatient treatment:

(A) Any person 18 years of age or older with whom the person who is the subject of the petition resides.

(B) Any person who is the parent, spouse, or sibling or child 18 years of age or older of the person who is the subject of the petition.

(C) The director of any public or private agency, treatment facility, charitable organization, or licensed residential care facility providing mental health services to the person who is the subject of the petition in whose institution the subject of the petition resides.

(D) The director of a hospital in which the person who is the subject of the petition is hospitalized.

(E) A licensed mental health treatment provider who is either supervising the treatment of, or treating for a mental illness, the person who is the subject of the petition.

(F) A peace officer, parole officer, or probation officer assigned to supervise the person who is the subject of the petition.

(3) Upon receiving a request pursuant to paragraph (2), the county mental health director shall conduct an investigation into the appropriateness of the filing of the petition. The director shall file the petition only if he or she determines that there is a reasonable likelihood that all the necessary elements to sustain the petition can be proven in a court of law by clear and convincing evidence.

(4) The petition shall state all of the following:

(A) Each of the criteria for assisted outpatient treatment as set forth in subdivision (a).

(B) Facts that support the petitioner's belief that the person who is the subject of the petition meets each criterion, provided that the hearing on the petition shall be limited to the stated facts in the verified petition, and the petition contains all the grounds on which the petition is based, in order to ensure adequate notice to the person who is the subject of the petition and his or her counsel.

(C) That the person who is the subject of the petition is present, or is reasonably believed to be present, within the county where the petition is filed.

(D) That the person who is the subject of the petition has the right to be represented by counsel in all stages of the proceeding under the petition, in accordance with subdivision (c).

(5) The petition shall be accompanied by an affidavit of a licensed mental health treatment provider designated by the local mental health director who shall state, if applicable, either of the following:

(A) That the licensed mental health treatment provider has personally examined the person who is the subject of the petition no more than 10 days prior to the submission of the petition, the facts and reasons why the person who is the subject of the petition meets the criteria in subdivision (a), that the licensed mental health treatment provider recommends assisted outpatient treatment for the person who is the subject of the petition, and that the licensed mental health treatment provider is willing and able to testify at the hearing on the petition.

(B) That no more than 10 days prior to the filing of the petition, the licensed mental health treatment provider, or his or her designee, has made appropriate attempts to elicit the cooperation of the person who is the subject of the petition, but has not been successful in persuading that person to submit to an examination, that the licensed mental health treatment provider has reason to believe that the person who is the subject of the petition meets the criteria for assisted outpatient treatment, and that the licensed mental health treatment provider is willing and able to examine the person who is the subject of the petition and testify at the hearing on the petition.

(c) The person who is the subject of the petition shall have the right to be represented by counsel at all stages of a proceeding commenced under this section. If the person so elects, the court shall immediately appoint the public defender or other attorney to assist the person in all stages of the proceedings. The person shall pay the cost of the legal services if he or she is able.

(d) (1) Upon receipt by the court of a petition submitted pursuant to subdivision (b), the court shall fix the date for a hearing at a time not later than five days from the date the petition is received by the court, excluding Saturdays, Sundays, and holidays. The petitioner shall promptly cause service of a copy of the petition, together with written notice of the hearing date, to be made personally on the person who is the subject of the petition, and shall send a copy of the petition and notice to the county office of patient rights, and to the current health care provider appointed for the person who is the subject of the petition, if any such provider is known to the petitioner. Continuances shall be permitted only for good cause shown. In granting continuances, the court shall consider the need for further examination by a physician or the potential need to provide expeditiously assisted outpatient treatment. Upon the hearing date, or upon any other date or dates to which the proceeding may be continued, the court shall hear testimony. If it is deemed advisable by the court, and if the person who is the subject of the petition is available and has received notice pursuant to this section, the court may examine in or out of court the person who is the subject of the petition who is alleged to be in need of assisted outpatient treatment. If the person who is the subject of the petition does not appear at the hearing, and appropriate attempts to elicit the attendance of the person have failed, the court may conduct the hearing in the person's absence. If the hearing is conducted without the person present, the court shall set forth the factual basis for conducting the hearing without the person's presence.

(2) The court shall not order assisted outpatient treatment unless an examining licensed mental health treatment provider, who has personally examined, and has reviewed the available treatment history of, the person who is the subject of the petition within the time period commencing 10 days before the filing of the petition, testifies in person at the hearing.

(3) If the person who is the subject of the petition has refused to be examined by a licensed mental health treatment provider, the court may request that the person consent to an examination by a licensed mental health treatment provider appointed by the court. If the person who is the subject of the petition does not consent and the court finds reasonable cause to believe that the allegations in the petition are true, the court may order any person designated under Section 5150 to take into custody the

person who is the subject of the petition and transport him or her, or cause him or her to be transported, to a hospital for examination by a licensed mental health treatment provider as soon as is practicable. Detention of the person who is the subject of the petition under the order may not exceed 72 hours. If the examination is performed by another licensed mental health treatment provider, the examining licensed mental health treatment provider may consult with the licensed mental health treatment provider whose affirmation or affidavit accompanied the petition regarding the issues of whether the allegations in the petition are true and whether the person meets the criteria for assisted outpatient treatment.

(4) The person who is the subject of the petition shall have all of the following rights:

(A) To adequate notice of the hearings to the person who is the subject of the petition, as well as to parties designated by the person who is the subject of the petition.

(B) To receive a copy of the court-ordered evaluation.

(C) To counsel. If the person has not retained counsel, the court shall appoint a public defender.

(D) To be informed of his or her right to judicial review by habeas corpus.

(E) To be present at the hearing unless he or she waives the right to be present.

(F) To present evidence.

(G) To call witnesses on his or her behalf.

(H) To cross-examine witnesses.

(I) To appeal decisions, and to be informed of his or her right to appeal.

(5) (A) If after hearing all relevant evidence, the court finds that the person who is the subject of the petition does not meet the criteria for assisted outpatient treatment, the court shall dismiss the petition.

(B) If after hearing all relevant evidence, the court finds that the person who is the subject of the petition meets the criteria for assisted outpatient treatment, and there is no appropriate and feasible less restrictive alternative, the court may order the person who is the subject of the petition to receive assisted outpatient treatment for an initial period not to exceed six months. In fashioning the order, the court shall specify that the proposed treatment is the least restrictive treatment appropriate and feasible for the person who is the subject of the petition. The order shall state the categories of assisted outpatient treatment, as set forth in Section 5348, that the person who is the subject of the petition is to receive, and the court may not order treatment that has not been recommended by the examining licensed mental health treatment provider and included in the written treatment plan for assisted

outpatient treatment as required by subdivision (e). If the person has executed an advance health care directive pursuant to Chapter 2 (commencing with Section 4650) of Part 1 of Division 4.7 of the Probate Code, any directions included in the advance health care directive shall be considered in formulating the written treatment plan.

(6) If the person who is the subject of a petition for an order for assisted outpatient treatment pursuant to subparagraph (B) of paragraph (5) of subdivision (d) refuses to participate in the assisted outpatient treatment program, the court may order the person to meet with the assisted outpatient treatment team designated by the director of the assisted outpatient treatment program. The treatment team shall attempt to gain the person's cooperation with treatment ordered by the court. The person may be subject to a 72-hour hold pursuant to subdivision (f) only after the treatment team has attempted to gain the person's cooperation with treatment ordered by the court, and has been unable to do so.

(e) Assisted outpatient treatment shall not be ordered unless the licensed mental health treatment provider recommending assisted outpatient treatment to the court has submitted to the court a written treatment plan that includes services as set forth in Section 5348, and the court finds, in consultation with the county mental health director, or his or her designee, all of the following:

(1) That the services are available from the county, or a provider approved by the county, for the duration of the court order.

(2) That the services have been offered to the person by the local director of mental health, or his or her designee, and the person has been given an opportunity to participate on a voluntary basis, and the person has failed to engage in, or has refused, treatment.

(3) That all of the elements of the petition required by this article have been met.

(4) That the treatment plan will be delivered to the county director of mental health, or to his or her appropriate designee.

(f) If, in the clinical judgment of a licensed mental health treatment provider, the person who is the subject of the petition has failed or has refused to comply with the treatment ordered by the court, and, in the clinical judgment of the licensed mental health treatment provider, efforts were made to solicit compliance, and, in the clinical judgment of the licensed mental health treatment provider, the person may be in need of involuntary admission to a hospital for evaluation, the provider may request that persons designated under Section 5150 take into custody the person who is the subject of the petition and transport him or her, or cause him or her to be transported, to a hospital, to be held up to 72 hours for examination by a licensed mental health treatment provider to determine if the person is in need of treatment pursuant to Section 5150. Any continued involuntary retention in a hospital beyond the initial 72-hour

period shall be pursuant to Section 5150. If at any time during the 72-hour period the person is determined not to meet the criteria of Section 5150, and does not agree to stay in the hospital as a voluntary patient, he or she shall be released and any subsequent involuntary detention in a hospital shall be pursuant to Section 5150. Failure to comply with an order of assisted outpatient treatment alone may not be grounds for involuntary civil commitment or a finding that the person who is the subject of the petition is in contempt of court.

(g) If the director of the assisted outpatient treatment program determines that the condition of the patient requires further assisted outpatient treatment, the director shall apply to the court, prior to the expiration of the period of the initial assisted outpatient treatment order, for an order authorizing continued assisted outpatient treatment for a period not to exceed 180 days from the date of the order. The procedures for obtaining any order pursuant to this subdivision shall be in accordance with subdivisions (a) to (f), inclusive. The period for further involuntary outpatient treatment authorized by any subsequent order under this subdivision may not exceed 180 days from the date of the order.

(h) At intervals of not less than 60 days during an assisted outpatient treatment order, the director of the outpatient treatment program shall file an affidavit with the court that ordered the outpatient treatment affirming that the person who is the subject of the order continues to meet the criteria for assisted outpatient treatment. At these times, the person who is the subject of the order shall have the right to a hearing on whether or not he or she still meets the criteria for assisted outpatient treatment if he or she disagrees with the director's affidavit. The burden of proof shall be on the director.

(i) During each 60-day period specified in subdivision (h), if the person who is the subject of the order believes that he or she is being wrongfully retained in the assisted outpatient treatment program against his or her wishes, he or she may file a petition for a writ of habeas corpus, thus requiring the director of the assisted outpatient treatment program to prove that the person who is the subject of the order continues to meet the criteria for assisted outpatient treatment.

(j) Any person ordered to undergo assisted outpatient treatment pursuant to this article, who was not present at the hearing at which the order was issued, may immediately petition the court for a writ of habeas corpus. Treatment under the order for assisted outpatient treatment may not commence until the resolution of that petition.

SEC. 327. Section 5405 of the Welfare and Institutions Code is amended to read:

5405. (a) This section shall apply to each facility licensed by the State Department of Mental Health, or its delegated agent, on or after

January 1, 2003. For purposes of this section, "facility" includes psychiatric health facilities, as defined in Section 1250.2 of the Health and Safety Code, licensed pursuant to Chapter 9 (commencing with Section 77001) of Division 5 of Title 22 of the California Code of Regulations and mental health rehabilitation centers licensed pursuant to Chapter 3.5 (commencing with Section 781.00) of Division 1 of Title 9 of the California Code of Regulations.

(b) (1) (A) Prior to the initial licensure or first renewal of a license on or after January 1, 2003, of any person to operate or manage a facility specified in subdivision (a), the department shall submit fingerprint images and related information pertaining to the applicant or licensee to the Department of Justice for purposes of a criminal record check, as specified in paragraph (2), at the expense of the applicant or licensee. The Department of Justice shall provide the results of the criminal record check to the department. The department shall determine whether the applicant or licensee has ever been convicted of a crime specified in subdivision (c). The department shall submit fingerprint images and related information each time the position of administrator, manager, program director, or fiscal officer of a facility is filled and prior to actual employment for initial licensure or an individual who is initially hired on or after January 1, 2003. For purposes of this subdivision, "applicant" and "licensee" include the administrator, manager, program director, or fiscal officer of a facility.

(B) Commencing January 1, 2003, upon the employment of any direct care staff the department shall submit fingerprint images and related information pertaining to the direct care staff person to the Department of Justice for purposes of a criminal record check, as specified in paragraph (2), at the expense of the direct care staff person or licensee. The Department of Justice shall provide the results of the criminal record check to the department. The department shall determine whether the direct care staff person has ever been convicted of a crime specified in subdivision (c). The department shall notify the licensee of these results.

(C) Commencing January 1, 2003, any contract for services provided directly to patients or residents shall contain provisions to ensure that the direct services contractor submits to the department fingerprint images and related information pertaining to the direct services contractor for submission to the Department of Justice for purposes of a criminal record check, as specified in paragraph (2), at the expense of the direct services contractor or licensee. The Department of Justice shall provide the results of the criminal record check to the department. The department shall determine whether the direct services contractor has ever been convicted of a crime specified in subdivision (c). The department shall notify the licensee of these results.

(2) If the applicant, licensee, direct care staff person, or direct services contractor specified in paragraph (1) has resided in California for at least the previous seven years, the department shall only require the submission of one set of fingerprint images and related information. The Department of Justice shall charge a fee sufficient to cover the reasonable cost of processing the fingerprint submission. Fingerprints submitted pursuant to this subdivision include fingerprints taken by the use of live scan technology. When requested, the Department of Justice shall forward one set of fingerprint images to the Federal Bureau of Investigation for the purpose of obtaining any record of previous convictions or arrests pending adjudication of the applicant, licensee, direct care staff person, or direct services contractor. The results of a criminal record check provided by the Department of Justice shall contain every conviction rendered against an applicant, licensee, direct care staff person, or direct services contractor, and every offense for which the applicant, licensee, direct care staff person, or direct services contractor is presently awaiting trial, whether the person is incarcerated or has been released on bail or on his or her own recognizance pending trial. The department shall request subsequent arrest notification from the Department of Justice pursuant to Section 11105.2 of the Penal Code.

(c) (1) The department shall deny any application for any license, suspend or revoke any existing license, and disapprove or revoke any employment or contract for direct services, if the applicant, licensee, employee, or direct services contractor has been convicted of, or incarcerated for, a felony defined in subdivision (c) of Section 667.5 of, or subdivision (c) of Section 1192.7 of, the Penal Code, within the preceding 10 years.

(2) The application for licensure or renewal of any license shall be denied, and any employment or contract to provide direct services shall be disapproved or revoked, if the criminal record of the person includes a conviction in another jurisdiction for an offense that, if committed or attempted in this state, would have been punishable as one or more of the offenses referred to in paragraph (1).

(d) (1) The department may approve an application for, or renewal of, a license, or continue any employment or contract for direct services, if the person has been convicted of a misdemeanor offense that is not a crime upon the person of another, the nature of which has no bearing upon the duties for which the person will perform as a licensee, direct care staff person, or direct services contractor. In determining whether to approve the application, employment, or contract for direct services, the department shall take into consideration the factors enumerated in paragraph (2).

(2) Notwithstanding subdivision (c), if the criminal record of a person indicates any conviction other than a minor traffic violation, the

department may deny the application for license or renewal, and may disapprove or revoke any employment or contract for direct services. In determining whether or not to deny the application for licensure or renewal, or to disapprove or revoke any employment or contract for direct services, the department shall take into consideration the following factors:

(A) The nature and seriousness of the offense under consideration and its relationship to the person's employment, duties, and responsibilities.

(B) Activities since conviction, including employment or participation in therapy or education, that would indicate changed behavior.

(C) The time that has elapsed since the commission of the conduct or offense and the number of offenses.

(D) The extent to which the person has complied with any terms of parole, probation, restitution, or any other sanction lawfully imposed against the person.

(E) Any rehabilitation evidence, including character references, submitted by the person.

(F) Employment history and current employer recommendations.

(G) Circumstances surrounding the commission of the offense that would demonstrate the unlikelihood of repetition.

(H) The granting by the Governor of a full and unconditional pardon.

(I) A certificate of rehabilitation from a superior court.

(e) Denial, suspension, or revocation of a license, or disapproval or revocation of any employment or contract for direct services specified in subdivision (c) and paragraph (2) of subdivision (d) are not subject to appeal, except as provided in subdivision (f).

(f) After a review of the record, the director may grant an exemption from denial, suspension, or revocation of any license, or disapproval of any employment or contract for direct services, if the crime for which the person was convicted was a property crime that did not involve injury to any person and the director has substantial and convincing evidence to support a reasonable belief that the person is of such good character as to justify issuance or renewal of the license or approval of the employment or contract.

(g) A plea or verdict of guilty, or a conviction following a plea of nolo contendere shall be deemed a conviction within the meaning of this section. The department may deny any application, or deny, suspend, or revoke a license, or disapprove or revoke any employment or contract for direct services based on a conviction specified in subdivision (c) when the judgment of conviction is entered or when an order granting probation is made suspending the imposition of sentence.

(h) (1) For purposes of this section, "direct care staff" means any person who is an employee, contractor, or volunteer who has contact

with other patients or residents in the provision of services. Administrative and licensed personnel shall be considered direct care staff when directly providing program services to participants.

(2) An additional background check shall not be required pursuant to this section if the direct care staff or licensee has received a prior criminal history background check while working in a mental health rehabilitation center or psychiatric health facility licensed by the department, and provided the department has maintained continuous subsequent arrest notification on the individual from the Department of Justice since the prior criminal background check was initiated.

(3) When an application is denied on the basis of a conviction pursuant to this section, the department shall provide the individual whose application was denied with notice, in writing, of the specific grounds for the proposed denial.

SEC. 328. Section 11450 of the Welfare and Institutions Code is amended to read:

11450. (a) (1) Aid shall be paid for each needy family, which shall include all eligible brothers and sisters of each eligible applicant or recipient child and the parents of the children, but shall not include unborn children, or recipients of aid under Chapter 3 (commencing with Section 12000), qualified for aid under this chapter. In determining the amount of aid paid, and notwithstanding the minimum basic standards of adequate care specified in Section 11452, the family's income, exclusive of any amounts considered exempt as income or paid pursuant to subdivision (e) or Section 11453.1, averaged for the prospective quarter pursuant to Sections 11265.2 and 11265.3, and then calculated pursuant to Section 11451.5, shall be deducted from the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2). In no case shall the amount of aid paid for each month exceed the sum specified in the following table, as adjusted for cost-of-living increases pursuant to Section 11453 and paragraph (2), plus any special needs, as specified in subdivisions (c), (e), and (f):

Number of eligible needy persons in the same home	Maximum aid
1	\$ 326
2	535
3	663
4	788
5	899
6	1,010
7	1,109
8	1,209
9	1,306
10 or more	1,403

If, when, and during such times as the United States government increases or decreases its contributions in assistance of needy children in this state above or below the amount paid on July 1, 1972, the amounts specified in the above table shall be increased or decreased by an amount equal to that increase or decrease by the United States government, provided that no increase or decrease shall be subject to subsequent adjustment pursuant to Section 11453.

(2) The sums specified in paragraph (1) shall not be adjusted for cost of living for the 1990–91, 1991–92, 1992–93, 1993–94, 1994–95, 1995–96, 1996–97, and 1997–98 fiscal years, and through October 31, 1998, nor shall that amount be included in the base for calculating any cost-of-living increases for any fiscal year thereafter. Elimination of the cost-of-living adjustment pursuant to this paragraph shall satisfy the requirements of Section 11453.05, and no further reduction shall be made pursuant to that section.

(b) When the family does not include a needy child qualified for aid under this chapter, aid shall be paid to a pregnant mother for the month in which the birth is anticipated and for the three-month period immediately prior to the month in which the birth is anticipated in the amount that would otherwise be paid to one person, as specified in subdivision (a), if the mother, and child, if born, would have qualified for aid under this chapter. Verification of pregnancy shall be required as a condition of eligibility for aid under this subdivision. Aid shall also be paid to a pregnant woman with no other children in the amount which would otherwise be paid to one person under subdivision (a) at any time after verification of pregnancy if the pregnant woman is also eligible for the Cal-Learn Program described in Article 3.5 (commencing with Section 11331) and if the mother, and child, if born, would have qualified for aid under this chapter.

(c) The amount of forty-seven dollars (\$47) per month shall be paid to pregnant mothers qualified for aid under subdivision (a) or (b) to meet special needs resulting from pregnancy if the mother, and child, if born, would have qualified for aid under this chapter. County welfare departments shall refer all recipients of aid under this subdivision to a local provider of the Women, Infants and Children program. If that payment to pregnant mothers qualified for aid under subdivision (a) is considered income under federal law in the first five months of pregnancy, payments under this subdivision shall not apply to persons eligible under subdivision (a), except for the month in which birth is anticipated and for the three-month period immediately prior to the month in which delivery is anticipated, if the mother, and the child, if born, would have qualified for aid under this chapter.

(d) For children receiving AFDC-FC under this chapter, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month which, when added to the child's income, is equal to the rate specified in Section 11460, 11461, 11462, 11462.1, or 11463. In addition, the child shall be eligible for special needs, as specified in departmental regulations.

(e) In addition to the amounts payable under subdivision (a) and Section 11453.1, a family shall be entitled to receive an allowance for recurring special needs not common to a majority of recipients. These recurring special needs shall include, but not be limited to, special diets upon the recommendation of a physician for circumstances other than pregnancy, and unusual costs of transportation, laundry, housekeeping service, telephone, and utilities. The recurring special needs allowance for each family per month shall not exceed that amount resulting from multiplying the sum of ten dollars (\$10) by the number of recipients in the family who are eligible for assistance.

(f) After a family has used all available liquid resources, both exempt and nonexempt, in excess of one hundred dollars (\$100), the family shall also be entitled to receive an allowance for nonrecurring special needs.

(1) An allowance for nonrecurring special needs shall be granted for replacement of clothing and household equipment and for emergency housing needs other than those needs addressed by paragraph (2). These needs shall be caused by sudden and unusual circumstances beyond the control of the needy family. The department shall establish the allowance for each of the nonrecurring special need items. The sum of all nonrecurring special needs provided by this subdivision shall not exceed six hundred dollars (\$600) per event.

(2) Homeless assistance is available to a homeless family seeking shelter when the family is eligible for aid under this chapter. Homeless assistance for temporary shelter is also available to homeless families which are apparently eligible for aid under this chapter. Apparent

eligibility exists when evidence presented by the applicant or which is otherwise available to the county welfare department and the information provided on the application documents indicate that there would be eligibility for aid under this chapter if the evidence and information were verified. However, an alien applicant who does not provide verification of his or her eligible alien status, or a woman with no eligible children who does not provide medical verification of pregnancy, is not apparently eligible for purposes of this section.

A family is considered homeless, for the purpose of this section, when the family lacks a fixed and regular nighttime residence; or the family has a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations; or the family is residing in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

(A) (i) A nonrecurring special need of forty dollars (\$40) a day shall be available to families for the costs of temporary shelter, subject to the requirements of this paragraph. County welfare departments may increase the daily amount available for temporary shelter to large families as necessary to secure the additional bed space needed by the family.

(ii) This special need shall be granted or denied immediately upon the family's application for homeless assistance, and benefits shall be available for up to three working days. The county welfare department shall verify the family's homelessness within the first three working days and if the family meets the criteria of questionable homelessness established by the department, the county welfare department shall refer the family to its early fraud prevention and detection unit, if the county has such a unit, for assistance in the verification of homelessness within this period.

(iii) After homelessness has been verified, the three-day limit shall be extended for a period of time which, when added to the initial benefits provided, does not exceed a total of 16 calendar days. This extension of benefits shall be done in increments of one week and shall be based upon searching for permanent housing which shall be documented on a housing search form; good cause; or other circumstances defined by the department. Documentation of housing search shall be required for the initial extension of benefits beyond the three-day limit and on a weekly basis thereafter as long as the family is receiving temporary shelter benefits. Good cause shall include, but is not limited to, situations in which the county welfare department has determined that the family, to the extent it is capable, has made a good faith but unsuccessful effort to secure permanent housing while receiving temporary shelter benefits.

(B) A nonrecurring special need for permanent housing assistance is available to pay for last month's rent and security deposits when these payments are reasonable conditions of securing a residence.

The last month's rent portion of the payment (1) shall not exceed 80 percent of the family's maximum aid payment without special needs for a family of that size and (2) shall only be made to families that have found permanent housing costing no more than 80 percent of the family's maximum aid payment without special needs for a family of that size, in accordance with the maximum aid schedule specified in subdivision (a).

However, if the county welfare department determines that a family intends to reside with individuals who will be sharing housing costs, the county welfare department shall, in appropriate circumstances, set aside the condition specified in clause (2) of the preceding paragraph.

(C) The nonrecurring special need for permanent housing assistance is also available to cover the standard costs of deposits for utilities which are necessary for the health and safety of the family.

(D) A payment for or denial of permanent housing assistance shall be issued no later than one working day from the time that a family presents evidence of the availability of permanent housing. If an applicant family provides evidence of the availability of permanent housing before the county welfare department has established eligibility for aid under this chapter, the county welfare department shall complete the eligibility determination so that the denial of or payment for permanent housing assistance is issued within one working day from the submission of evidence of the availability of permanent housing, unless the family has failed to provide all of the verification necessary to establish eligibility for aid under this chapter.

(E) (i) Except as provided in clauses (ii) and (iii), eligibility for the temporary shelter assistance and the permanent housing assistance pursuant to this paragraph shall be limited to one period of up to 16 consecutive calendar days of temporary assistance and one payment of permanent assistance. Any family that includes a parent or nonparent caretaker relative living in the home who has previously received temporary or permanent homeless assistance at any time on behalf of an eligible child shall not be eligible for further homeless assistance. Any person who applies for homeless assistance benefits shall be informed that the temporary shelter benefit of up to 16 consecutive days is available only once in a lifetime, with certain exceptions, and that a break in the consecutive use of the benefit constitutes permanent exhaustion of the temporary benefit.

(ii) A family that becomes homeless as a direct and primary result of a state or federally declared natural disaster shall be eligible for temporary and permanent homeless assistance.

(iii) A family shall be eligible for temporary and permanent homeless assistance when homelessness is a direct result of domestic violence by a spouse, partner, or roommate; physical or mental illness that is medically verified that shall not include a diagnosis of alcoholism, drug addiction, or psychological stress; or, the uninhabitability of the former residence caused by sudden and unusual circumstances beyond the control of the family including natural catastrophe, fire, or condemnation. These circumstances shall be verified by a third-party governmental or private health and human services agency and homeless assistance payments based on these specific circumstances may not be received more often than once in any 12-month period. A county may require that a recipient of homeless assistance benefits who qualifies under this paragraph for a second time in a 24-month period participate in a homelessness avoidance case plan as a condition of eligibility for homeless assistance benefits.

(iv) The county welfare department shall report to the department through a statewide homeless assistance payment indicator system, necessary data, as requested by the department, regarding all recipients of aid under this paragraph.

(F) The county welfare departments, and all other entities participating in the costs of the AFDC program, have the right in their share to any refunds resulting from payment of the permanent housing. However, if an emergency requires the family to move within the 12-month period specified in subparagraph (E), the family shall be allowed to use any refunds received from its deposits to meet the costs of moving to another residence.

(G) Payments to providers for temporary shelter and permanent housing and utilities shall be made on behalf of families requesting these payments.

(H) The daily amount for the temporary shelter special need for homeless assistance may be increased if authorized by the current year's Budget Act by specifying a different daily allowance and appropriating the funds therefor.

(I) No payment shall be made pursuant to this paragraph unless the provider of housing is a commercial establishment, shelter, or person in the business of renting properties who has a history of renting properties.

(g) The department shall establish rules and regulations assuring the uniform application statewide of this subdivision.

(h) The department shall notify all applicants and recipients of aid through the standardized application form that these benefits are available and shall provide an opportunity for recipients to apply for the funds quickly and efficiently.

(i) Except for the purposes of Section 15200, the amounts payable to recipients pursuant to Section 11453.1 shall not constitute part of the payment schedule set forth in subdivision (a).

The amounts payable to recipients pursuant to Section 11453.1 shall not constitute income to recipients of aid under this section.

(j) For children receiving Kin-GAP pursuant to Article 4.5 (commencing with Section 11360) of Chapter 2, there shall be paid, exclusive of any amount considered exempt as income, an amount of aid each month, which, when added to the child's income, is equal to the rate specified in Section 11364.

SEC. 329. Section 11451.5 of the Welfare and Institutions Code is amended to read:

11451.5. (a) Except as provided by subdivision (f) of Section 11322.6, the following income, averaged over the quarter pursuant to Sections 11265.2 and 11265.3, shall be exempt from the calculation of the income of the family for purposes of subdivision (a) of Section 11450:

(1) If disability-based unearned income does not exceed two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All disability-based unearned income plus any amount of not otherwise exempt earned income equal to the amount of the difference between the amount of disability-based unearned income and two hundred twenty-five dollars (\$225).

(B) Fifty percent of all not otherwise exempt earned income in excess of the amount applied to meet the differential applied in subparagraph (A).

(2) If disability-based unearned income exceeds two hundred twenty-five dollars (\$225), both of the following amounts:

(A) All of the first two hundred twenty-five dollars (\$225) in disability-based unearned income.

(B) Fifty percent of all earned income.

(b) For purposes of this section:

(1) Earned income means gross income received as wages, salary, employer provided sick leave benefits, commissions, or profits from activities such as a business enterprise or farming in which the recipient is engaged as a self-employed individual or as an employee.

(2) Disability-based unearned income means state disability insurance benefits, private disability insurance benefits, temporary workers' compensation benefits, and social security disability benefits.

(3) Unearned income means any income not described in paragraph (1) or (2).

SEC. 330. Section 11462 of the Welfare and Institutions Code is amended to read:

11462. (a) (1) Effective July 1, 1990, foster care providers licensed as group homes, as defined in departmental regulations, including public child care institutions, as defined in Section 11402.5, shall have rates established by classifying each group home program and applying the standardized schedule of rates. The department shall collect information from group providers beginning January 1, 1990, in order to classify each group home program.

(2) Notwithstanding paragraph (1), foster care providers licensed as group homes shall have rates established only if the group home is organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400. The department shall terminate the rate effective January 1, 1993, of any group home not organized and operated on a nonprofit basis as required under subdivision (h) of Section 11400.

(b) A group home program shall be initially classified, for purposes of emergency regulations, according to the level of care and services to be provided using a point system developed by the department and described in the report, "The Classification of Group Home Programs under the Standardized Schedule of Rates System," prepared by the State Department of Social Services, August 30, 1989.

(c) The rate for each rate classification level (RCL) has been determined by the department with data from the AFDC-FC Group Home Rate Classification Pilot Study. The rates effective July 1, 1990, were developed using 1985 calendar year costs and reflect adjustments to the costs for each fiscal year, starting with the 1986-87 fiscal year, by the amount of the California Necessities Index computed pursuant to the methodology described in Section 11453. The data obtained by the department using 1985 calendar year costs shall be updated and revised by January 1, 1993.

(d) As used in this section, "standardized schedule of rates" means a listing of the 14 rate classification levels, and the single rate established for each RCL.

(e) Except as specified in paragraph (1), the department shall determine the RCL for each group home program on a prospective basis, according to the level of care and services that the group home operator projects will be provided during the period of time for which the rate is being established.

(1) (A) For new and existing providers requesting the establishment of an RCL, and for existing group home programs requesting an RCL increase, the department shall determine the RCL no later than 13 months after the effective date of the provisional rate. The determination of the RCL shall be based on a program audit of documentation and other information that verifies the level of care and supervision provided by the group home program during a period of the two full calendar months

or 60 consecutive days, whichever is longer, preceding the date of the program audit, unless the group home program requests a lower RCL. The program audit shall not cover the first six months of operation under the provisional rate. Pending the department's issuance of the program audit report that determines the RCL for the group home program, the group home program shall be eligible to receive a provisional rate that shall be based on the level of care and service that the group home program proposes it will provide. The group home program shall be eligible to receive only the RCL determined by the department during the pendency of any appeal of the department's RCL determination.

(B) A group home program may apply for an increase in its RCL no earlier than two years from the date the department has determined the group home program's rate, unless the host county, the primary placing county, or a regional consortium of counties submits to the department in writing that the program is needed in that county, that the provider is capable of effectively and efficiently operating the proposed program, and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(C) To ensure efficient administration of the department's audit responsibilities, and to avoid the fraudulent creation of records, group home programs shall make records that are relevant to the RCL determination available to the department in a timely manner. Except as provided in this section, the department may refuse to consider, for purposes of determining the rate, any documents that are relevant to the determination of the RCL that are not made available by the group home provider by the date the group home provider requests a hearing on the department's RCL determination. The department may refuse to consider for purposes of determining the rate, the following records, unless the group home provider makes the records available to the department during the field work portion of the department's program audit:

(i) Records of each employee's full name, home address, occupation, and social security number.

(ii) Time records showing when the employee begins and ends each work period, meal periods, split shift intervals, and total daily hours worked.

(iii) Total wages paid each payroll period.

(iv) Records required to be maintained by licensed group home providers under the provisions of Title 22 of the California Code of Regulations that are relevant to the RCL determination.

(D) To minimize financial abuse in the startup of group home programs, when the department's RCL determination is more than three levels lower than the RCL level proposed by the group home provider,

and the group home provider does not appeal the department's RCL determination, the department shall terminate the rate of a group home program 45 days after issuance of its program audit report. When the group home provider requests a hearing on the department's RCL determination, and the RCL determined by the director under subparagraph (E) is more than three levels lower than the RCL level proposed by the group home provider, the department shall terminate the rate of a group home program within 30 days of issuance of the director's decision. Notwithstanding the reapplication provisions in subparagraph (B), the department shall deny any request for a new or increased RCL from a group home provider whose RCL is terminated pursuant to this subparagraph, for a period of no greater than two years from the effective date of the RCL termination.

(E) A group home provider may request a hearing of the department's RCL determination under subparagraph (A) no later than 30 days after the date the department issues its RCL determination. The department's RCL determination shall be final if the group home provider does not request a hearing within the prescribed time. Within 60 days of receipt of the request for hearing, the department shall conduct a hearing on the RCL determination. The standard of proof shall be the preponderance of the evidence and the burden of proof shall be on the department. The hearing officer shall issue the proposed decision within 45 days of the close of the evidentiary record. The director shall adopt, reject, or modify the proposed decision, or refer the matter back to the hearing officer for additional evidence or findings within 100 days of issuance of the proposed decision. If the director takes no action on the proposed decision within the prescribed time, the proposed decision shall take effect by operation of law.

(2) Group home programs that fail to maintain at least the level of care and services associated with the RCL upon which their rate was established shall inform the department. The department shall develop regulations specifying procedures to be applied when a group home fails to maintain the level of services projected, including, but not limited to, rate reduction and recovery of overpayments.

(3) The department shall not reduce the rate, establish an overpayment, or take other actions pursuant to paragraph (2) for any period that a group home program maintains the level of care and services associated with the RCL for children actually residing in the facility. Determinations of levels of care and services shall be made in the same way as modifications of overpayments are made pursuant to paragraph (2) of subdivision (b) of Section 11466.2.

(4) A group home program that substantially changes its staffing pattern from that reported in the group home program statement shall provide notification of this change to all counties that have placed

children currently in care. This notification shall be provided whether or not the RCL for the program may change as a result of the change in staffing pattern.

(f) (1) The standardized schedule of rates for fiscal year 2002–03 is:

Rate Classification Level	Point Ranges	FY 2002–03 Standard Rate
1	Under 60	\$1,454
2	60–89	1,835
3	90–119	2,210
4	120–149	2,589
5	150–179	2,966
6	180–209	3,344
7	210–239	3,723
8	240–269	4,102
9	270–299	4,479
10	300–329	4,858
11	330–359	5,234
12	360–389	5,613
13	390–419	5,994
14	420 & Up	6,371

(2) (A) For group home programs that receive AFDC-FC payments for services performed during the 2002–03 fiscal year, the adjusted RCL point ranges below shall be used in performing program audits and in determining any resulting rate reduction, overpayment assessment, or other actions pursuant to paragraph (2) of subdivision (e):

Rate Classification Level	Adjusted Point Ranges for 2002–03
1	Under 54
2	54–81
3	82–110
4	111–138
5	139–167
6	168–195
7	196–224
8	225–253
9	254–281
10	282–310

11	311–338
12	339–367
13	368–395
14	396 & Up

(B) Notwithstanding subparagraph (A), foster care providers operating group homes during the 2002–03 fiscal year shall remain responsible for ensuring the health and safety of the children placed in their programs in accordance with existing applicable provisions of the Health and Safety Code and community care licensing regulations, as contained in Title 22 of the California Code of Regulations.

(C) Subparagraph (A) shall not apply to program audits of group home programs with provisional rates established pursuant to paragraph (1) of subdivision (e). For those program audits, the RCL point ranges in paragraph (1) shall be used.

(g) (1) (A) For the 1999–2000 fiscal year, the standardized rate for each RCL shall be adjusted by an amount equal to the California Necessities Index computed pursuant to the methodology described in Section 11453. The resultant amounts shall constitute the new standardized schedule of rates, subject to further adjustment pursuant to subparagraph (B).

(B) In addition to the adjustment in subparagraph (A), commencing January 1, 2000, the standardized rate for each RCL shall be increased by 2.36 percent, rounded to the nearest dollar. The resultant amounts shall constitute the new standardized schedule of rates.

(2) Beginning with the 2000–01 fiscal year, the standardized schedule of rates shall be adjusted annually by an amount equal to the CNI computed pursuant to Section 11453, subject to the availability of funds. The resultant amounts shall constitute the new standardized schedule of rates.

(3) Effective January 1, 2001, the amount included in the standard rate for each Rate Classification Level for the salaries, wages, and benefits for staff providing child care and supervision or performing social work activities, or both, shall be increased by 10 percent. This additional funding shall be used by group home programs solely to supplement staffing, salaries, wages, and benefit levels of staff specified in this paragraph. The standard rate for each RCL shall be recomputed using this adjusted amount and the resultant rates shall constitute the new standardized schedule of rates. The department may require a group home receiving this additional funding to certify that the funding was utilized in accordance with the provisions of this section.

(h) The standardized schedule of rates pursuant to subdivisions (f) and (g) shall be implemented as follows:

(1) Any group home program which received an AFDC-FC rate in the prior fiscal year at or above the standard rate for the RCL in the current fiscal year shall continue to receive that rate.

(2) Any group home program which received an AFDC-FC rate in the prior fiscal year below the standard rate for the RCL in the current fiscal year shall receive the RCL rate for the current year.

(i) (1) The department shall not establish a rate for a new program of a new or existing provider unless the provider submits a recommendation from the host county, the primary placing county, or a regional consortium of counties that the program is needed in that county; that the provider is capable of effectively and efficiently operating the program; and that the provider is willing and able to accept AFDC-FC children for placement who are determined by the placing agency to need the level of care and services that will be provided by the program.

(2) The department shall encourage the establishment of consortia of county placing agencies on a regional basis for the purpose of making decisions and recommendations about the need for, and use of, group home programs and other foster care providers within the regions.

(3) The department shall annually conduct a county-by-county survey to determine the unmet placement needs of children placed pursuant to Section 300 and Section 601 or 602, and shall publish its findings by November 1 of each year.

(j) The department shall develop regulations specifying ratesetting procedures for program expansions, reductions, or modifications, including increases or decreases in licensed capacity, or increases or decreases in level of care or services.

(k) (1) For the purpose of this subdivision, "program change" means any alteration to an existing group home program planned by a provider that will increase the RCL or AFDC-FC rate. An increase in the licensed capacity or other alteration to an existing group home program that does not increase the RCL or AFDC-FC rate shall not constitute a program change.

(2) For the 1998-99, 1999-2000, and 2000-01 fiscal years, the rate for a group home program shall not increase, as the result of a program change, from the rate established for the program effective July 1, 2000, and as adjusted pursuant to subparagraph (B) of paragraph (1) of subdivision (g), except as provided in paragraph (3).

(3) (A) For the 1998-99, 1999-2000, and 2000-01 fiscal years, the department shall not establish a rate for a new program of a new or existing provider or approve a program change for an existing provider that either increases the program's RCL or AFDC-FC rate, or increases the licensed capacity of the program as a result of decreases in another program with a lower RCL or lower AFDC-FC rate that is operated by

that provider, unless both of the conditions specified in this paragraph are met.

(i) The licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program.

(ii) The county determines that there is no increased cost to the General Fund.

(B) Notwithstanding subparagraph (A), the department may grant a request for a new program or program change, not to exceed 25 beds, statewide, if (i) the licensee obtains a letter of recommendation from the host county, primary placing county, or regional consortium of counties regarding the proposed program change or new program, and (ii) the new program or program change will result in a reduction of referrals to state hospitals during the 1998–99 fiscal year.

(l) General unrestricted or undesignated private charitable donations and contributions made to charitable or nonprofit organizations shall not be deducted from the cost of providing services pursuant to this section. The donations and contributions shall not be considered in any determination of maximum expenditures made by the department.

(m) The department shall, by October 1 of each year, commencing October 1, 1992, provide the Joint Legislative Budget Committee with a list of any new departmental requirements established during the previous fiscal year concerning the operation of group homes, and of any unusual, industrywide increase in costs associated with the provision of group care which may have significant fiscal impact on providers of group home care. The committee may, in fiscal year 1993–94 and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.

SEC. 331. Section 14105.95 of the Welfare and Institutions Code is amended to read:

14105.95. (a) Each eligible facility, as described in subdivision (b), may, in addition to the rate of payment that the facility would otherwise receive for adult day health services, receive supplemental Medi-Cal reimbursement to the extent provided in this section.

(b) A facility shall be eligible for supplemental reimbursement only if the facility has all of the following characteristics continuously during a state fiscal year commencing with the 2002 fiscal year, and thereafter:

(1) Provides services to Medi-Cal beneficiaries.

(2) Is an adult day health center, licensed pursuant to Chapter 3.3 (commencing with Section 1570) of Division 2 of the Health and Safety Code.

(3) Is owned or operated by a county, city, city and county, or health care district organized pursuant to Chapter 1 (commencing with Section 32000) of Division 23 of the Health and Safety Code.

(c) An eligible facility's supplemental reimbursement pursuant to this section shall be calculated and paid as follows:

(1) The supplemental reimbursement to an eligible facility, as described in subdivision (b), shall be equal to the amount of federal financial participation received as a result of the claims submitted pursuant to paragraph (2) of subdivision (g).

(2) In no instance shall the amount certified pursuant to paragraph (1) of subdivision (e), when combined with the amount received from all other sources of reimbursement from the Medi-Cal program, exceed 100 percent of projected costs, as determined pursuant to the Medi-Cal State Plan, for adult day health services at each facility.

(3) The supplemental Medi-Cal reimbursement provided by this section shall be distributed under a payment methodology based on adult day health services provided to Medi-Cal patients at the eligible facility, either on a per-visit basis or any other federally permissible basis. The department shall seek approval from the federal Centers for Medicare and Medicaid Services for the payment methodology to be utilized, and may not make any payment pursuant to this section prior to obtaining that approval.

(d) (1) It is the Legislature's intent in enacting this section to provide the supplemental reimbursement described in this section without any expenditure from the General Fund.

(2) The state share of the supplemental reimbursement submitted to the federal Centers for Medicare and Medicaid Services for purposes of claiming federal financial participation shall be paid only with funds from the governmental entities described in paragraph (3) of subdivision (b) and certified to the state as provided in subdivision (e).

(e) A particular governmental entity described in paragraph (3) of subdivision (b), on behalf of any eligible facility owned or operated by the entity shall do all of the following:

(1) Certify, in conformity with the requirements of Section 433.51 of Title 42 of the Code of Federal Regulations, that the claimed expenditures for outpatient services are eligible for federal financial participation.

(2) Provide evidence supporting the certification as specified by the department.

(3) Submit data as specified by the department to determine the appropriate amounts to claim as expenditures qualifying for federal financial participation.

(4) Keep, maintain, and have readily retrievable, any records specified by the department to fully disclose reimbursement amounts to which the eligible facility is entitled, and any other records required by the federal Centers for Medicare and Medicaid Services.

(f) An eligible facility as described in subdivision (b), as a condition of receiving supplemental reimbursement under this section, shall enter into, and maintain, a contract with the department for the purpose of implementing this section, and to reimburse the department for its administrative costs of implementing this section.

(g) (1) The department shall promptly seek any necessary federal approvals for the implementation of this section. If necessary to obtain federal approval, the department may limit the program to those costs that are allowable expenditures under Title XIX of the federal Social Security Act (Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code). If federal approval is not obtained for implementation of this section, this section shall become inoperative.

(2) The department shall submit claims for federal financial participation for the expenditures for the services described in subdivision (e) that are allowable expenditures under federal law.

(3) The department shall, on an annual basis, submit any necessary materials to the federal government to provide assurances that claims for federal financial participation will include only those expenditures that are allowable under federal law.

(h) All funds expended pursuant to this section are subject to review and audit by the department.

(i) This section shall become inoperative in the event, and on the date, of a final judicial determination by any court of appellate jurisdiction or a final determination by the administrator of the federal Centers for Medicare and Medicaid Services that the supplemental reimbursement provided in this section must be made to any facility not described in this section.

SEC. 332. Section 14105.96 of the Welfare and Institutions Code is amended to read:

14105.96. (a) Each eligible facility, as described in subdivision (b), may, in addition to the rate of payment that the facility would otherwise receive for Medi-Cal outpatient services, receive supplemental Medi-Cal reimbursement to the extent provided in this section.

(b) A facility shall be eligible for supplemental reimbursement only if the facility has all of the following characteristics continuously during a state fiscal year commencing with the 2002 fiscal year, and thereafter:

(1) Provides services to Medi-Cal beneficiaries.

(2) Is an acute care hospital providing outpatient hospital services. For purposes of this paragraph, "acute care hospital" means the facilities described by subdivision (a) or (b), or both, of Section 1250 of the Health and Safety Code.

(3) Is owned or operated by a county, city, city and county, the University of California, or health care district organized pursuant to

Division 23 (commencing with Section 32000) of the Health and Safety Code.

(c) An eligible facility's supplemental reimbursement pursuant to this section shall be calculated and paid as follows:

(1) The supplemental reimbursement to an eligible facility, as described in subdivision (b), shall be equal to the amount of federal financial participation received as a result of the claims submitted pursuant to paragraph (2) of subdivision (g).

(2) In no instance shall the amount certified pursuant to paragraph (1) of subdivision (e), when combined with the amount received from all other sources of reimbursement from the Medi-Cal program, exceed 100 percent of projected costs, as determined pursuant to the Medi-Cal State Plan, for outpatient services at each facility.

(3) The supplemental Medi-Cal reimbursement provided by this section shall be distributed under a payment methodology based on outpatient services provided to Medi-Cal patients at the eligible facility, either on a per-visit basis, per-procedure basis, or any other federally permissible basis. The department shall seek approval from the federal Centers for Medicare and Medicaid Services for the payment methodology to be utilized, and may not make any payment pursuant to this section prior to obtaining that approval.

(d) (1) It is the Legislature's intent in enacting this section to provide the supplemental reimbursement described in this section without any expenditure from the General Fund.

(2) The state share of the supplemental reimbursement submitted to the federal Centers for Medicare and Medicaid Services for purposes of claiming federal financial participation shall be paid only with funds from the governmental entities described in paragraph (3) of subdivision (b) and certified to the state as provided in subdivision (e).

(e) A particular governmental entity, described in paragraph (3) of subdivision (b), on behalf of any eligible facility owned or operated by the entity, shall do all of the following:

(1) Certify, in conformity with the requirements of Section 433.51 of Title 42 of the Code of Federal Regulations, that the claimed expenditures for the outpatient services are eligible for federal financial participation.

(2) Provide evidence supporting the certification as specified by the department.

(3) Submit data as specified by the department to determine the appropriate amounts to claim as expenditures qualifying for federal financial participation.

(4) Keep, maintain, and have readily retrievable, any records specified by the department to fully disclose reimbursement amounts to

which the eligible facility is entitled, and any other records required by the federal Centers for Medicare and Medicaid Services.

(f) An eligible facility as described in subdivision (b), as a condition of receiving supplemental reimbursement under this section, shall enter into and maintain a contract with the department for the purpose of implementing this section, and to reimburse the department for its administrative costs of operating this program.

(g) (1) The department shall promptly seek any necessary federal approvals for the implementation of this section. If necessary to obtain federal approval, the department may limit the program to those costs that are allowable expenditures under Title XIX of the federal Social Security Act (Subchapter 19 (commencing with Section 1396) of Chapter 7 of Title 42 of the United States Code). If federal approval is not obtained for implementation of this section, this section shall become inoperative.

(2) The department shall submit claims for federal financial participation for the expenditures for the services described in subdivision (e) that are allowable expenditures under federal law.

(3) The department shall, on an annual basis, submit any necessary materials to the federal government to provide assurances that claims for federal financial participation will include only those expenditures that are allowable under federal law.

(h) This section shall become inoperative in the event, and on the date, of a final judicial determination by any court of appellate jurisdiction or a final determination by the administrator of the federal Centers for Medicare and Medicaid Services that the supplemental reimbursement provided in this section must be made to any facility not described in this section.

SEC. 333. Section 14172 of the Welfare and Institutions Code is amended to read:

14172. (a) Except as provided in subdivision (b), if any amount is due and payable and unpaid as the result of an overpayment to a provider of health care services, durable medical equipment, or incontinence supplies identified through an audit or examination conducted by or on behalf of the director, and the findings of the audit or examination are completed and no appeal is taken or the director has issued a final decision on the appeal pursuant to Section 14171, and 90 days have elapsed from the completion of that audit or examination or issuance of that final decision on appeal, the director may, not later than three years after the payment became due and owing, file in the office of the Clerk of the Superior Court of Sacramento County, and with the clerk of the superior court of the county in which the provider has its principal place of business, a certificate containing the following:

(1) Interest, as prescribed by Section 14171.

(2) A statement that the director has complied with this article prior to the filing of the certificate.

(3) A request that judgment be entered against the provider in the amount set forth in the certificate.

The clerk immediately upon the filing of the certificate shall enter a judgment for the State of California against the provider in the amount set forth in the certificate. The judgment may be filed by the clerk in a looseleaf book entitled "Health Care Overpayment Recovery Judgments."

(b) If the provider seeks judicial review of the final decision of the director pursuant to subdivision (k) of Section 14171 and notice of that action is properly served on the director within 90 days of the issuance of the final decision of the director, the director shall not file any certificate as provided in subdivision (a).

If the provider does not seek judicial review of the final decision of the director pursuant to subdivision (k) of Section 14171 and does not properly serve notice within 90 days from the date of the final decision of the director, the director may file the certificate provided in subdivision (a). If the provider seeks judicial review of the final decision of the director more than 90 days from the date of the decision in accordance with subdivision (k) of Section 14171, the director shall within 10 days after receiving notice of that action release any lien imposed pursuant to this article and any judgment entered is for all purposes null and void.

SEC. 334. Section 15610.37 of the Welfare and Institutions Code is amended to read:

15610.37. "Health practitioner" means a physician and surgeon, psychiatrist, psychologist, dentist, resident, intern, podiatrist, chiropractor, licensed nurse, dental hygienist, licensed clinical social worker or associate clinical social worker, marriage, family, and child counselor, or any other person who is currently licensed under Division 2 (commencing with Section 500) of the Business and Professions Code, any emergency medical technician I or II, paramedic, or person certified pursuant to Division 2.5 (commencing with Section 1797) of the Health and Safety Code, a psychological assistant registered pursuant to Section 2913 of the Business and Professions Code, a marriage, family, and child counselor trainee, as defined in subdivision (c) of Section 4980.03 of the Business and Professions Code, or an unlicensed marriage, family, and child counselor intern registered under Section 4980.44 of the Business and Professions Code, state or county public health or social service employee who treats an elder or a dependent adult for any condition, or a coroner.

SEC. 335. Section 18969 of the Welfare and Institutions Code is amended to read:

18969. (a) There is hereby created in the State Treasury a fund which shall be known as the State Children's Trust Fund. The fund shall consist of funds received from a county pursuant to Section 18968, funds collected by the state and transferred to the fund pursuant to subdivision (b) of Section 103625 of the Health and Safety Code and Article 2 (commencing with Section 18711) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code, grants, gifts, or bequests made to the state from private sources to be used for innovative and distinctive child abuse and neglect prevention and intervention projects and money appropriated to the fund for this purpose by the Legislature. The State Registrar may retain a percentage of the fees collected pursuant to Section 10605 of the Health and Safety Code, not to exceed 10 percent, in order to defray the costs of collection.

(b) Money in the State Children's Trust Fund, upon appropriation by the Legislature, shall be allocated to the State Department of Social Services for the purpose of funding child abuse and neglect prevention and intervention programs. The department may not supplant any federal, state, or county funds with any funds made available through the State Children's Trust Fund.

(c) The department may establish positions as needed for the purpose of implementing and administering child abuse and neglect prevention and intervention programs that are funded by the State Children's Trust Fund. However, the department shall use no more than 5 percent of the funds appropriated pursuant to this section for administrative costs.

(d) No State Children's Trust Fund money shall be used to supplant state General Fund money for any purpose.

(e) It is the intent of the Legislature that the State Children's Trust Fund provide for all of the following:

(1) The development of a public-private partnership by encouraging consistent outreach to the private foundation and corporate community.

(2) Funds for large-scale dissemination of information that will promote public awareness regarding the nature and incidence of child abuse and the availability of services for intervention. These public awareness activities shall include, but not be limited to, the production of public service announcements, well designed posters, pamphlets, booklets, videos, and other media tools.

(3) Research and demonstration projects that explore the nature and incidence and the development of long-term solutions to the problem of child abuse.

(4) The development of a mechanism to provide ongoing public awareness through activities that will promote the charitable tax deduction for the trust fund and seek continued contributions. These activities may include convening a philanthropic roundtable, developing literature for use by the State Bar for dissemination, and

whatever other activities are deemed necessary and appropriate to promote the trust fund.

SEC. 336. Section 12.5 of Chapter 1449 of the Statutes of 1951 is amended to read:

Sec. 12.5. (a) Whenever the board initiates a project for single zone or a joint project for two or more zones, the board may appoint, for each zone, at the time of the adoption of its resolution of intent, an advisory committee of three persons who are property owners residing in the zone for which they are appointed, to represent before the board the residents and property owners of that zone. If the project involves property located within the jurisdiction of a city within the district, any advisory committee appointed pursuant to this section shall include at least one representative from the city appointed by the governing board of the city unless after notice to the city, the governing board of the city declines to be so represented.

(b) Vacancies in any advisory committee appointed pursuant to this section shall be filled by appointment by the board or, in the case of city representatives, by the city. The board shall comply with the requirements of Chapter 11 (commencing with Section 54970) of Part 1 of Division 2 of Title 5 of the Government Code in connection with appointments to the advisory committees.

(c) An advisory committee appointed pursuant to this section shall cease to exist if the zone project is not approved by the board, if the project is disapproved by the qualified electors of the zone, or if all zones involved with the project are dissolved in accordance with Section 37.

SEC. 337. Section 13 of Chapter 1449 of the Statutes of 1951 is amended to read:

Sec. 13. The board shall have all of the following powers, in any year:

(a) Subject to Article XIII A and Article XIII C of the California Constitution, to levy special taxes pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code, in each or any of the zones and participating zones to pay the cost and expenses of carrying out, constructing, maintaining, operating, extending, repairing or otherwise improving, carrying out, or completing any project established or to be established within or on behalf of the respective zones.

(b) Subject to Article XIII A and Article XIII C of the California Constitution, if as part of cooperation with any of the governmental bodies, as authorized in paragraph (7) of Section 5, a contract is entered into with any governmental body for the purposes set forth in that paragraph by the terms of which a project or any portion thereof is agreed to be performed by any governmental body in any specified zone or participating zones for the particular benefit thereof and in the contract

it is agreed that the district is to pay the governmental body a sum of money for the performance of the project by the governmental body, the board may levy and collect a special tax pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code, including a special tax upon the property in the zone or participating zones to raise funds to enable the district to make the payment, in addition to any other taxes or assessments authorized by this act.

(c) (1) Subject to Article XIII D of the California Constitution, to levy assessments pursuant to Section 53753 of the Government Code, upon all property in each or any zones, according to the benefits derived or to be derived by the specific properties assessed, to pay the cost and expenses of a project or projects carrying out any of the objects or purposes of this act of particular benefit to the zone or zones.

(2) For purposes of this subdivision, all of the following apply:

(A) The particular benefit conferred by drainage or flood control projects, including the maintenance thereof on the property so assessed as compared to all property within the district may be determined, in the discretion of the board in regard to each project and affected zone, by any reasonable method including, but not limited to, the proportionate stormwater runoff from the assessed property in light of the actual use and state of improvement of the property at the time of the assessment. However, no assessment based solely on proportionate stormwater runoff shall be levied on any property which exists and is used only as unimproved open space. If the project provides protection against flooding in a floodway or floodplain designated in a general or specific plan of the County of Napa or any city therein or a floodplain area or flood-risk zone established by the Secretary of Housing and Urban Development of the United States pursuant to Section 4101, et seq. of Title 42 of the United States Code, the fact that a lot or parcel of property is located within the floodway, floodplain, or flood-risk area shall be conclusive evidence that it will derive special benefit from the project as compared to properties in participating zones which are not located in those areas. Assessments based on the special benefit may be levied on lots and parcels of property in the specially benefited zone, in addition to assessments determined on the basis of proportionate stormwater runoff that may be levied in each of the participating zones.

(B) (i) The power of the board to levy assessments under this subdivision expressly includes, but is not limited to, the power to levy assessments in accordance with the Improvement Act of 1911 (Division 7 (commencing with Section 5000) of the Streets and Highways Code) and the Municipal Improvement Act of 1913 (Division 12 (commencing with Section 10000) of the Streets and Highways Code) and to issue bonds under the Improvement Act of 1911 (Division 7 (commencing

with Section 5000) of the Streets and Highways Code) and the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code). Those acts, or any of them, may be used in the discretion of the board to generate revenue to pay for the costs, including financing and interest costs, of any project under this act, and for the issuance of bonds to pay for the costs of that project.

(ii) Division 4 (commencing with Section 2800) and Division 4.5 (commencing with Section 3100) of the Streets and Highways Code do not apply to proceedings taken by the district under this subparagraph, except that Division 4.5 may be applied to any proceedings in the discretion of the board.

(iii) Any diagram prepared for purposes of any action taken under the acts described in this subparagraph may refer to the county assessor's maps for a detailed description of the lines and dimensions of any lots or parcels, in which case, those maps shall govern for all details concerning the lines and dimensions of those lots or parcels.

(C) Assessments levied to pay the annual costs of nonbonded obligations of the district for specific zone projects or for maintenance of joint projects whose construction was funded by bonds issued by another participating governmental entity shall be levied only in accordance with Section 13.5.

(d) Subject to Article XIII D of the California Constitution, to fix by resolution and to collect fees or charges for any services that the district is authorized to provide under this act that specifically benefit the person, entity, or property charged. These services include, but are not limited to, investigations or studies conducted in connection with the processing by any public entity of a public or private development project or land division, or for copies of any public records. However, the fees or charges shall not exceed the reasonable cost to the district of providing the service and the service shall be provided by the district either upon request by the person, entity, or property owner charged or shall be provided to, and at the request of, a public entity, other than the district, for use in connection with the evaluation by that public entity of a request for development or other entitlement for use of land that has been made by the person, entity, or property owner that is charged the fee or charge.

(e) All special taxes and assessments shall be levied and collected together with, and not separately from, taxes for county purposes, and the revenues derived from the special taxes or assessments shall be paid into the county treasury to the credit of the district, or the respective zones thereof, and the board shall have the power to control and order the expenditure thereof for those purposes. However, no revenues, or portions thereof, derived in any of the several zones from the special

taxes or assessments shall be expended for projects located in, or conferring benefit upon, any other zone, except in the case of joint projects, or for projects authorized or established outside the zone, or zones, but for the benefit thereof.

SEC. 338. Section 13.5 of Chapter 1449 of the Statutes of 1951 is amended to read:

Sec. 13.5. (a) All assessments levied to fund the nonbonded portion of any project that has been approved for a zone or participating zones in accordance with Section 12 shall be levied annually in accordance with the following procedures, if the assessment and methodology were approved prior to July 1, 1997:

(1) For each fiscal year in which an assessment is to be imposed under this section, the board shall first cause a written report to be prepared in compliance with Section 10 and filed with the secretary of the district for submission to the board for approval.

(2) Upon receipt, the secretary of the district shall cause notice of the filing of the report and of a time, date, and place of hearing thereon to be published pursuant to Section 6066 of the Government Code, posted in at least three public places within the affected zones and participating zones, and mailed or otherwise delivered to any city located within or partially within the zones and participating zones.

(3) Following the public hearing on the report, the board shall approve, approve with modifications, or reject the report. If the report is rejected, the board may, in its discretion, abandon the assessment process for that fiscal year or may return the report to the engineer or district staff for further work.

(4) After approval of the report, either as filed or as modified, the board shall adopt a resolution of intention to levy assessments under this section. The resolution of intention shall include all of the following:

(A) Declare the intention of the board to levy and collect assessments within the designated zones for the fiscal year therein stated, except that it shall not impose an assessment upon a federal or state governmental agency or another local agency except with the consent of that agency.

(B) Generally describe the project. If the project was previously approved by the board, existing components shall be described.

(C) Refer to the affected zone or participating zones by their distinctive designations and indicate the general location of the zone or zones.

(D) Refer to the report of the engineer prepared and filed under this section for a full and detailed description of the project, the location of the benefitted zones, and the proposed assessments on assessable property within the district.

(E) Set the date, time, and place for hearing by the board on the levy of the proposed assessments and, if the assessments are to be increased

from the previous year. Also set the date, time, and place for a public meeting to be held on the proposed assessments prior to the public hearing.

(F) If the assessment is for an existing project, state whether the assessment will be increased from the previous year.

(5) Notice of the hearing on the levy of the assessments shall include a copy of the resolution of intention and shall indicate the right of registered voters residing within and landowners owning assessable property within the affected zones to file written protests prior to or at the hearing. The notice shall be given as follows:

(A) If the assessments are to be levied in the same or lesser amounts than in any previous year, the secretary of the district shall give notice of the hearing by causing the resolution of intention to be published pursuant to Section 6061 of the Government Code.

(B) If assessments are to be increased from the previous year, notice of the public meeting and public hearing required by Section 54954.6 of the Government Code shall be mailed as provided in subdivision (c) of that section.

(C) If the projects for which the assessments are to be levied or any of the assessable property is located within a city or town within the district, notice of the public hearing and, if applicable, the public meeting held under subdivision (c) of Section 54954.6 of the Government Code, shall also be mailed or personally delivered to the chief administrative officer of the city at least 10 days prior to the public hearing.

(6) (A) If, at the conclusion of the public hearing, the board finds that written protests filed at or before the time of the hearing are signed by more than 25 percent of the registered voters residing within the affected zone or the owners of more than 25 percent of the area of land subject to assessment located in each affected zone, based upon those acreages shown on the latest county assessment records, and the protests have not been withdrawn prior to the time of closure of the public hearing so as to reduce the protest in each zone below that percentage, then the board shall either abandon the proceedings, or by duly adopted resolution, submit the proposed assessments to the qualified electors in the zone from which the protest was received and not so reduced. The board shall not proceed further with the proceedings as to that zone unless a majority of the votes cast at the election in the zone are in favor of the levy of the assessments. The election shall be held in accordance with the Uniform District Election Law (Part 4 (commencing with Section 10500) of Division 10 of the Elections Code).

(B) The board may approve the assessment unless the board finds that written protests filed at or before the time of the hearing are signed by more than 25 percent of the registered voters residing within the affected

zone, or the owners of more than 25 percent of the real property subject to assessment located in the affected zone, based upon those averages shown on the latest county assessment records, and those protests have not been withdrawn prior to the time of closure of the public hearing so as to reduce the protest in each zone below that percentage. If a protest is received and not withdrawn, the assessment shall be withdrawn. The board may, at its discretion, reduce the amount of the assessments or abandon the proceedings.

(7) If the board abandons the proceedings rather than call an election, or if the proposition fails passage, the board shall not initiate similar proceedings within a period of six months from the date of adoption of the resolution ordering abandonment or the date of the election.

(8) If the proposed levy is not abandoned by the board voluntarily, or, as a result of receipt of a qualified 25 percent protest under paragraph (6), or, if the matter is set for election, by receipt of less than majority approval by the voters, the board shall, by resolution adopted following the public hearing or, if the proposition is approved at an election, by resolution adopted by the board upon certification of the election results, approve, impose, and levy the assessments for the next fiscal year.

(9) Following the approval of the resolution levying the assessments, the board may order any particular assessment levied under this section to be corrected, canceled, or refunded if the assessment was imposed in error and the nature of the error could not have been reasonably ascertained by the board or the property owner prior to the action of the board imposing the assessment. Application for correction, cancellation, or refund under this paragraph shall be made in accordance with those procedures for appeal prescribed by resolution of the board, except that the time period prescribed by that resolution for filing a notice of appeal shall commence to run no earlier than the first date when the property owner reasonably could have known that the assessment was imposed in error.

(b) The imposition of an assessment pursuant to a methodology approved on or after July 1, 1997, for the purpose of funding a project pursuant to Section 12 shall be approved in accordance with Article XIII D of the California Constitution, and Section 53753 of the Government Code.

SEC. 339. Section 14 of Chapter 1449 of the Statutes of 1951 is amended to read:

Sec. 14. (a) Whenever the board determines that a bonded indebtedness should be incurred to pay the cost of any project in any zone or zones, and the board does not choose to finance the project in accordance with the procedures set forth in any of the acts, the board may by resolution determine and declare the respective amounts of bonds necessary to be issued in each zone in order to raise the amount of money

necessary for each project and the denomination and maximum rate of interest of the bonds. The board shall cause a copy of the resolution, duly certified by the clerk, to be filed for record in the office of the recorder of Napa County within five days after its issuance.

(b) After the filing for record of the certified copy of the resolution specified in subdivision (a), the board may call a special bond election in the zone or participating zones at which shall be submitted to the qualified electors of the zone or participating zones the question whether or not bonds shall be issued in the amount or amounts determined in the resolution and for the purpose or purposes therein stated. The bonds and the interest thereon shall be paid from revenue derived from taxes levied as provided in this act.

(c) The board shall call the special bond election by ordinance and submit to the qualified electors of the zone or participating zones the preparation of incurring a bonded debt in the zone or participating zones in the amount and for the purposes stated in the resolution and shall recite therein the objects and purposes for which the indebtedness is proposed to be incurred. It shall be sufficient to give a brief, general description of the objects and purposes and refer to the recorded copy of the resolution for particulars. The ordinance shall also state the estimated cost of the proposed project, the amount of the principal of the indebtedness to be incurred therefor, and the maximum rate of interest to be paid on the indebtedness, and shall fix the date on which the election shall be held and the form and contents of the ballot to be used. For the purposes of the election, the board shall in the ordinance establish special bond election precincts within the boundaries of each zone and participating zones and may form election precincts by consolidating the precincts established for general elections in the district to a number not exceeding six general precincts for each special bond election precinct, and shall designate a polling place and appoint one inspector, one judge, and one clerk for each of the special bond election precincts.

(d) In all particulars not recited in the ordinance, the bond election shall be held as nearly as practicable in accordance with the Uniformed District Election Law (Part 4 (commencing with Section 10500) of Division 10 of the Elections Code).

(e) The board shall cause a map or maps to be prepared generally describing the project and showing the location of the proposed project and area to be benefited thereby and shall cause the map to be posted in a prominent public place in the county seat of the County of Napa for public inspection for at least 30 days before the date fixed for the election.

(f) The ordinance calling for the bond election shall, prior to the date set for the election, be published pursuant to Section 6066 of the Government Code in a newspaper of general circulation circulated in

each zone and participating zones affected. The last publication of the ordinance shall be at least 14 days before the election. If there is no newspaper, then the ordinance shall be posted in five public places designated by the board in each zone and participating zones for at least 30 days before the date fixed for the election.

(g) Any defect or irregularity in the proceedings prior to the calling of the special bond election shall not affect the validity of the bonds authorized by the election. Where a project affects a single zone only, if at the election two-thirds of the votes cast in the zone on the proposition of incurring a bonded indebtedness are in favor thereof, then bonds for the zone for the amounts stated in the proceedings shall be issued and sold as provided in this act. Where the incurring of a bonded indebtedness by participating zones is to be determined at the election, no bonds for any of the participating zones shall be issued or sold unless two-thirds of the votes cast on the proposition in each participating zone are in favor of incurring a bonded indebtedness to be undertaken by the zone.

SEC. 340. Section 1 of Chapter 483 of the Statutes of 2002 is amended to read:

Section 1. (a) The Legislature finds and declares all of the following:

(1) Many different state, district, city, county, municipal, and public agency governmental entities purchase prescription drugs for individuals served by those entities.

(2) Currently, the Department of General Services uses the bid process to develop contracts with drug manufacturers on behalf of some state, local, and public agencies. However, many state, district, county, city, municipal, and public agencies are not included in this current purchasing process.

(3) The Department of General Services does not have sufficient direction from the Legislature to maximize savings.

(4) By better coordinating bulk purchasing contracts and providing purchasing procedures and options, the Department of General Services may be able to negotiate better prices for drugs on behalf of participating governmental entities.

(b) It is the intent of the Legislature in enacting this act to coordinate bulk purchasing of prescription drugs, and authorize the Department of General Services to investigate and implement other options and strategies to achieve the greatest savings on prescription drugs with prescription drug manufacturers and wholesalers.

SEC. 341. Section 1 of Chapter 575 of the Statutes of 2002 is amended to read:

Section 1. The Legislature finds and declares all of the following:

(a) It is the policy of the state to protect human health and environmental well-being.

(b) The purpose of environmentally preferable purchasing is to protect human health and environmental well-being by reducing the procurement of goods and services that result in larger volumes of waste and pollutants.

(c) Goods and services that result in reduced volumes of waste and pollutants have additional value when considering future environmental and health costs.

(d) The state, through environmentally preferable purchasing, has the ability to protect human health and environmental well-being by promoting goods and services that result in reduced waste and pollutants.

(e) The Legislature declares that the responsibility of environmentally preferable purchasing shall be that of any agency that does procuring on behalf of the state.

(f) It is the intent of the Legislature, whenever economically feasible and as markets allow, to continually expand the policies of environmentally preferable purchasing in the daily operations of the state.

SEC. 342. Section 1 of Chapter 583 of the Statutes of 2002 is amended to read:

Section 1. The sum of one million three hundred sixty thousand seven hundred two dollars and seventy-four cents (\$1,360,702.74) is hereby appropriated from the General Fund to the Attorney General for allocation to pay the following judgments and settlement claims pursuant to the following schedule:

(a) Nine hundred ninety-nine thousand eighty-five dollars and forty-five cents (\$999,085.45) for the judgment in the case of Jesus Doe, et al. v. Regents of the University of California, et al. (San Francisco Superior Court No. 965090).

(b) Three hundred sixty-one thousand six hundred seventeen dollars and twenty-nine cents (\$361,617.29) for the judgment in the case of Gregorio T., et al. v. Wilson, et al. and Ayala, et al. v. Wilson, et al. (D.C., C.D. Cal. No. 94-7652 MRP).

SEC. 343. Section 1 of Chapter 697 of the Statutes of 2002 is amended to read:

Section 1. (a) In light of the events of September 11, 2001, it is very clear that a high-speed passenger train network as described in the High-Speed Rail Authority's Business Plan is essential for the transportation needs of the growing population and economic activity of this state.

(b) The initial high-speed train network linking San Francisco and the Bay Area to Los Angeles will serve as the backbone of what will become

an extensive 700-mile system that will link all of the state's major population centers, including Sacramento, the Bay Area, the Central Valley, Los Angeles, the Inland Empire, Orange County, and San Diego, and address the needs of the state.

(c) The initial network from San Francisco and the Bay Area to Southern California could be in limited operation by 2008.

(d) The high-speed passenger train bond funds are intended to encourage the federal government and the private sector to make a significant contribution toward the construction of the high-speed train network.

(e) The initial segments shall be built in a manner that yields maximum benefit consistent with available revenues.

(f) After the initial investment from the state, operating revenues from the initial segments and funds from the federal government and the private sector will be used to pay for expansion of the system. It is the intent of the Legislature that the entire high-speed train system shall be constructed as quickly as possible in order to maximize ridership and the mobility of Californians.

(g) At a minimum, the entire 700-mile system described in the High-Speed Rail Authority's Business Plan should be constructed and in revenue service by 2020.

SEC. 344. Section 5 of Chapter 1020 of the Statutes of 2002 is amended to read:

Sec. 5. (a) The funds appropriated by Schedule (4) of Item 6110-123-0001 of Section 2.00 of the Budget Act of 2002 for purposes of corrective actions undertaken at schools in need of improvement, and the amount of twenty-nine million eighty-six thousand dollars (\$29,086,000), from the funds appropriated by Schedule (1) of Item 6110-136-0890 of Section 2.00 of the Budget Act of 2002 for purposes of Title I of the Elementary and Secondary Education Act of 1965 (20 U.S.C. Sec. 6301 et seq.), shall be allocated by the State Department of Education, to school districts and county offices of education for expenditure during the 2002-03 fiscal year, as follows:

(1) The amount of one hundred fifty dollars (\$150) per pupil for each pupil in a school that is required to enter into a contract with a school assistance and intervention team pursuant to subdivision (a) of Section 52055.51 of the Education Code, for purposes of implementing any recommendations made by the school assistance and intervention team in the report prepared by the team pursuant to subdivision (d) of Section 52055.51 of the Education Code. School districts that receive funds under this paragraph shall provide an in-kind match of services, or a match of school district funds in an amount equal to the amount received by the local education agency pursuant to this paragraph.

(2) (A) The amount of one hundred fifty dollars (\$150) per pupil for each pupil in a school that is managed in accordance with paragraph (3) of subdivision (b) of Section 52055.5 of the Education Code, for purposes of improving the academic performance of that school. School districts that receive funds under this paragraph shall provide an in-kind match of services, or a match of school district funds in an amount equal to the amount received by the local education agency pursuant to this paragraph.

(B) The Department of Finance and the State Department of Education shall provide funding for the support of each entity that is assigned to manage a school pursuant to paragraph (3) of subdivision (b) of Section 52055.5 of the Education Code.

(3) Funding for the support of each school assistance and intervention team that enters into a contract with a school district pursuant to subdivision (a) of Section 52055.51 of the Education Code shall be allocated as follows:

(A) Seventy-five thousand dollars (\$75,000) for each school assistance and intervention team assigned to an elementary or middle school.

(B) One hundred thousand dollars (\$100,000) for each school assistance and intervention team assigned to a high school.

(C) If a school district determines that it needs more than the amounts specified in subparagraph (A) or (B), the school district may apply to the State Department of Education for additional funding. The application shall include justification for the requested increase. The State Department of Education and the Department of Finance shall review any applications and may provide funding up to a total funding level of one hundred twenty-five thousand dollars (\$125,000), including the amount provided pursuant to subparagraph (A) or (B).

(D) As a condition of receipt of funds, a school district shall provide an in-kind match of services, or a match of school district funds, in an amount equal to one dollar (\$1) for every two dollars (\$2) provided pursuant to subparagraph (A), (B), or (C).

(4) The amount of seven million five hundred thousand dollars (\$7,500,000) shall be available for use by the State Department of Education for the purposes of the Statewide System of School Support established by Article 4.2 (commencing with Section 52059) of Chapter 6.1 of Part 28 of the Education Code.

(5) The State Department of Education shall provide seventy-five thousand dollars (\$75,000) to each regional consortium that has at least one school that has been identified as being in need of corrective action pursuant to subsection (b) of Section 6316 of Title 20 of the United States Code. These funds shall be used to establish a team to assist these schools improve pupil performance. Team members shall possess a high

degree of knowledge and skills in the areas of school leadership, curriculum, and instruction aligned to state academic content and performance standards, classroom management and discipline, academic assessment, parent-school relations, and evaluation and research-based reform strategies, and shall have proven successful expertise specific to the challenges inherent in improving the performance of schools. A consortium with many schools identified as being in need of corrective action may apply to the State Department of Education for additional funding for the establishment of a team. The State Department of Education and the Department of Finance shall review any applications for additional funding and may provide up to an additional fifty thousand dollars (\$50,000) to a consortium that justifies the need.

(b) Of the funds appropriated in Schedule (1) of Item 6110-123-0890 of Section 2.00 of the Budget Act of 2002, up to one million five hundred thousand dollars (\$1,500,000) shall be transferred to Item 6110-001-0890 of Section 2.00 of the Budget Act of 2002 for state operations costs related to this measure, based on the expenditure plan jointly developed by the Department of Finance and the State Department of Education.

(c) Funding for the purposes described in this section shall only be provided for three years.

(d) The Department of Finance and the Superintendent of Public Instruction shall review and recommend any changes to the funding allocated pursuant to subdivision (a) to the Governor and the Legislature by no later than April 15, 2004.

(e) The State Board of Education and the Superintendent of Public Instruction shall notify the chairs of the fiscal and policy committees that consider education and appropriations in each house of the Legislature of any plan for the expenditure of funds pursuant to subdivision (a), within 30 days of adopting the plan.

SEC. 345. Section 1 of Chapter 1060 of the Statutes of 2002 is amended to read:

Section 1. The Legislature finds and declares all of the following:

(a) The year 2002 marks the 30th anniversary of the enactment of Title IX of the Education Amendments of 1972 (20 U.S.C. Sec. 1681 et seq.), a federal statute that prohibits sex discrimination in schools and other educational programs receiving federal funds. Title IX applies to all aspects of educational opportunities, but is especially well known for its success in opening the door to athletics for women and girls.

(b) Title IX requires affected schools and programs to do the following: offer male and female students equal opportunities to play sports; treat male and female athletes fairly; and give male and female athletes their fair share of athletic scholarship money.

(c) Prior to the enactment of Title IX, only one in 27 girls participated in high school sports, compared to one in two boys.

(d) In 2000–01, 2,784,154 girls or 41.5 percent of the total number of participants and 3,921,069 boys or 58.5 percent of the total number of participants played high school sports in this country according to the National Federation of State High School Associations. In 1972, there were only 294,015 girls participating on athletic teams in the whole country.

(e) In California, there were 271,203 girls or 41.3 percent of the total number of participants and 386,037 boys or 58.7 percent of the total number of participants competing in interscholastic sports in 2000–01.

(f) At California's 103 community colleges with athletic programs, there were 7,623 female athletes or 36 percent of the total number of participants and 13,529 male athletes or 64 percent of the total number of participants in 2000–01 according to the Commission on Athletics.

(g) In 1972, there were only 31,852 women on athletic teams at the college level in the whole country. By 2002, that number had jumped to 146,617. In 1972, no women received athletic scholarships. By 2002, one hundred eighty million dollars (\$180,000,000) was received by women athletes, according to the National Collegiate Athletic Association.

(h) An athletic program can be considered gender equitable when the participants in both the men's and women's sports programs would accept as fair and equitable the overall program of the other gender.

(i) The benefits of athletic activity for girls and women are irrefutable. High school girls who play sports are less likely to be involved in an unwanted pregnancy, may reduce a teenage girl's risk of breast cancer by 60 percent, and helps to strengthen bone mass, thereby reducing the risk of osteoporosis. Girls and women who play sports have higher levels of confidence, lower levels of depression, a more positive body image, and experience a higher state of psychological well-being. Athletics also teaches girls and women teamwork, goal-setting, and the pursuit of excellence.

(j) While many educational institutions have made a conscientious effort to provide an athletic program that is equitable to both male and female students, others have not exhibited the same level of effort or have intentionally chosen to continue discriminatory practices.

(k) In late January 2002, the Orange County Register ran a series of articles following an extensive investigation of athletic equity issues at California's community colleges. Many areas of concern were brought to light in that series. In response, some colleges are taking their responsibilities regarding athletic equity much more seriously.

(l) While significant progress has been made since the passage of Title IX in 1972, the numbers indicate that female athletes are still not

provided equal athletic opportunity at many high schools, colleges, and universities throughout the state. A survey report, pinpointing areas of weakness and recommending strategies to improve the various components of athletic equity, will allow California to assume a leadership role in compliance with this 30-year-old federal statute.

(m) As used in this act, "Title IX" refers to Title IX of the Education Amendments of 1972 (20 U.S.C. Sec. 1681 et seq.).

SEC. 346. Any section of any act enacted by the Legislature during the 2003 calendar year that takes effect on or before January 1, 2004, and that amends, amends and renumbers, adds, repeals and adds, or repeals a section that is amended, amended and renumbered, added, 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 2003 calendar year and takes effect on or before January 1, 2004, amends, amends and renumbers, adds, repeals and adds, or repeals any section contained in that article, chapter, part, title, or division.

CHAPTER 63

An act to amend Sections 13570 and 13651 of the Business and Professions Code, relating to motor vehicle fuel.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 13570 of the Business and Professions Code is amended to read:

13570. (a) A manufacturer, blender, agent, jobber, consignment agent, or distributor who distributes motor fuel products that contain at least 1 percent alcohol by volume, shall state on an invoice, bill of lading, shipping paper, or other documentation used in normal and customary business practices, the percentage of alcohol, the type of alcohol, and, except in documentation certifying the octane rating of gasoline as required by federal law, the minimum antiknock index number, as defined in Section 13403, of the products distributed.

(b) If a motor vehicle fuel product contains less than 10% percent alcohol, a statement in the documentation that the product "contains up

to 10% ethanol” meets the requirement of subdivision (a) that it state the percentage of alcohol.

(c) This section, as it relates to certification of the minimum antiknock index number, applies to all motor vehicle gasoline distributed.

SEC. 2. Section 13651 of the Business and Professions Code is amended to read:

13651. (a) (1) On and after January 1, 2000, every service station in this state shall provide, during operating hours, and make available at no cost to customers who purchase motor vehicle fuel, water, compressed air, and a gauge for measuring air pressure, to the public for use in servicing any passenger vehicle, as defined in Section 465 of the Vehicle Code, or any commercial vehicle, as defined in Section 260 of the Vehicle Code, with an unladen weight of 6,000 pounds or less.

(2) Every service station in this state shall display, at a conspicuous place on, at, or near the dispensing apparatus, at least one clearly visible sign which shall read as follows: “CALIFORNIA LAW REQUIRES THIS STATION TO PROVIDE FREE AIR AND WATER FOR AUTOMOTIVE PURPOSES TO ITS CUSTOMERS WHO PURCHASE MOTOR VEHICLE FUEL. IF YOU HAVE A COMPLAINT NOTIFY THE STATION ATTENDANT AND/OR CALL THIS TOLL-FREE TELEPHONE NUMBER: 1 (800) _____.” This sign shall meet the requirements of Sections 13473 and 13474 with regard to letter size and contrast. As used in this paragraph, automotive purposes does not include the washing of vehicles.

(b) (1) On and after January 1, 1990, every service station in this state located within 660 feet of an accessible right-of-way of an interstate or primary highway, as defined in Sections 5215 and 5220, shall provide, during business hours public restrooms for use by its customers. Service stations shall not charge customers separately for the use of restroom facilities.

(2) The public restroom shall not be temporary or portable but shall be permanent and shall include separate facilities for men and women, each with toilets and sinks suitable for use by disabled persons in accordance with Section 19955.5 of the Health and Safety Code and Title 24 of the California Code of Regulations. However, a service station not located along an interstate highway and in a rural area, as defined by Section 101 of Title 23 of the United States Code, and where the annualized average daily traffic count is 2,500 vehicles or less, is only required to provide a single restroom to be used by both men and women unless the local legislative body or, upon designation by the local legislative body, the local building official determines and finds, based upon traffic studies and local or seasonal tourist patterns, that a single restroom would be inadequate to serve the public. In that event, the

single restroom exemption shall not apply. The single restroom shall contain a toilet, urinal, and sink suitable for use by disabled persons as required by the Americans With Disabilities Act and Title 24 of the California Code of Regulations. The single restroom shall be equipped with a locking mechanism to be operated by the user of the restroom and the restroom shall be maintained in a clean and sanitary manner.

(3) This subdivision does not apply to service stations that are operational prior to January 1, 1990, and that would be obligated to construct permanent restroom facilities to comply with this subdivision.

(4) For the purposes of this subdivision, "customer" means a person who purchases any product available for sale on the premises of the service station, including items not related to the repairing or servicing of a motor vehicle.

(c) Every service station in this state shall display, at a conspicuous place on, at, or near the dispensing apparatus or at or near the point of sale, at least one clearly visible sign showing a list of applicable state and federal fuel taxes per gallon of motor vehicle fuel sold from the dispensing apparatus. The sign may display the federal excise tax rate as "up to \$.184."

(d) (1) The Division of Measurement Standards of the Department of Food and Agriculture shall, no later than January 1, 2001, establish a toll-free customer complaint telephone number. The toll-free telephone number thereby established shall be printed on the sign required pursuant to paragraph (2) of subdivision (a).

(2) Notwithstanding any other provision of law, employees of the Division of Measurement Standards, upon inspection, or upon notice of a complaint forwarded pursuant to this section, are empowered to investigate a complaint against a service station for lack of free air and water and issue a citation to the station, and to collect a fine of two hundred fifty dollars (\$250) per valid complaint, unless the citation is challenged in court. No citation shall be issued if the air and water equipment is in good working order upon initial inspection, or if they are repaired to the satisfaction of the inspecting entity within 10 working days of the initial inspection. In addition, no citation based on nonfunctional air and water equipment shall be issued if the service station can establish that the equipment has been the target of repeated vandalism, substantiated by three or more police reports within six months detailing the vandalism.

CHAPTER 64

An act to amend Section 704.730 of the Code of Civil Procedure, relating to homesteads.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 704.730 of the Code of Civil Procedure is amended to read:

704.730. (a) The amount of the homestead exemption is one of the following:

(1) Fifty thousand dollars (\$50,000) unless the judgment debtor or spouse of the judgment debtor who resides in the homestead is a person described in paragraph (2) or (3).

(2) Seventy-five thousand dollars (\$75,000) if the judgment debtor or spouse of the judgment debtor who resides in the homestead is at the time of the attempted sale of the homestead a member of a family unit, and there is at least one member of the family unit who owns no interest in the homestead or whose only interest in the homestead is a community property interest with the judgment debtor.

(3) One hundred fifty thousand dollars (\$150,000) if the judgment debtor or spouse of the judgment debtor who resides in the homestead is at the time of the attempted sale of the homestead any one of the following:

(A) A person 65 years of age or older.

(B) A person physically or mentally disabled and as a result of that disability is unable to engage in substantial gainful employment. There is a rebuttable presumption affecting the burden of proof that a person receiving disability insurance benefit payments under Title II or supplemental security income payments under Title XVI of the federal Social Security Act satisfies the requirements of this paragraph as to his or her inability to engage in substantial gainful employment.

(C) A person 55 years of age or older with a gross annual income of not more than fifteen thousand dollars (\$15,000) or, if the judgment debtor is married, a gross annual income, including the gross annual income of the judgment debtor's spouse, of not more than twenty thousand dollars (\$20,000) and the sale is an involuntary sale.

(b) Notwithstanding any other provision of this section, the combined homestead exemptions of spouses on the same judgment shall not exceed the amount specified in paragraph (2) or (3), whichever is applicable, of subdivision (a), regardless of whether the spouses are jointly obligated on the judgment and regardless of whether the

homestead consists of community or separate property or both. Notwithstanding any other provision of this article, if both spouses are entitled to a homestead exemption, the exemption of proceeds of the homestead shall be apportioned between the spouses on the basis of their proportionate interests in the homestead.

CHAPTER 65

An act to add Section 5917.5 to the Corporations Code, relating to corporations.

[Approved by Governor July 14, 2003. Filed with
Secretary of State July 14, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 5917.5 is added to the Corporations Code, to read:

5917.5. The Attorney General shall not consent to a health facility agreement or transaction pursuant to Section 5914 or Section 5920 in which the seller restricts the type or level of medical services that may be provided at the health facility that is the subject of the agreement or transaction.

CHAPTER 66

An act to amend Section 7316 of the Business and Professions Code, relating to barbering and cosmetology, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 2003. Filed with
Secretary of State July 15, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 7316 of the Business and Professions Code is amended to read:

7316. (a) The practice of barbering is all or any combination of the following practices:

- (1) Shaving or trimming the beard or cutting the hair.
- (2) Giving facial and scalp massages or treatments with oils, creams, lotions, or other preparations either by hand or mechanical appliances.

(3) Singeing, shampooing, arranging, dressing, curling, waving, chemical waving, hair relaxing, or dyeing the hair or applying hair tonics.

(4) Applying cosmetic preparations, antiseptics, powders, oils, clays or lotions to scalp, face, or neck.

(5) Hairstyling of all textures of hair by standard methods which are current at the time of the hairstyling.

(b) The practice of cosmetology is all or any combination of the following practices:

(1) Arranging, dressing, curling, waving, machineless permanent waving, permanent waving, cleansing, cutting, shampooing, relaxing, singeing, bleaching, tinting, coloring, straightening, dyeing, applying hair tonics to, beautifying, or otherwise treating by any means, the hair of any person.

(2) Massaging, cleaning or stimulating the scalp, face, neck, arms, or upper part of the human body, by means of the hands, devices, apparatus or appliances, with or without the use of cosmetic preparations, antiseptics, tonics, lotions, or creams.

(3) Beautifying the face, neck, arms, or upper part of the human body, by use of cosmetic preparations, antiseptics, tonics, lotions, or creams.

(4) Removing superfluous hair from the body of any person by the use of depilatories or by the use of tweezers, chemicals, preparations or by the use of devices or appliances of any kind or description, except by the use of light waves, commonly known as rays.

(5) Cutting, trimming, polishing, tinting, coloring, cleansing, or manicuring the nails of any person.

(6) Massaging, cleansing, treating, or beautifying the hands or feet of any person.

(c) Within the practice of cosmetology there exist the specialty branches of skin care, and nail care.

(1) Skin care is any one or more of the following practices:

(A) Giving facials, applying makeup, giving skin care, removing superfluous hair from the body of any person by the use of depilatories, tweezers or waxing, or applying eyelashes to any person.

(B) Beautifying the face, neck, arms, or upper part of the human body, by use of cosmetic preparations, antiseptics, tonics, lotions, or creams.

(C) Massaging, cleaning, or stimulating the face, neck, arms, or upper part of the human body, by means of the hands, devices, apparatus, or appliances, with the use of cosmetic preparations, antiseptics, tonics, lotions, or creams.

(2) Nail care is the practice of cutting, trimming, polishing, coloring, tinting, cleansing, or manicuring the nails of any person or massaging, cleansing, or beautifying the hands or feet of any person.

(d) The practice of barbering and the practice of cosmetology do not include any of the following:

(1) The mere sale, fitting, or styling of wigs or hairpieces.

(2) Natural hair braiding. Natural hair braiding is a service that results in tension on hair strands or roots by twisting, wrapping, weaving, extending, locking, or braiding by hand or mechanical device, provided that the service does not include hair cutting or the application of dyes, reactive chemicals, or other preparations to alter the color of the hair or to straighten, curl, or alter the structure of the hair.

(3) Threading. Threading is a technique that results in removing hair by twisting thread around unwanted hair and pulling it from the skin. This paragraph shall become inoperative on July 1, 2007.

(e) The board shall report any complaints received on the practice of threading to the department and the Joint Legislative Sunset Review Committee no later than September 1, 2005.

(f) Notwithstanding paragraph (2) of subdivision (d), a person who engages in natural hairstyling, which is defined as the provision of natural hair braiding services together with any of the services or procedures defined within the regulated practices of barbering or cosmetology, is subject to regulation pursuant to this chapter and shall obtain and maintain a barbering or cosmetology license as applicable to the services respectively offered or performed.

(g) Electrolysis is the practice of removing hair from, or destroying hair on, the human body by the use of an electric needle only.

“Electrolysis” as used in this chapter includes electrolysis or thermolysis.

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 the regulatory changes proposed by this act become effective as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 67

An act to amend Section 22851.3 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 15, 2003. Filed with
Secretary of State July 15, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 22851.3 of the Vehicle Code is amended to read:

22851.3. Whenever a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, or any other employee of a public agency authorized pursuant to Section 22669, removes, or causes the removal of, a vehicle pursuant to Section 22669 and the public agency or, at the request of the public agency, the lienholder determines the estimated value of the vehicle is five hundred dollars (\$500) or less, the public agency that removed, or caused the removal of, the vehicle shall cause the disposal of the vehicle under this section, subject to all of the following requirements:

(a) Not less than 72 hours before the vehicle is removed, the peace officer or the authorized public employee has securely attached to the vehicle a distinctive notice which states that the vehicle will be removed by the public agency. This subdivision does not apply to abandoned vehicles removed pursuant to subdivision (d) of Section 22669 which are determined by the public agency to have an estimated value of three hundred dollars (\$300) or less.

(b) Immediately after removal of the vehicle, the public agency which removed, or caused the removal of, the vehicle shall notify the Stolen Vehicle System of the Department of Justice in Sacramento of the removal.

(c) The public agency that removed, or caused the removal of, the vehicle or, at the request of the public agency, the lienholder shall obtain a copy of the names and addresses of all persons having an interest in the vehicle, if any, from the Department of Motor Vehicles either directly or by use of the California Law Enforcement Telecommunications System. This subdivision does not require the public agency or lienholder to obtain a copy of the actual record on file at the Department of Motor Vehicles.

(d) Within 48 hours of the removal, excluding weekends and holidays, the public agency that removed, or caused the removal of, the vehicle or, at the request of the public agency, the lienholder shall send a notice to the registered and legal owners at their addresses of record with the Department of Motor Vehicles, and to any other person known to have an interest in the vehicle. A notice sent by the public agency shall be sent by certified or first-class mail, and a notice sent by the lienholder shall be sent by certified mail. The notice shall include all of the following information:

(1) The name, address, and telephone number of the public agency providing the notice.

(2) The location of the place of storage and description of the vehicle which shall include, if available, the vehicle make, license plate number, vehicle identification number, and mileage.

(3) The authority and purpose for the removal of the vehicle.

(4) A statement that the vehicle may be disposed of 15 days from the date of the notice.

(5) A statement that the owners and interested persons, or their agents, have the opportunity for a poststorage hearing before the public agency that removed, or caused the removal of, the vehicle to determine the validity of the storage if a request for a hearing is made in person, in writing, or by telephone within 10 days from the date of notice; that, if the owner or interested person, or his or her agent, disagrees with the decision of the public agency, the decision may be reviewed pursuant to Section 11523 of the Government Code; and that during the time of the initial hearing, or during the time the decision is being reviewed pursuant to Section 11523 of the Government Code, the vehicle in question may not be disposed of.

(e) (1) A requested hearing shall be conducted within 48 hours of the request, excluding weekends and holidays. The public agency that removed the vehicle may authorize its own officers to conduct the hearing if the hearing officer is not the same person who directed the storage of the vehicle.

(2) Failure of either the registered or legal owner or interested person, or his or her agent, to request or to attend a scheduled hearing shall satisfy the poststorage validity hearing requirement of this section.

(f) The public agency employing the person, or utilizing the services of a contractor or franchiser pursuant to subdivision (b) of Section 22669, that removed, or caused the removal of, the vehicle and that directed any towing or storage, is responsible for the costs incurred for towing and storage if it is determined in the hearing that reasonable grounds to believe that the vehicle was abandoned are not established.

(g) An authorization for disposal may not be issued by the public agency that removed, or caused the removal of, the vehicle to a lienholder who is storing the vehicle prior to the conclusion of a requested poststorage hearing or any judicial review of that hearing.

(h) If, after 15 days from the notification date, the vehicle remains unclaimed and the towing and storage fees have not been paid, and if no request for a poststorage hearing was requested or a poststorage hearing was not attended, the public agency that removed, or caused the removal of, the vehicle shall provide to the lienholder who is storing the vehicle, on a form approved by the Department of Motor Vehicles, authorization to dispose of the vehicle. The lienholder may request the public agency to provide the authorization to dispose of the vehicle.

(i) If the vehicle is claimed by the owner or his or her agent within 15 days of the notice date, the lienholder who is storing the vehicle may collect reasonable fees for services rendered, but may not collect lien sale fees as provided in Section 22851.12.

(j) Disposal of the vehicle by the lienholder who is storing the vehicle may only be to a licensed dismantler or scrap iron processor. A copy of the public agency's authorization for disposal shall be forwarded to the licensed dismantler within five days of disposal to a licensed dismantler. A copy of the public agency's authorization for disposal shall be retained by the lienholder who stored the vehicle for a period of 90 days if the vehicle is disposed of to a scrap iron processor.

(k) If the names and addresses of the registered and legal owners of the vehicle are not available from the records of the Department of Motor Vehicles, either directly or by use of the California Law Enforcement Telecommunications System, the public agency may issue to the lienholder who stored the vehicle an authorization for disposal at any time after the removal.

The lienholder may request the public agency to issue an authorization for disposal after the lienholder ascertains that the names and addresses of the registered and legal owners of the vehicle are not available from the records of the Department of Motor Vehicles either directly or by use of the California Law Enforcement Telecommunications System.

(l) A vehicle disposed of pursuant to this section may not be reconstructed or made operable, unless it is a vehicle that qualifies for either horseless carriage license plates or historical vehicle license plates, pursuant to Section 5004, in which case the vehicle may be reconstructed or made operable.

CHAPTER 68

An act to amend Sections 1, 5, and 7 of Chapter 489 of the Statutes of 2001, relating to lands granted in trust to the City and County of San Francisco.

[Approved by Governor July 15, 2003. Filed with
Secretary of State July 15, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1 of Chapter 489 of the Statutes of 2001 is amended to read:

Sec. 1. For purposes of this chapter, the following terms have the following meanings:

(a) “BCDC” means the San Francisco Bay Conservation and Development Commission established pursuant to Section 66620 of the Government Code.

(b) “Bay jurisdiction” means the jurisdiction, powers, and duties of BCDC pursuant to Title 7.2 (commencing with Section 66600) of the Government Code within the area defined in subdivision (a) of Section 66610 of the Government Code.

(c) “Bay Plan” means the San Francisco Bay Plan as adopted and administered by BCDC pursuant to Title 7.2 (commencing with Section 66600) of the Government Code, including all amendments thereto.

(d) “Boundary of the Port of San Francisco” means that line defining the boundary of “Parcel A” in the description of the lands transferred in trust to the City and County of San Francisco pursuant to Chapter 1333 of the Statutes of 1968, recorded on May 14, 1976, in Book C169, pages 573 to 664, inclusive, in the City and County of San Francisco Recorder’s Office.

(e) “Brannan Street Wharf” means a major San Francisco waterfront park in the area of Piers 34 and 36, as identified in the Special Area Plan.

(f) “Burton Act” means Chapter 1333 of the Statutes of 1968, as amended.

(g) “Burton Act trust” means the statutory trust imposed by the Burton Act (Chapter 1333 of the Statutes of 1968, as amended), pursuant to which the state conveyed to the City and County of San Francisco, in trust, by transfer agreement, and subject to certain terms, conditions, and reservations, the state’s interest in certain tide and submerged lands.

(h) “City” means the City and County of San Francisco.

(i) “McAteer–Petris Act” means Title 7.2 (commencing with Section 66000) of the Government Code.

(j) “Public trust” or “trust” means the public trust for commerce, navigation, and fisheries.

(k) “Port” means the City and County of San Francisco acting by and through the San Francisco Port Commission.

(l) “San Francisco Bay” means those areas defined in Section 66610 of the Government Code.

(m) “San Francisco waterfront” means those portions of the area transferred to the port pursuant to the Burton Act that also lie within the area defined in subdivisions (a) and (b) of Section 66610 of the Government Code.

(n) “Seawall Lot 330” means that parcel of property located in San Francisco identified on that certain map entitled SUR 790, and shown on Page 318 of the City and County of San Francisco 100 Scale Ownership Maps, which is on file with the city’s Bureau of Street Use and Mapping.

(o) “Shoreline band jurisdiction” means the jurisdiction, powers, and duties of BCDC pursuant to Title 7.2 (commencing with Section 66600) of the Government Code to regulate uses within the area defined in subdivision (b) of Section 66610 of the Government Code to ensure, in part, maximum feasible public access, as prescribed in Section 66632.4 of the Government Code.

(p) “Special Area Plan” means the San Francisco Waterfront Special Area Plan, dated July 20, 2000, adopted by BCDC, as amended from time to time.

(q) “Street” means those lands located within the South Beach/China Basin Planning area of the San Francisco waterfront at Seawall Lot 330, and also lying within Parcel A of those lands transferred to the City and County of San Francisco pursuant to the Burton Act, as recorded May 14, 1969, in Book C 169 at Pages 573 to 664, inclusive, in the San Francisco Recorder’s office, as more particularly described as that portion of Main Street, located between Bryant Street and the Embarcadero, vacated per Ordinance 14-93 on January 11, 1993, on file with the San Francisco Bureau of Street Use and Mapping, in Book 10, Page 94. All streets and street lines described in the preceding sentence are in accordance with that certain map entitled SUR 790, and shown on Page 318 of the City and County of San Francisco 100 Scale Ownership Maps, on file with the City’s Bureau of Street Use and Mapping.

(r) “Waterfront Land Use Plan” means the Waterfront Land Use Plan, including the Waterfront Design and Access Element, adopted by the port pursuant to Resolution No. 97-50, as amended from time to time.

SEC. 2. Section 5 of Chapter 489 of the Statutes of 2001 is amended to read:

Sec. 5. The Legislature, in the exercise of its retained power as trustee of the public trust, and in view of the unique circumstances existing at Pier 30-32 on the San Francisco waterfront and the considerable statewide public benefit and promotion of maritime transportation that will be brought about by the construction of a new passenger cruise ship terminal, improvements to berthing facilities for waterborne transit, a lagoon, improved public access and commercial public trust uses on this site, hereby authorizes the Port to approve a cruise ship terminal development on the San Francisco waterfront at Pier 30-32, which would include general office use and general retail use, if all of the following conditions are met:

(a) The development includes a modern two-berth cruise ship terminal.

(b) The development includes a public access component that meets the requirements of the Special Area Plan and the San Francisco Bay

Plan as interpreted by BCDC and that also offers expanded bay views and public access.

(c) Prior to submitting a major permit application to BCDC for the cruise ship terminal development, the Port, after review by or on behalf of BCDC, approves the final design concept for the Brannan Street Wharf.

(d) Prior to the issuance of a BCDC permit for the cruise ship terminal development, the Port demonstrates, to the satisfaction of BCDC and the Attorney General's office, that it has irrevocably encumbered all of the funds deemed necessary for the completion of the Brannan Street Wharf and has placed the funds in a segregated account guaranteed to be available to be drawn upon for the construction of the Brannan Street Wharf, and the Port and BCDC enter into an enforceable agreement that provides for the Port to fund, directly or through grant funding, or both, design, and construct the Brannan Street Wharf consistent with the following timetable:

(1) The Port shall complete preliminary engineering drawings for the Brannan Street Wharf and prepare and submit to BCDC a financing plan approved by the Port indicating funding sources and estimated construction costs at the time the construction of the cruise ship terminal development commences.

(2) The Port shall complete Phase 1, the northern portion of the Brannan Street Wharf (in the area of Pier 34), as described in the Special Area Plan contemporaneously with the construction of the cruise terminal development.

(3) The Port shall remove Pier 36 and complete the Brannan Street Wharf no later than five years after commencement of construction of the cruise ship terminal development.

(e) The amount of office space in the development does not exceed 300,000 leasable square feet, all of which shall be above the ground level. This office space shall also be designed to contribute to a development design that includes public spaces and promotes visual and public access. An additional 25,000 leasable square feet of space in the cruise ship terminal building may be used for general office use until the earlier of either of the following:

(1) Fourteen years from the first date of occupancy.

(2) When home berthing ships above 5,000 passenger berth capacity call for 15 days per year for two consecutive years.

(f) The development includes a marketing program designed to maximize the amount of general office space occupied by trust-related tenants over the life of the development.

(g) The cruise ship terminal development, if approved by BCDC, complies with the requirements set forth in this subdivision. For purposes of this subdivision only, "trust retail" means visitor serving

public trust retail and restaurant use. "Nontrust retail" means other retail and theatre uses. The amount of trust retail leasable space shall be equal to or greater than the nontrust retail leasable space. The amount of trust retail leasable space, nontrust retail leasable space, and visitor serving trust use converted from trust or nontrust retail, as approved by BCDC, shall be at least 40 percent of the total amount of office leasable space.

SEC. 3. Section 7 of Chapter 489 of the Statutes of 2001 is amended to read:

Sec. 7. Notwithstanding the Special Area Plan and the Bay Plan requirement for findings of consistency with the public trust doctrine and the Burton Act trust, BCDC is authorized to approve the cruise ship terminal development as provided in this act. Except as provided in Section 14 of this act, nothing in this act is intended to limit the discretion of BCDC to approve or deny permits for the projects described in this act in a manner consistent with the McAteer-Petris Act, the Bay Plan, the Special Area Plan, and this act, or to limit the discretion of BCDC to enforce permits issued for the projects described in this act.

CHAPTER 69

An act to add Sections 2586.2, 2586.4, 2586.6, and 2586.8 to the Business and Professions Code, relating to healing arts.

[Approved by Governor July 15, 2003. Filed with
Secretary of State July 15, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 2586.2 is added to the Business and Professions Code, to read:

2586.2. A person may engage in the activities set forth in subdivision (a) of Section 2586 if the person meets both of the following requirements:

(a) The person is engaged in the activities as part of a supervised practice program for a registered dietitian pursuant to subparagraph (C) of paragraph (2) of subdivision (a) of Section 2585.

(b) The person is enrolled in or has completed a course of study to fulfill the educational requirements for a registered dietitian in subparagraph (B) of paragraph (2) of subdivision (a) of Section 2585.

SEC. 2. Section 2586.4 is added to the Business and Professions Code, to read:

2586.4. A person may engage in the activities set forth in subdivision (d) of Section 2586 if the person meets both of the following requirements:

(a) The person is engaged in the activities as part of a supervised practice program for a dietetic technician pursuant to paragraph (3) of subdivision (b) of Section 2585.

(b) The person is enrolled in or has completed a course of study to fulfill the educational requirements for a dietetic technician in paragraph (2) of subdivision (b) of Section 2585.

SEC. 3. Section 2586.6 is added to the Business and Professions Code, to read:

2586.6. A person may engage in the activities set forth in subdivision (a) of Section 2586 for six months from the date that he or she completed a supervised practice program, or until the person receives notice that he or she failed the examination specified in subdivision (d), whichever occurs first, if all of the following conditions apply:

(a) The person performs under the direct and immediate supervision of a registered dietitian.

(b) The person has completed the supervised practice program requirements under subdivision (a) of Section 2585.

(c) The person has written verification, including the program director's original signature, that the person has completed the required supervised practice program.

(d) The person has applied to take the registered dietitian examination specified in subparagraph (D) of paragraph (2) of subdivision (a) of Section 2585 and is waiting for an examination date.

SEC. 4. Section 2586.8 is added to the Business and Professions Code, to read:

2586.8. A person may engage in the activities set forth in subdivision (d) of Section 2586 for six months from the date he or she completed the supervised practice program for dietetic technicians, or until the person receives notice that he or she has failed the examination specified in subdivision (d), whichever occurs first, if all of the following conditions apply:

(a) The person performs under the direct and immediate supervision of a registered dietitian.

(b) The person has completed the supervised practice program requirements under subdivision (b) of Section 2585.

(c) The person has written verification, including the program director's original signature, that the person has completed the required supervised practice.

(d) The person has applied to take the dietetic technician examination specified in paragraph (4) of subdivision (b) of Section 2585 and is waiting for an examination date.

CHAPTER 70

An act to amend Sections 830.1 and 832 of the Penal Code, relating to peace officers.

[Approved by Governor July 15, 1993. Filed with
Secretary of State July 15, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 830.1 of the Penal Code is amended to read:
830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police, or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or special officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent, if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs,

deputy chiefs, chiefs, deputy directors, and division directors designated as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Siskiyou, Shasta, Sonoma, Sutter, and Tehama who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

SEC. 1.1. Section 830.1 of the Penal Code is amended to read:

830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police, or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or port police officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent, if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and

with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs, deputy chiefs, chiefs, deputy directors, and division directors designated as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Siskiyou, Shasta, Sonoma, Sutter, and Tehama who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

SEC. 1.2. Section 830.1 of the Penal Code is amended to read:

830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police, or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or special officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent,

if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs, deputy chiefs, chiefs, deputy directors, and division directors designated as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Siskiyou, Shasta, Solano, Sonoma, Sutter, and Tehama who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

SEC. 1.3. Section 830.1 of the Penal Code is amended to read:

830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police, or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or port police officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent, if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs, deputy chiefs, chiefs, deputy directors, and division directors designated as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Siskiyou, Shasta, Solano, Sonoma, Sutter, and Tehama who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

SEC. 2. Section 832 of the Penal Code is amended to read:

832. (a) Every person described in this chapter as a peace officer shall satisfactorily complete an introductory course of training prescribed by the Commission on Peace Officer Standards and Training. On or after July 1, 1989, satisfactory completion of the course shall be demonstrated by passage of an appropriate examination developed or approved by the commission. Training in the carrying and use of firearms shall not be required of any peace officer whose employing agency prohibits the use of firearms.

(b) (1) Every peace officer described in this chapter, prior to the exercise of the powers of a peace officer, shall have satisfactorily completed the course of training described in subdivision (a).

(2) Every peace officer described in Section 13510 or in subdivision (a) of Section 830.2 may satisfactorily complete the training required by this section as part of the training prescribed pursuant to Section 13510.

(c) Persons described in this chapter as peace officers who have not satisfactorily completed the course described in subdivision (a), as specified in subdivision (b), shall not have the powers of a peace officer until they satisfactorily complete the course.

(d) Any peace officer who, on March 4, 1972, possesses or is qualified to possess the basic certificate as awarded by the Commission on Peace Officer Standards and Training shall be exempted from this section.

(e) (1) Any person completing the training described in subdivision (a) who does not become employed as a peace officer within three years from the date of passing the examination described in subdivision (a), or who has a three-year or longer break in service as a peace officer, shall pass the examination described in subdivision (a) prior to the exercise of the powers of a peace officer, except for any person described in paragraph (2).

(2) The requirement in paragraph (1) does not apply to any person who meets any of the following requirements:

(A) Is returning to a management position that is at the second level of supervision or higher.

(B) Has successfully requalified for a basic course through the Commission on Peace Officer Standards and Training.

(C) Has maintained proficiency through teaching the course described in subdivision (a).

(D) During the break in California service, was continuously employed as a peace officer in another state or at the federal level.

(E) Has previously met the requirements of subdivision (a), has been appointed as a peace officer under subdivision (c) of Section 830.1, and has been continuously employed as a custodial officer as defined in Section 831 or 831.5 by the agency making the peace officer appointment since completing the training prescribed in subdivision (a).

(f) The commission may charge appropriate fees for the examination required by subdivision (e), not to exceed actual costs.

(g) Notwithstanding any other provision of law, the commission may charge appropriate fees for the examination required by subdivision (a) to each applicant who is not sponsored by a local or other law enforcement agency, or is not a peace officer employed by, or under consideration for employment by, a state or local agency, department, or

district, or is not a custodial officer as defined in Sections 831 and 831.5. The fees shall not exceed actual costs.

SEC. 3. (a) Section 1.1 of this bill incorporates amendments to Section 830.1 of the Penal Code proposed by both this bill and AB 354. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2004, (2) each bill amends Section 830.1 of the Penal Code, and (3) SB 570 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after AB 354, in which case Sections 1, 1.2, and 1.3 of this bill shall not become operative.

(b) Section 1.2 of this bill incorporates amendments to Section 830.1 of the Penal Code proposed by both this bill and SB 570. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2004, (2) each bill amends Section 830.1 of the Penal Code, (3) AB 354 is not enacted or as enacted does not amend that section, and (4) this bill is enacted after SB 570, in which case Sections 1, 1.1, and 1.3 of this bill shall not become operative.

(c) Section 1.3 of this bill incorporates amendments to Section 830.1 of the Penal Code proposed by this bill, AB 354, and SB 570. It shall only become operative if (1) all three bills are enacted and become effective on or before January 1, 2004, (2) all three bills amend Section 830.1 of the Penal Code, and (3) this bill is enacted after AB 354, and SB 570, in which case Sections 1, 1.1, and 1.2 of this bill shall not become operative.

CHAPTER 71

An act to amend Section 5771 of, and to add and repeal Section 5772.5 of, the Welfare and Institutions Code, relating to mental health.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 21, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 5771 of the Welfare and Institutions Code is amended to read:

5771. (a) Pursuant to Public Law 102-321, there is the California Mental Health Planning Council. The purpose of the planning council shall be to fulfill those mental health planning requirements mandated by federal law.

(b) (1) The planning council shall have 40 members, to be comprised of members appointed from both the local and state levels in order to ensure a balance of state and local concerns relative to planning.

(2) As required by federal law, eight members of the planning council shall represent various state departments.

(3) Members of the planning council shall be appointed in a manner that will ensure that at least one-half are persons with mental disabilities, family members of persons with mental disabilities, and representatives of organizations advocating on behalf of persons with mental disabilities. Persons with mental disabilities and family members shall be represented in equal numbers.

(4) The Director of Mental Health shall make appointments from among nominees from various mental health constituency organizations, which shall include representatives of consumer-related advocacy organizations, representatives of mental health professional and provider organizations, and representatives who are direct service providers from both the public and private sectors. The director shall also appoint one representative of the California Coalition on Mental Health.

(c) Members should be balanced according to demography, geography, gender, and ethnicity. Members should include representatives with interest in all target populations, including, but not limited to, children and youth, adults, and older adults.

(d) The planning council shall annually elect a chairperson and a chair-elect.

(e) The term of each member shall be three years, to be staggered so that approximately one-third of the appointments expire in each year.

(f) In the event of changes in the federal requirements regarding the structure and function of the planning council, or the discontinuation of federal funding, the State Department of Mental Health shall propose to the Legislature modifications in the structure of the planning council that the department deems appropriate.

SEC. 2. Section 5772.5 is added to the Welfare and Institutions Code, to read:

5772.5. (a) It is the intent of the Legislature that the planning council do all of the following:

(1) Review and monitor the implementation of counties' efforts to improve the provision and quality of mental health services to foster children.

(2) Advocate to reduce the stigma and discrimination against persons with mental health needs.

(3) Work with advocacy organizations to remove barriers facing children and youth who need mental health care.

(b) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

CHAPTER 72

An act to amend Section 46144 of the Education Code, relating to vocational education.

[Approved by Governor July 21, 2003. Filed with Secretary of State July 21, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 46144 of the Education Code is amended to read:

46144. The minimum day in a special day or a Saturday vocational training program and for a pupil enrolled in a work experience education program approved under Article 7 (commencing with Section 51760) of Chapter 5 of Part 28, except for a pupil enrolled in a continuation school or class pursuant to Section 48402, is four periods totaling at least 180 minutes in duration, except that for a pupil in an approved work experience program who attends a school, other than a continuation school or class, in which the regularly scheduled period is greater than 60 minutes in length, the minimum day is one or more periods totaling at least 180 minutes in duration.

CHAPTER 73

An act to amend Section 803 of the Penal Code, relating to identity theft.

[Approved by Governor July 21, 2003. Filed with Secretary of State July 21, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 803 of the Penal Code is amended to read:
803. (a) Except as provided in this section, a limitation of time prescribed in this chapter is not tolled or extended for any reason.

(b) No time during which prosecution of the same person for the same conduct is pending in a court of this state is a part of a limitation of time prescribed in this chapter.

(c) A limitation of time prescribed in this chapter does not commence to run until the discovery of an offense described in this subdivision. This subdivision applies to an offense punishable by imprisonment in the state prison, a material element of which is fraud or breach of a fiduciary obligation, the commission of the crimes of theft or embezzlement upon an elder or dependent adult, or the basis of which is misconduct in office by a public officer, employee, or appointee, including, but not limited to, the following offenses:

(1) Grand theft of any type, forgery, falsification of public records, or acceptance of a bribe by a public official or a public employee.

(2) A violation of Section 72, 118, 118a, 132, or 134.

(3) A violation of Section 25540, of any type, or Section 25541 of the Corporations Code.

(4) A violation of Section 1090 or 27443 of the Government Code.

(5) Felony welfare fraud or Medi-Cal fraud in violation of Section 11483 or 14107 of the Welfare and Institutions Code.

(6) Felony insurance fraud in violation of Section 548 or 550 of this code or former Section 1871.1, or Section 1871.4, of the Insurance Code.

(7) A violation of Section 580, 581, 582, 583, or 584 of the Business and Professions Code.

(8) A violation of Section 22430 of the Business and Professions Code.

(9) A violation of Section 10690 of the Health and Safety Code.

(10) A violation of Section 529a.

(11) A violation of subdivision (d) or (e) of Section 368.

(d) If the defendant is out of the state when or after the offense is committed, the prosecution may be commenced as provided in Section 804 within the limitations of time prescribed by this chapter, and no time up to a maximum of three years during which the defendant is not within the state shall be a part of those limitations.

(e) A limitation of time prescribed in this chapter does not commence to run until the offense has been discovered, or could have reasonably been discovered, with regard to offenses under Division 7 (commencing with Section 13000) of the Water Code, under Chapter 6.5 (commencing with Section 25100) of, Chapter 6.7 (commencing with Section 25280) of, or Chapter 6.8 (commencing with Section 25300) of, Division 20 of, or Part 4 (commencing with Section 41500) of Division 26 of, the Health and Safety Code, or under Section 386, or offenses under Chapter 5 (commencing with Section 2000) of Division 2 of, Chapter 9 (commencing with Section 4000) of Division 2 of, Chapter 10 (commencing with Section 7301) of Division 3 of, or Chapter 19.5

(commencing with Section 22440) of Division 8 of, the Business and Professions Code.

(f) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date of a report to a responsible adult or agency by a child under 18 years of age that the child is a victim of a crime described in Section 261, 286, 288, 288a, 288.5, 289, or 289.5.

(2) For purposes of this subdivision, a “responsible adult” or “agency” means a person or agency required to report pursuant to Section 11166. This subdivision applies only if both of the following occur:

(A) The limitation period specified in Section 800 or 801 has expired.

(B) The defendant has committed at least one violation of Section 261, 286, 288, 288a, 288.5, 289, or 289.5 against the same victim within the limitation period specified for that crime in either Section 800 or 801.

(3) (A) This subdivision applies to a cause of action arising before, on, or after January 1, 1990, the effective date of this subdivision, and it shall revive any cause of action barred by Section 800 or 801 if any of the following occurred or occurs:

(i) The complaint or indictment was filed on or before January 1, 1997, and it was filed within the time period specified in this subdivision.

(ii) The complaint or indictment is or was filed subsequent to January 1, 1997, and it is or was filed within the time period specified within this subdivision.

(iii) The victim made the report required by this subdivision to a responsible adult or agency after January 1, 1990, and a complaint or indictment was not filed within the time period specified in this subdivision, but a complaint or indictment is filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(iv) The victim made the report required by this subdivision to a responsible adult or agency after January 1, 1990, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, but a new complaint or indictment is or was filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(B) (i) If the victim made the report required by this subdivision to a responsible adult or agency after January 1, 1990, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, a new complaint or indictment may be filed notwithstanding any other provision of law, including, but not limited to, subdivision (c) of Section 871.5 and subdivision (b) of Section 1238.

(ii) An order dismissing an action filed under this subdivision, which is entered or becomes effective at any time prior to 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first, shall not be considered an order terminating an action within the meaning of Section 1387.

(iii) Any ruling regarding the retroactivity of this subdivision or its constitutionality made in the course of the previous proceeding, including any review proceeding, shall not be binding upon refiling.

(g) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date of a report to a California law enforcement agency by a person of any age alleging that he or she, while under the age of 18 years, was the victim of a crime described in Section 261, 286, 288, 288a, 288.5, 289, or 289.5.

(2) This subdivision applies only if both of the following occur:

(A) The limitation period specified in Section 800 or 801 has expired.

(B) The crime involved substantial sexual conduct, as described in subdivision (b) of Section 1203.066, excluding masturbation that is not mutual, and there is independent evidence that clearly and convincingly corroborates the victim's allegation. No evidence may be used to corroborate the victim's allegation that otherwise would be inadmissible during trial. Independent evidence does not include the opinions of mental health professionals.

(3) (A) This subdivision applies to a cause of action arising before, on, or after January 1, 1994, the effective date of this subdivision, and it shall revive any cause of action barred by Section 800 or 801 if any of the following occurred or occurs:

(i) The complaint or indictment was filed on or before January 1, 1997, and it was filed within the time period specified in this subdivision.

(ii) The complaint or indictment is or was filed subsequent to January 1, 1997, and it is or was filed within the time period specified within this subdivision.

(iii) The victim made the report required by this subdivision to a law enforcement agency after January 1, 1994, and a complaint or indictment was not filed within the time period specified in this subdivision, but a complaint or indictment is filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this subdivision is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(iv) The victim made the report required by this subdivision to a law enforcement agency after January 1, 1994, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, but a new complaint or indictment is filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this subdivision is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(B) (i) If the victim made the report required by this subdivision to a law enforcement agency after January 1, 1994, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, a new complaint or indictment may be filed notwithstanding any other provision of law, including, but not limited to, subdivision (c) of Section 871.5 and subdivision (b) of Section 1238.

(ii) An order dismissing an action filed under this subdivision, which is entered or becomes effective at any time prior to 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first, shall not be considered an order terminating an action within the meaning of Section 1387.

(iii) Any ruling regarding the retroactivity of this subdivision or its constitutionality made in the course of the previous proceeding, by any trial court or any intermediate appellate court, shall not be binding upon refileing.

(h) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date of a report to a California law enforcement agency by a person under 21

years of age, alleging that he or she, while under 18 years of age, was the victim of a crime described in Section 261, 286, 288, 288a, 288.5, 289, or 289.5.

(2) This subdivision applies only if both of the following occur:

(A) The limitation period specified in Section 800 or 801 has expired.

(B) The crime involved substantial sexual conduct, as described in subdivision (b) of Section 1203.066, excluding masturbation that is not mutual, and there is independent evidence that corroborates the victim's allegation. No evidence may be used to corroborate the victim's allegation that otherwise would be inadmissible during trial. Independent evidence does not include the opinions of mental health professionals.

(3) This subdivision applies to a cause of action arising before, on, or after January 1, 2002, the effective date of this subdivision, and it shall revive any cause of action barred by Section 800 or 801 if the complaint or indictment was filed within the time period specified by this subdivision.

(i) (1) Notwithstanding the limitation of time described in Section 800, the limitations period for commencing prosecution for a felony offense described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290, where the limitations period set forth in Section 800 has not expired as of January 1, 2001, or the offense is committed on or after January 1, 2001, shall be 10 years from the commission of the offense, or one year from the date on which the identity of the suspect is conclusively established by DNA testing, whichever is later, provided, however, that the one-year period from the establishment of the identity of the suspect shall only apply when either of the following conditions is met:

(A) For an offense committed prior to January 1, 2001, biological evidence collected in connection with the offense is analyzed for DNA type no later than January 1, 2004.

(B) For an offense committed on or after January 1, 2001, biological evidence collected in connection with the offense is analyzed for DNA type no later than two years from the date of the offense.

(2) In the event the conditions set forth in subparagraph (A) or (B) of paragraph (1) are not met, the limitations period for commencing prosecution for a felony offense described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290, where the limitations period set forth in Section 800 has not expired as of January 1, 2001, or the offense is committed on or after January 1, 2001, shall be 10 years from the commission of the offense.

(3) For purposes of this section, "DNA" means deoxyribonucleic acid.

(j) For any crime, the proof of which depends substantially upon evidence that was seized under a warrant, but which is unavailable to the prosecuting authority under the procedures described in *People v. Superior Court (Laff)* (2001) 25 Cal.4th 703, *People v. Superior Court (Bauman & Rose)* (1995) 37 Cal.App.4th 1757, or subdivision (c) of Section 1524, relating to claims of evidentiary privilege or attorney work product, the limitation of time prescribed in this chapter shall be tolled from the time of the seizure until final disclosure of the evidence to the prosecuting authority. Nothing in this section otherwise affects the definition or applicability of any evidentiary privilege or attorney work product.

(k) (1) In a criminal investigation involving child sexual abuse as described in subdivision (g) or (h), when the limitations period set forth therein has not expired, that period shall be tolled from the time a party initiates litigation challenging a grand jury subpoena until the end of that litigation, including any associated writ or appellate proceeding, or until the final disclosure of evidence to the investigating or prosecuting agency, if that disclosure is ordered pursuant to the subpoena after the litigation.

(2) Nothing in this subdivision affects the definition or applicability of any evidentiary privilege.

(3) This subdivision shall not apply where a court finds that the grand jury subpoena was issued or caused to be issued in bad faith.

(l) As used in subdivisions (f), (g), and (h), Section 289.5 refers to the statute enacted by Chapter 293 of the Statutes of 1991 relating to penetration by an unknown object.

(m) With respect to a violation of Section 115 or 530.5, a limitation of time prescribed in this chapter does not commence to run until the discovery of the offense.

CHAPTER 74

An act to amend Sections 1695.7 and 1695.8 of the Civil Code, relating to home equity sales contracts.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 21, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1695.7 of the Civil Code is amended to read:
1695.7. An equity seller may bring an action for the recovery of damages or other equitable relief against an equity purchaser for a

violation of any subdivision of Section 1695.6 or Section 1695.13. The equity seller shall recover actual damages plus reasonable attorneys' fees and costs. In addition, the court may award exemplary damages or equitable relief, or both, if the court deems such award proper, but in any event shall award exemplary damages in an amount not less than three times the equity seller's actual damages for any violation of paragraph (3) of subdivision (b) of Section 1695.6 or Section 1695.13; or the court may award a civil penalty of up to two thousand five hundred dollars (\$2,500), but it may not award both exemplary damages and a civil penalty. Any action brought pursuant to this section shall be commenced within four years after the date of the alleged violation.

SEC. 2. Section 1695.8 of the Civil Code is amended to read:

1695.8. Any equity purchaser who violates any subdivision of Section 1695.6 or who engages in any practice which would operate as a fraud or deceit upon an equity seller shall, upon conviction, be punished by a fine of not more than twenty-five thousand dollars (\$25,000), by imprisonment in the county jail for not more than one year, or in the state prison, or by both that fine and imprisonment for each violation.

CHAPTER 75

An act to add Chapter 8.6 (commencing with Section 13879.80) to Title 6 of Part 4 of the Penal Code, relating to drug endangered children.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 21, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 8.6 (commencing with Section 13879.80) is added to Title 6 of Part 4 of the Penal Code, to read:

CHAPTER 8.6. LAW ENFORCEMENT RESPONSE TO DRUG ENDANGERED CHILDREN

13879.80. (a) Every law enforcement and social services agency in this state is encouraged to develop, adopt, and implement written policies and standards for their response to narcotics crime scenes where a child is either immediately present or where there is evidence that a child lives, by January 1, 2005. These policies shall reflect the fact that exposing a child to the manufacturing, trafficking, and use of narcotics

is criminal conduct and that a response coordinated by law enforcement and social services agencies is essential to the child's health and welfare.

(b) The needs of a drug endangered child are best served with written policies encouraging the arrest of an individual for child endangerment where there is probable cause that an offense has been committed coordinated with an appropriate investigation of the child's welfare by child protective agencies. Protocols that encourage a dependency investigation contemporaneous with a law enforcement investigation at a narcotics crime scene, when appropriate, are consistent with a child's best interest.

13879.81. Communities are encouraged to form multijurisdictional groups that include law enforcement officers, prosecutors, public health professionals, and social workers to address the welfare of children endangered by parental drug use. These coordinated groups should develop standards and protocols, evidenced by memorandums of understanding, that address the following:

- (a) Felony and misdemeanor arrests.
- (b) Immediate response of protective social workers to a narcotics crime scene involving a child.
- (c) Outsourcing protective social workers to law enforcement.
- (d) Dependency investigations.
- (e) Forensic drug testing and interviewing.
- (f) Decontamination of a child found in a lab setting.
- (g) Medical examinations and developmental evaluations.
- (h) Creation of two hours of P.O.S.T. drug endangered children awareness training.

CHAPTER 76

An act to amend Sections 66418.2 and 66426 of the Government Code, relating to land use.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 21, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 66418.2 of the Government Code is amended to read:

66418.2. (a) "Environmental subdivision" means a subdivision of land pursuant to this division for biotic and wildlife purposes that meets all of the conditions specified in subdivision (b).

(b) Prior to approving or conditionally approving an environmental subdivision, the local agency shall find each of the following:

(1) That factual biotic or wildlife data, or both, are available to the local agency to support the approval of the subdivision, prior to approving or conditionally approving the environmental subdivision.

(2) That provisions have been made for the perpetual maintenance of the property as a biotic or wildlife habitat, or both, in accordance with the conditions specified by any local, state, or federal agency requiring mitigation.

(3) That an easement will be recorded in the county in which the land is located to ensure compliance with the conditions specified by any local, state, or federal agency requiring the mitigation. The easement shall contain a covenant with a county, city, or nonprofit organization running with the land in perpetuity, that the landowner shall not construct or permit the construction of improvements except those for which the right is expressly reserved in the instrument. Where the biotic or wildlife habitat, or both, are compatible, the local agency shall consider requiring the easement to contain a requirement for the joint management and maintenance of the resulting parcels. This reservation shall not be inconsistent with the purposes of this section and shall not be incompatible with maintaining and preserving the biotic or wildlife character, or both, of the land.

(4) The real property is at least 20 acres in size, or if it is less than 20 acres in size, the following conditions are met:

(A) The land is contiguous to other land that would also qualify as an environmental subdivision.

(B) The other land is subject to a recorded perpetual easement that restricts its use to a biotic or wildlife habitat, or both.

(C) The total combined acreage of the lands would be 20 acres or more.

(D) Where the biotic or wildlife habitat, or both, are compatible, the land and the other land will be jointly managed and maintained.

(c) Notwithstanding subdivision (a) of Section 66411.1, any improvement, dedication, or design required by the local agency as a condition of approval of an environmental subdivision shall be solely for the purposes of ensuring compliance with the conditions required by the local, state, or federal agency requiring the mitigation.

(d) After recordation of an environmental subdivision, a subdivider may only abandon an environmental subdivision by reversion to acreage pursuant to Chapter 6 (commencing with Section 66499.11) if the local agency finds that all of the following conditions exist:

(1) None of the parcels created by the environmental subdivision has been sold or exchanged.

(2) None of the parcels is being used, set aside, or required for mitigation purposes pursuant to this section.

(3) Upon abandonment and reversion to acreage pursuant to this subdivision, the easement for biotic and wildlife purposes is extinguished.

(e) If the environmental subdivision is abandoned and reverts to acreage pursuant to subdivision (d), all local, state, and federal requirements shall apply.

(f) This section shall apply only upon the written request of the landowner at the time the land is divided. This section is not intended to limit or preclude subdivision by other lawful means for the mitigation of impacts to the environment, or of the land devoted to these purposes, or to require the division of land for these purposes.

SEC. 2. Section 66426 of the Government Code is amended to read:

66426. A tentative and final map shall be required for all subdivisions creating five or more parcels, five or more condominiums as defined in Section 783 of the Civil Code, a community apartment project containing five or more parcels, or for the conversion of a dwelling to a stock cooperative containing five or more dwelling units, except where any one of the following occurs:

(a) The land before division contains less than five acres, each parcel created by the division abuts upon a maintained public street or highway, and no dedications or improvements are required by the legislative body.

(b) Each parcel created by the division has a gross area of 20 acres or more and has an approved access to a maintained public street or highway.

(c) The land consists of a parcel or parcels of land having approved access to a public street or highway, which comprises part of a tract of land zoned for industrial or commercial development, and which has the approval of the governing body as to street alignments and widths.

(d) Each parcel created by the division has a gross area of not less than 40 acres or is not less than a quarter of a quarter section.

(e) The land being subdivided is solely for the creation of an environmental subdivision pursuant to Section 66418.2.

(f) A parcel map shall be required for those subdivisions described in subdivisions (a), (b), (c), (d), and (e).

CHAPTER 77

An act to add Section 1670.6 to the Civil Code, relating to contracts.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1670.6 is added to the Civil Code, to read:

1670.6. A contract with a consumer located in California for the purchase of a good or service that is made in connection with a telephone solicitation made in or from outside of California and is primarily for personal, family, or household use, is unlawful if, with respect to that telephone solicitation, the telemarketer is in violation of Section 310.4(a)(6)(i) of, or has not complied with Section 310.5(a)(5) of, the Federal Trade Commission's Telemarketing Sales Rule (16 C.F.R. Part 310), as published in the Federal Register, Volume 68, Number 19, on January 29, 2003. This section shall apply only to those entities subject to, and does not apply to any transaction exempted under Section 310.6 of, the Telemarketing Sales Rule (16 C.F.R. Part 310), as published in the Federal Register, Volume 68, Number 19, on January 29, 2003.

CHAPTER 78

An act to add Section 2076 to the Business and Professions Code, relating to physicians and surgeons.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 2076 is added to the Business and Professions Code, to read:

2076. (a) Notwithstanding any other provision of law, a physician and surgeon who is licensed to practice medicine in another state or country shall be exempt from licensure requirements under this act while practicing medicine in this state if all of the following conditions are met:

(1) The physician and surgeon has an oral or written agreement with a sports team to provide general or emergency medical care to the team members, coaching staff, and families traveling with the team for a specific sporting event to take place in this state.

(2) Except as provided in Section 2058 or 2060, the physician and surgeon may not provide care or consultation to any person residing in this state, other than a person described in paragraph (1).

(b) The exemption shall remain in force while the physician and surgeon is traveling with the team, but shall be no longer than 10 days per individual sporting event.

(c) The executive director may grant a physician and surgeon additional time for exemption, up to 20 additional days per sporting event, upon prior request by the physician and surgeon. The total number of days a physician may be exempt, including additional time granted upon request, may not exceed 30 days per sporting event.

(d) A physician and surgeon who is exempt from licensure requirements under this section is not authorized to practice medicine at a health care clinic or facility, including an acute care facility.

CHAPTER 79

An act to amend Section 31780.2 of the Government Code, relating to county employees' retirement.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 31780.2 of the Government Code is amended to read:

31780.2. (a) In a county of the 1st class, the 10th class, the 16th class, or the 18th class, as defined in Sections 28020, 28022, 28031, 28037, and 28039, any benefits accorded to a spouse pursuant to this article and Article 11 (commencing with Section 31760), Article 15.5 (commencing with Section 31841), Article 15.6 (commencing with Section 31855), and Article 16 (commencing with Section 31861), or any of them, may be accorded to a domestic partner, as defined in Section 297 of the Family Code, who is registered with the Secretary of State pursuant to Division 2.5 (commencing with Section 297) of the Family Code. The county may also require the member and the member's domestic partner to have a current Affidavit of Domestic Partnership, in the form adopted by the county board of supervisors, on file with the county for at least one year prior to the member's retirement or death prior to retirement.

(b) If a member has a domestic partner described in subdivision (a) and has a surviving dependent child, the surviving dependent child shall receive the death and survivor's allowance until the age of 19 years or until married, whichever occurs earlier, or until the age of 22 years if attending an educational institution. When the member's surviving dependent child reaches the age of 19 years or is no longer a dependent, whichever occurs earlier, or reaches the age of 22 years if attending an educational institution, then the benefits accorded to a spouse, as

specified in subdivision (a), may be accorded to the member's domestic partner pursuant to this section. However, if a surviving dependent child elects to receive a lump-sum payment, the lump-sum payment shall be shared among any surviving dependent children and the domestic partner, pursuant to this section, in a proportional manner.

(c) This section is not operative unless and until the county board of supervisors, by resolution adopted by a majority vote, makes this section operative in the county. In a county of the 10th class, as defined in Sections 28020 and 28031, the county board of supervisors may implement the benefits described in this section as determined through the collective bargaining process and based on actuarial cost estimates.

CHAPTER 80

An act to add Section 1346.1 to the Health and Safety Code, relating to health care service plans.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1346.1 is added to the Health and Safety Code, to read:

1346.1. The department shall maintain a database indicating for each county, the names of the health care service plans that operate in that particular county.

CHAPTER 81

An act to amend Section 8802 of the Family Code, relating to adoption.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 8802 of the Family Code is amended to read:
8802. (a) (1) Any of the following persons who desire to adopt a child may, for that purpose, file a petition in the county in which the petitioner resides or, if the petitioner is not a resident of this state, in the

county in which the placing birth parent or birth parents resided when the adoption placement agreement was signed, or the county in which the placing birth parent or birth parents resided when the petition was filed:

(A) An adult who is related to the child or the child's half sibling by blood or affinity, including all relatives whose status is preceded by the words "step," "great," "great-great," or "grand," or the spouse of any of these persons, even if the marriage was terminated by death or dissolution.

(B) A person named in the will of a deceased parent as an intended adoptive parent where the child has no other parent.

(C) A person with whom a child has been placed for adoption.

(D) (i) A legal guardian who has been the child's legal guardian for more than one year.

(ii) If the court has found the child to have been abandoned pursuant to Section 7822, a legal guardian who has been the child's legal guardian for more than six months. The legal guardian may file a petition pursuant to Section 7822 in the same court and concurrently with a petition under this section.

(iii) However, if the parent nominated the guardian for a purpose other than adoption for a specified time period, or if the guardianship was established pursuant to Section 360 of the Welfare and Institutions Code, the guardianship shall have been in existence for not less than three years.

(2) If the child has been placed for adoption, a copy of the adoptive placement agreement shall be attached to the petition. The court clerk shall immediately notify the department at Sacramento in writing of the pendency of the proceeding and of any subsequent action taken.

(b) The petition shall contain an allegation that the petitioners will file promptly with the department or delegated county adoption agency information required by the department in the investigation of the proposed adoption. The omission of the allegation from a petition does not affect the jurisdiction of the court to proceed or the validity of an adoption order or other order based on the petition.

(c) The caption of the adoption petition shall contain the names of the petitioners, but not the child's name. The petition shall state the child's sex and date of birth and the name the child had before adoption.

(d) If the child is the subject of a guardianship petition, the adoption petition shall so state and shall include the caption and docket number or have attached a copy of the letters of the guardianship or temporary guardianship. The petitioners shall notify the court of any petition for guardianship or temporary guardianship filed after the adoption petition. The guardianship proceeding shall be consolidated with the adoption proceeding.

(e) The order of adoption shall contain the child's adopted name, but not the name the child had before adoption.

CHAPTER 82

An act to amend Section 8050 of the Fish and Game Code, relating to fish.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 8050 of the Fish and Game Code is amended to read:

8050. (a) In addition to the receipt required in Section 8043, every person licensed under Article 7 (commencing with Section 8030), and any commercial fisherman who sells fish to persons who are not licensed under Article 7 (commencing with Section 8030), and any person who deals in fresh or frozen fish for profit, shall keep accounting records in which all of the following shall be recorded:

- (1) The names of the different species.
 - (2) The number of pounds sold, distributed, or taken of each different species.
 - (3) The name of the person to whom the fish were sold or distributed.
 - (4) The name, address, and phone number of the seller or distributor.
 - (5) The date of sale.
 - (6) The price paid.
 - (7) The intended use.
- (b) Accounting record information required by this section that is transmitted from any person identified in subdivision (a) to any business that deals in fish for profit shall be in the English language.
- (c) The accounting records shall be maintained by both buyer and seller for a period of three years and upon request, shall be open for inspection during normal business hours by the department. The accounting records shall be maintained within the State of California.
- (d) The names used for designating the species of fish shall be those in common usage unless otherwise designated by the department.

CHAPTER 83

An act to amend Section 8880.28 of the Government Code, relating to the California State Lottery.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 8880.28 of the Government Code is amended to read:

8880.28. (a) The commission shall promulgate regulations specifying the types of lottery games to be conducted by the lottery, provided:

(1) No lottery game may use the theme of roulette, dice, baccarat, blackjack, Lucky 7s, draw poker, slot machines, or dog racing.

(2) In lottery games utilizing tickets, each ticket in these games shall bear a unique number distinguishing it from every other ticket in that game; and no name of an elected official shall appear on these tickets.

(3) In games utilizing computer terminals or other devices, no coins or currency shall be dispensed as prizes to players from these computer terminals or devices.

(b) Notwithstanding subdivision (a), no changes in the types of games or methods of delivery of these games that incorporate technologies or mediums that did not exist, were not widely available, or were not commercially feasible at the time of the enactment of this chapter in 1984 shall be made, unless all of the following conditions are met:

(1) This chapter is amended by statute to expressly authorize these changes.

(2) The act making the amendments contains express legislative findings that the amendments are consistent with the terms of, and further the purposes of, this chapter.

(3) The amendments comport with applicable state and federal law.

(c) For purposes of this section, a change in the method of delivery means a material change in the way a consumer directly interacts with the game.

(d) Subdivision (b) does not apply to technological changes implemented prior to October 11, 1993.

(e) This section does not limit any internal technological changes made to the equipment or components utilized by the lottery.

SEC. 2. The Legislature finds and declares that this act furthers the purpose of the California State Lottery Act of 1984 enacted by Proposition 37 of the November 6, 1984, general election.

CHAPTER 84

An act to amend Sections 12804 and 13901 of the Government Code, relating to state agencies.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 12804 of the Government Code is amended to read:

12804. The Agriculture and Services Agency is hereby renamed the State and Consumer Services Agency.

The State and Consumer Services Agency consists of the following: the Department of General Services; the Department of Consumer Affairs; the Franchise Tax Board; the Public Employees' Retirement System; the State Teachers' Retirement System; the Department of Fair Employment and Housing; the Fair Employment and Housing Commission; the California Science Center; the California Victim Compensation and Government Claims Board; the California African-American Museum; and the State Building and Standards Commission.

SEC. 2. Section 13901 of the Government Code is amended to read:

13901. (a) There is within the State and Consumer Services Agency the California Victim Compensation and Government Claims Board.

(b) The board consists of the Secretary of State and Consumer Services or his or her designee and the Controller, both acting ex officio, and a third member who shall be appointed by and serve at the pleasure of the Governor. The third member may be a state officer who shall act ex officio.

(c) Any reference in statute or regulation to the State Board of Control shall be construed to refer to the California Victim Compensation and Government Claims Board.

CHAPTER 85

An act to amend Section 798.56 of the Civil Code, relating to mobilehomes.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 798.56 of the Civil Code is amended to read:
798.56. A tenancy shall be terminated by the management only for one or more of the following reasons:

(a) Failure of the homeowner or resident to comply with a local ordinance or state law or regulation relating to mobilehomes within a reasonable time after the homeowner receives a notice of noncompliance from the appropriate governmental agency.

(b) Conduct by the homeowner or resident, upon the park premises, that constitutes a substantial annoyance to other homeowners or residents.

(c) Conviction of the homeowner or resident for prostitution or a felony controlled substance offense if the act resulting in the conviction was committed anywhere on the premises of the mobilehome park, including, but not limited to, within the homeowner's mobilehome.

However the tenancy may not be terminated for the reason specified in this subdivision if the person convicted of the offense has permanently vacated, and does not subsequently reoccupy, the mobilehome.

(d) Failure of the homeowner or resident to comply with a reasonable rule or regulation of the park that is part of the rental agreement or any amendment thereto.

No act or omission of the homeowner or resident shall constitute a failure to comply with a reasonable rule or regulation unless and until the management has given the homeowner written notice of the alleged rule or regulation violation and the homeowner or resident has failed to adhere to the rule or regulation within seven days. However, if a homeowner has been given a written notice of an alleged violation of the same rule or regulation on three or more occasions within a 12-month period after the homeowner or resident has violated that rule or regulation, no written notice shall be required for a subsequent violation of the same rule or regulation.

Nothing in this subdivision shall relieve the management from its obligation to demonstrate that a rule or regulation has in fact been violated.

(e) (1) Nonpayment of rent, utility charges, or reasonable incidental service charges; provided that the amount due has been unpaid for a

period of at least five days from its due date, and provided that the homeowner shall be given a three-day written notice subsequent to that five-day period to pay the amount due or to vacate the tenancy. For purposes of this subdivision, the five-day period does not include the date the payment is due. The three-day written notice shall be given to the homeowner in the manner prescribed by Section 1162 of the Code of Civil Procedure. A copy of this notice shall be sent to the persons or entities specified in subdivision (b) of Section 798.55 within 10 days after notice is delivered to the homeowner. If the homeowner cures the default, the notice need not be sent. The notice may be given at the same time as the 60 days' notice required for termination of the tenancy. A three-day notice given pursuant to this subdivision shall contain the following provisions printed in at least 12-point boldface type at the top of the notice, with the appropriate number written in the blank:

“Warning: This notice is the (insert number) three-day notice for nonpayment of rent, utility charges, or other reasonable incidental services that has been served upon you in the last 12 months. Pursuant to Civil Code Section 798.56 (e) (5), if you have been given a three-day notice to either pay rent, utility charges, or other reasonable incidental services or to vacate your tenancy on three or more occasions within a 12-month period, management is not required to give you a further three-day period to pay rent or vacate the tenancy before your tenancy can be terminated.”

(2) Payment by the homeowner prior to the expiration of the three-day notice period shall cure a default under this subdivision. If the homeowner does not pay prior to the expiration of the three-day notice period, the homeowner shall remain liable for all payments due up until the time the tenancy is vacated.

(3) Payment by the legal owner, as defined in Section 18005.8 of the Health and Safety Code, any junior lienholder, as defined in Section 18005.3 of the Health and Safety Code, or the registered owner, as defined in Section 18009.5 of the Health and Safety Code, if other than the homeowner, on behalf of the homeowner prior to the expiration of 30 calendar days following the mailing of the notice to the legal owner, each junior lienholder, and the registered owner provided in subdivision (b) of Section 798.55, shall cure a default under this subdivision with respect to that payment.

(4) Cure of a default of rent, utility charges, or reasonable incidental service charges by the legal owner, any junior lienholder, or the registered owner, if other than the homeowner, as provided by this subdivision, may not be exercised more than twice during a 12-month period.

(5) If a homeowner has been given a three-day notice to pay the amount due or to vacate the tenancy on three or more occasions within the preceding 12-month period and each notice includes the provisions specified in paragraph (1), no written three-day notice shall be required in the case of a subsequent nonpayment of rent, utility charges, or reasonable incidental service charges.

In that event, the management shall give written notice to the homeowner in the manner prescribed by Section 1162 of the Code of Civil Procedure to remove the mobilehome from the park within a period of not less than 60 days, which period shall be specified in the notice. A copy of this notice shall be sent to the legal owner, each junior lienholder, and the registered owner of the mobilehome, if other than the homeowner, as specified in paragraph (b) of Section 798.55, by certified or registered mail return receipt requested within 10 days after notice is sent to the homeowner.

(6) When a copy of the 60 days' notice described in paragraph (5) is sent to the legal owner, each junior lienholder, and the registered owner of the mobilehome, if other than the homeowner, the default may be cured by any of them on behalf of the homeowner prior to the expiration of 30 calendar days following the mailing of the notice, if all of the following conditions exist:

(A) A copy of a three-day notice sent pursuant to subdivision (b) of Section 798.55 to a homeowner for the nonpayment of rent, utility charges, or reasonable incidental service charges was not sent to the legal owner, junior lienholder, or registered owner, of the mobilehome, if other than the homeowner, during the preceding 12-month period.

(B) The legal owner, junior lienholder, or registered owner of the mobilehome, if other than the homeowner, has not previously cured a default of the homeowner during the preceding 12-month period.

(C) The legal owner, junior lienholder or registered owner, if other than the homeowner, is not a financial institution or mobilehome dealer.

If the default is cured by the legal owner, junior lienholder, or registered owner within the 30-day period, the notice to remove the mobilehome from the park described in paragraph (5) shall be rescinded.

(f) Condemnation of the park.

(g) Change of use of the park or any portion thereof, provided:

(1) The management gives the homeowners at least 15 days' written notice that the management will be appearing before a local governmental board, commission, or body to request permits for a change of use of the mobilehome park.

(2) After all required permits requesting a change of use have been approved by the local governmental board, commission, or body, the management shall give the homeowners six months' or more written notice of termination of tenancy.

If the change of use requires no local governmental permits, then notice shall be given 12 months or more prior to the management's determination that a change of use will occur. The management in the notice shall disclose and describe in detail the nature of the change of use.

(3) The management gives each proposed homeowner written notice thereof prior to the inception of his or her tenancy that the management is requesting a change of use before local governmental bodies or that a change of use request has been granted.

(4) The notice requirements for termination of tenancy set forth in Sections 798.56 and 798.57 shall be followed if the proposed change actually occurs.

(5) A notice of a proposed change of use given prior to January 1, 1980, that conforms to the requirements in effect at that time shall be valid. The requirements for a notice of a proposed change of use imposed by this subdivision shall be governed by the law in effect at the time the notice was given.

(h) The report required pursuant to subdivisions (b) and (i) of Section 65863.7 of the Government Code shall be given to the homeowners or residents at the same time that notice is required pursuant to subdivision (g) of this section.

(i) For purposes of this section, "financial institution" means a state or national bank, state or federal savings and loan association or credit union, or similar organization, and mobilehome dealer as defined in Section 18002.6 of the Health and Safety Code or any other organization that, as part of its usual course of business, originates, owns, or provides loan servicing for loans secured by a mobilehome.

CHAPTER 86

An act to amend Sections 29093, 29109, 53895, and 53895.5 of the Government Code, relating to financial reports.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 29093 of the Government Code is amended to read:

29093. (a) A copy of the completed budget as finally determined and adopted shall be filed by the auditor in the office of the clerk of the board and the office of the Controller not later than November 1 of each year.

(b) (1) If the auditor, after receipt of written notice from the Controller, fails to transmit a copy of the budget within 20 days, he or she shall forfeit to the state one thousand dollars (\$1,000) to be recovered in an action brought by the Attorney General, in the name of the Controller.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalty for late filing provided in paragraph (1).

(c) The board may, by resolution, extend on a permanent basis or for a limited period the date specified by this section from November 1 to December 1.

SEC. 2. Section 29109 of the Government Code is amended to read:

29109. (a) On or before November 1 of each year, the auditor shall forward to the Controller, in such form as the Controller directs, a statement of the rates of taxation, the assessed valuation as shown on the current equalized assessment roll, the amount of taxes to be levied and allocated pursuant to the Revenue and Taxation Code.

(b) (1) If the auditor, after receipt of written notice from the Controller fails to transmit the statements within 20 days, he or she shall forfeit to the state, one thousand dollars (\$1,000) to be recovered in an action brought by the Attorney General, in the name of the Controller.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalty for late filing provided in paragraph (1).

(c) The board may, by resolution, extend on a permanent basis or for a limited period the date specified in this section from November 1 to December 1.

SEC. 3. Section 53895 of the Government Code is amended to read:

53895. (a) An officer of a local agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:

(1) One thousand dollars (\$1,000), in the case of a local agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Two thousand five hundred dollars (\$2,500) in the case of a local agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Five thousand dollars (\$5,000) in the case of a local agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(b) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.

SEC. 4. Section 53895.5 of the Government Code is amended to read:

53895.5. (a) An officer of a community redevelopment agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:

(1) One thousand dollars (\$1,000) in the case of a community redevelopment agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Two thousand five hundred dollars (\$2,500) in the case of a community redevelopment agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000), but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Five thousand dollars (\$5,000) in the case of a community redevelopment agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(b) An officer of a community redevelopment agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller in the second or more consecutive year shall forfeit to the state:

(1) Two thousand dollars (\$2,000) in the case of a community redevelopment agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.

(2) Five thousand dollars (\$5,000) in the case of a community redevelopment agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(3) Ten thousand dollars (\$10,000) in the case of a community redevelopment agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.

(c) In the case of a community redevelopment agency that fails or refuses to make and file its report within 20 days after receipt of a written notice of the failure from the Controller in the third or more consecutive year, the Controller shall conduct or cause to be conducted an independent financial audit report consistent with the requirements of Section 33080.1 of the Health and Safety Code. The community

redevelopment agency shall reimburse the Controller for the cost of complying with this subdivision. The community redevelopment agency shall not use any of the money in the Low and Moderate Income Housing Fund to reimburse the Controller.

(d) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.

(2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.

(e) A community redevelopment agency that makes a forfeiture or payment pursuant to this section shall still file the report required pursuant to Section 53891.

CHAPTER 87

An act to add and repeal Article 2.5 (commencing with Section 7076) of Chapter 8 of Part 1 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Article 2.5 (commencing with Section 7076) is added to Chapter 8 of Part 1 of Division 2 of the Revenue and Taxation Code, to read:

Article 2.5. Managed Audit Program

7076. (a) The State Board of Equalization shall determine which taxpayer's accounts are eligible for the managed audit program in a manner that is consistent with the efficient use of its auditing resources and the maximum effectiveness of the program.

(b) A taxpayer is not required to participate in the managed audit program.

7076.1. A taxpayer's account is eligible for the managed audit program only if the taxpayer meets all of the following criteria:

(a) The taxpayer's business involves few or no statutory exemptions.

(b) The taxpayer's business involves a single or small number of clearly defined taxability issues.

(c) The taxpayer is taxed pursuant to this part and agrees to participate in the managed audit program.

(d) The taxpayer has the resources to comply with the managed audit instructions provided by the board.

7076.2. (a) If the board selects a taxpayer's account for a managed audit, all of the following apply:

(1) The board shall identify all of the following:

(A) The audit period covered by the managed audit.

(B) The types of transactions covered by the managed audit.

(C) The specific procedures that the taxpayer is to follow in determining any liability.

(D) The records to be reviewed by the taxpayer.

(E) The manner in which the types of transactions are to be scheduled for review.

(F) The time period for completion of the managed audit.

(G) The time period for the payment of the liability and interest.

(H) Any other criteria that the board may require for completion of the managed audit.

(2) The taxpayer shall:

(A) Examine its books, records, and equipment to determine if it has any unreported tax liability for the audit period.

(B) Make available to the board for verification all computations, books, records, and equipment examined pursuant to subparagraph (A).

(b) The information provided by the taxpayer pursuant to paragraph (2) of subdivision (a) is the same information that is required for the completion of any other audit that the board may conduct.

7076.3. Nothing in this article limits the board's authority to examine the books, papers, records, and equipment of a taxpayer under Section 7054.

7076.4. Upon completion of the managed audit and verification by the board, interest on any unpaid liability shall be computed at one-half the rate that would otherwise be imposed for liabilities covered by the audit period. Payment of the liabilities and interest shall be made within the time period specified by the board. If the requirements for the managed audit are not satisfied, the board may proceed to examine the records of the taxpayer in a manner to be determined by the board under law.

7076.5. This article is repealed on January 1, 2009.

SEC. 2. On or before January 1, 2008, the board shall report to the Legislature regarding the managed audit program as of June 30, 2007, which report shall contain all of the following:

(a) The amount of taxes, penalties, and interest payments collected from taxpayers that participated in the managed audit program.

(b) The amount of interest that was forgiven as a result of the managed audit program.

(c) The amount of taxes, penalties, and interest payments that was collected as a result of redirecting the board's auditing resources away from taxpayers participating in the managed audit program toward audits of other taxpayers with outstanding sales and use tax liabilities.

(d) Board recommendations for improving the success of the managed audit program.

CHAPTER 88

An act to amend Sections 12140 and 12142 of, and to add Section 12142.5 to, the Insurance Code, relating to motor clubs.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 12140 of the Insurance Code is amended to read:

12140. This part shall not apply to any of the following:

(a) A duly authorized attorney at law acting in the usual course of his profession.

(b) Any admitted insurer.

(c) Any association of motor carriers.

(d) Any person who is directly or indirectly engaged, either as principal or agent, in selling or offering for sale, furnishing, or procuring any of the services described in Section 12148, 12152, or 12153, or miscellaneous service that augments or is incidental to any of those services, but who is not directly or indirectly engaged, either as principal or agent, in selling or offering for sale, furnishing, or procuring any other service described in this chapter.

SEC. 2. Section 12142 of the Insurance Code is amended to read:

12142. (a) Except as provided in subdivision (b), a motor club is a person, directly or indirectly engaged, either as principal or agent, in selling or offering for sale, furnishing or procuring motor club service.

(b) A person who is directly or indirectly engaged, either as principal or agent, in selling or offering for sale, furnishing, or procuring any of the services described in Section 12148, 12152, or 12153, or miscellaneous service that augments or is incidental to any of those services, but who is not directly or indirectly engaged, either as principal or agent, in selling or offering for sale, furnishing, or procuring any other service described in this chapter, is not a motor club.

SEC. 3. Section 12142.5 is added to the Insurance Code, to read:

12142.5. The commissioner shall adopt reasonable rules and regulations specifying the types of miscellaneous service permitted under subdivision (d) of Section 12140 and subdivision (b) of Section 12142. The rules and regulations shall be adopted, amended, and repealed in accordance with the procedure provided in Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

CHAPTER 89

An act to amend Section 1950.7 of the Civil Code, relating to tenancy.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1950.7 of the Civil Code is amended to read:
1950.7. (a) Any payment or deposit of money the primary function of which is to secure the performance of a rental agreement for other than residential property or any part of the agreement, other than a payment or deposit, including an advance payment of rent, made to secure the execution of a rental agreement, shall be governed by the provisions of this section. With respect to residential property, the provisions of Section 1950.5 shall prevail.

(b) The payment or deposit of money shall be held by the landlord for the tenant who is party to the agreement. The claim of a tenant to the payment or deposit shall be prior to the claim of any creditor of the landlord, except a trustee in bankruptcy.

(c) The landlord may claim of the payment or deposit only those amounts as are reasonably necessary to remedy tenant defaults in the payment of rent, to repair damages to the premises caused by the tenant, or to clean the premises upon termination of the tenancy, if the payment or deposit is made for any or all of those specific purposes.

(1) If the claim of the landlord upon the payment or deposit is only for defaults in the payment of rent and the security deposit equals no more than one month's rent plus a deposit amount clearly described as the payment of the last month's rent, then any remaining portion of the payment or deposit shall be returned to the tenant at a time as may be mutually agreed upon by landlord and tenant, but in no event later than 30 days from the date the landlord receives possession of the premises.

(2) If the claim of the landlord upon the payment or deposit is only for defaults in the payment of rent and the security deposit exceeds the

amount of one month's rent plus a deposit amount clearly described as the payment of the last month's rent, then any remaining portion of the payment or deposit in excess of an amount equal to one month's rent shall be returned to the tenant no later than two weeks after the date the landlord receives possession of the premises, with the remainder to be returned or accounted for within 30 days from the date the landlord receives possession of the premises.

(3) If the claim of the landlord upon the payment or deposit includes amounts reasonably necessary to repair damages to the premises caused by the tenant or to clean the premises, then any remaining portion of the payment or deposit shall be returned to the tenant at a time as may be mutually agreed upon by landlord and tenant, but in no event later than 30 days from the date the landlord receives possession of the premises.

(d) Upon termination of the landlord's interest in the unit in question, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, within a reasonable time, do one of the following acts, either of which shall relieve the landlord of further liability with respect to the payment or deposit:

(1) Transfer the portion of the payment or deposit remaining after any lawful deductions made under subdivision (c) to the landlord's successor in interest, and thereafter notify the tenant by personal delivery or certified mail of the transfer, of any claims made against the payment or deposit, and of the transferee's name and address. If the notice to the tenant is made by personal delivery, the tenant shall acknowledge receipt of the notice and sign his or her name on the landlord's copy of the notice.

(2) Return the portion of the payment or deposit remaining after any lawful deductions made under subdivision (c) to the tenant.

(e) Upon receipt of any portion of the payment or deposit under paragraph (1) of subdivision (d), the transferee shall have all of the rights and obligations of a landlord holding the payment or deposit with respect to the payment or deposit.

(f) The bad faith retention by a landlord or transferee of a payment or deposit or any portion thereof, in violation of this section, may subject the landlord or the transferee to damages not to exceed two hundred dollars (\$200), in addition to any actual damages.

(g) This section is declarative of existing law and therefore operative as to all tenancies, leases, or rental agreements for other than residential property created or renewed on or after January 1, 1971.

CHAPTER 90

An act to amend Section 530.8 of the Penal Code, relating to identity theft.

[Approved by Governor July 21, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 530.8 of the Penal Code is amended to read:
530.8. (a) If a person discovers that an application in his or her name for a loan, credit line or account, credit card, charge card, public utility service, mail receiving or forwarding service, office or desk space rental service, or commercial mobile radio service has been filed with any person or entity by an unauthorized person, or that an account in his or her name has been opened with a bank, trust company, savings association, credit union, public utility, mail receiving or forwarding service, office or desk space rental service, or commercial mobile radio service provider by an unauthorized person, then, upon presenting to the person or entity with which the application was filed or the account was opened a copy of a police report prepared pursuant to Section 530.6 and identifying information in the categories of information that the unauthorized person used to complete the application or to open the account, the person, or a law enforcement officer specified by the person, shall be entitled to receive information related to the application or account, including a copy of the unauthorized person's application or application information and a record of transactions or charges associated with the application or account. Upon request by the person in whose name the application was filed or in whose name the account was opened, the person or entity with which the application was filed shall inform him or her of the categories of identifying information that the unauthorized person used to complete the application or to open the account. The person or entity with which the application was filed or the account was opened shall provide copies of all forms and information required by this section, without charge, within 10 business days of receipt of the person's request and submission of the required copy of the police report and identifying information.

(b) Any request made pursuant to subdivision (a) to a person or entity subject to the provisions of Section 2891 of the Public Utilities Code shall be in writing and the requesting person shall be deemed to be the subscriber for purposes of that section.

(c) (1) Before a person or entity provides copies to a law enforcement officer pursuant to subdivision (a), the person or entity may require the

requesting person to submit a signed and dated statement by which the requesting person does all of the following:

(A) Authorizes disclosure for a stated period.

(B) Specifies the name of the agency or department to which the disclosure is authorized.

(C) Identifies the types of records that the requesting person authorizes to be disclosed.

(2) The person or entity shall include in the statement to be signed by the requesting person a notice that the requesting person has the right at any time to revoke the authorization.

(d) As used in this section, "law enforcement officer" means a peace officer as defined by Section 830.1.

(e) As used in this section, "commercial mobile radio service" means "commercial mobile radio service" as defined in section 20.3 of Title 47 of the Code of Federal Regulations.

CHAPTER 91

An act to amend Sections 44395, 44396, 44510, 44735, 44751, 44752, 48200.7, 51101, 52054, 52055.52, 52055.600, 52055.605, 52055.610, 52055.615, 52055.620, 52055.625, 52055.650, 52055.655, 52055.656, 52058.1, 58907, 58916, 66941, 69440, 69532, 69612, 69613.1, 69615.4, 70001, 70003, 70005, 99200, 99203, 99220, and 99234 of, to amend the heading of Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of, the Education Code, and to amend Sections 8869.80 and 8869.84 of the Government Code, relating to schools.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 44395 of the Education Code is amended to read:

44395. (a) The National Board for Professional Teaching Standards Certification Incentive Program is hereby established to award grants to school districts for the purpose of providing awards to teachers who are employed by school districts or charter schools, are assigned to teach in California public schools, and have attained certification from the National Board for Professional Teaching Standards. The following awards shall be granted to the extent that funds have been appropriated for this purpose in the annual Budget Act:

(1) A teacher attaining national board certification shall be eligible for a one-time merit award of ten thousand dollars (\$10,000), except as specified in paragraph (2).

(2) In addition to the award specified in subdivision (1), commencing July 1, 2000, any teacher who has attained certification from the National Board for Professional Teaching Standards is eligible to receive an award of up to twenty thousand dollars (\$20,000) if he or she agrees to teach at a high-priority school for at least four years. Teaching service before July 1, 2000, may not be counted towards satisfaction of this four-year commitment. Awards granted pursuant to this subdivision shall be disbursed in annual payments of five thousand dollars (\$5,000) over a four-year period. The annual payment shall be made upon completion of the school year, and upon approval of a district-certified application pursuant to the guidelines of subdivision (c) of Section 44396.

(b) The State Department of Education shall administer the awards authorized by subdivision (a), and shall develop, in consultation with the Commission on Teacher Credentialing, certification and award information, criteria, procedures, and applications, all of which shall be submitted to the State Board of Education for approval. Amendments requested by the State Board of Education to that information, criteria, procedures, and applications shall be made before the dissemination of the material and the granting of any award under this article.

(c) The State Department of Education shall distribute the materials described in subdivision (b) to school districts. Each school district is strongly encouraged to ensure that teachers employed by the district or by charter schools affiliated with the district are informed about the program and can acquire the necessary application and information materials.

(d) School districts are encouraged to provide for adequate release time and support for a teacher to complete the certification process. As a condition to providing that release time and support, a school district may require that a teacher serve in a mentor teacher capacity.

(e) The State Department of Education may provide fee assistance from funds appropriated in the annual Budget Act for the National Board for Professional Teaching Standards Certification Program to defray the fees of teachers seeking certification from the National Board for Professional Teaching Standards. The State Department of Education may provide fee assistance of up to one thousand dollars (\$1,000) for each teacher, not to exceed a total of two million dollars (\$2,000,000).

(f) For purposes of this article, the following definitions apply:

(1) "School district" means school district, county board of education, county superintendent of schools, a state operated program, such as a special school, or an education program providing instruction

in kindergarten or any of grades 1 to 12, inclusive, that is offered by a state agency, including the California Youth Authority and the State Department of Developmental Services.

(2) "High-priority school" means a school in the bottom half of all schools based on the Academic Performance Index rankings established pursuant to subdivision (a) of Section 52056. This designation shall be determined as of the date of the agreement by the teacher in paragraph (2) of subdivision (a) of this section.

SEC. 2. Section 44396 of the Education Code is amended to read:

44396. (a) (1) To the extent that funds are available for that purpose, a teacher who meets the criteria approved by the State Board of Education pursuant to subdivision (b) of Section 44395 is eligible and may apply for an award by following the procedures and instructions developed pursuant to that subdivision.

(2) A teacher who attained certification from the National Board for Professional Teaching Standards before January 1, 1999, and who was employed by a school district or charter school and assigned to teach in a California public school on the date of certification may apply for an award authorized pursuant to this article if he or she meets all the other requirements for that award specified by this article. For awards pursuant to this subdivision, teaching service before July 1, 2000, may not be counted toward satisfaction of the teacher's four-year agreement to teach in a high-priority school.

(b) Teachers shall submit their applications for an award authorized by this article to the school district employing them. Teachers employed by a charter school shall submit their application through the school district granting the school's charter.

(c) If a school district receives an application for an award authorized by this article, it shall certify that the applicant is employed by the district or a charter school operating under a charter granted by the school district and that the applicant has met all the criteria established pursuant to subdivision (b) of Section 44395. The school district shall thereafter submit the application to the State Department of Education for its review and approval.

(d) The State Department of Education shall approve applications that meet the criteria established pursuant to subdivision (b) of Section 44395. To the extent funds are available, the State Department of Education shall apportion funds to the appropriate school districts in the amount of the award authorized by Section 44395 for each approved application. The school district shall use funds apportioned to it pursuant to this subdivision to provide the amount of the award authorized by subdivision (a) of Section 44395 to each teacher whose application is approved.

SEC. 3. Section 44510 of the Education Code is amended to read:

44510. (a) This article shall be known and may be cited as the Principal Training Program.

(b) The Principal Training Program is hereby created. The Superintendent of Public Instruction, with the approval of the State Board of Education, shall administer the program.

(c) For purposes of this article, the following terms have the following meanings:

(1) "Hard-to-staff school" means a school in which teachers holding emergency permits or credential waivers make up 20 percent or more of the teaching staff.

(2) "Local education agency" means a school district, a county office of education, or a charter school.

(3) "High-priority school" means a school in the bottom half of all schools based on the Academic Performance Index rankings established pursuant to subdivision (a) of Section 52056.

(4) "Schoolsite administrator" means a person employed on a full-time or a part-time basis as a principal or a vice principal at a public school in which kindergarten or any of grades 1 to 12, inclusive, are taught.

SEC. 4. Section 44735 of the Education Code is amended to read:

44735. (a) The Teaching As A Priority Block Grant is hereby created to be administered by the State Department of Education with the approval of the State Board of Education. The State Department of Education shall award block grants to school districts on a competitive basis to provide incentives to attract credentialed teachers to be employed and retained in high-priority schools.

(b) (1) To be eligible to receive a full block grant in the third year of participation, a school district shall demonstrate a net decrease in the number of teachers holding an emergency permit or waiver at each school ranked in the bottom half of the academic performance index pursuant to Article 2 (commencing with Section 52051) of Chapter 6.1.

(2) After two years of receiving a block grant, a school district that fails to demonstrate a net decrease in the number of teachers holding an emergency permit or waiver at any of its schools ranked in the bottom half of the academic performance index shall have the amount of the school's block grant reduced by the amount of funds generated by pupils enrolled in that school.

(3) For purposes of this subdivision, "net decrease" shall be determined by comparing the number of teachers employed who hold an emergency permit or waiver at the end of the second year of implementation to the number of teachers employed who held an emergency permit or waiver prior to the implementation of the block grant.

(4) This subdivision does not apply to any school district with fewer than 2,501 units of average daily attendance that is in a county that is within the fourth through eighth class as defined in Section 1205.

(5) This subdivision is applicable only when stable funding for the Teaching As A Priority Block Grant program is provided in the annual Budget Act. For purposes of this subdivision, stable funding means no more than a 5-percent variation in funding from one fiscal year to the next.

(c) (1) Block grant funds may be used at the discretion of a school district for teacher recruitment and retention incentives with the target of reducing the number of teachers on emergency permits. Incentives shall only be used to hire and retain credentialed teachers. Teacher recruitment and retention incentives may include, but are not limited to, all of the following:

- (A) Signing bonuses.
- (B) Improved work conditions.
- (C) Teacher compensation.
- (D) Housing subsidies.

(2) A school district receiving block grant funds pursuant to this section may offer incentives to recruit and retain credentialed teachers interested in attaining certification pursuant to Section 44253.3 or 44253.4. Those incentives may include, but are not limited to, both of the following:

(A) Reimbursements to cover the costs of examinations necessary to attain certification pursuant to Sections 44253.3 and 44253.4.

(B) Reimbursements to cover the costs of coursework necessary for preparation programs offering emphasis in certification pursuant to Sections 44253.3 and 44253.4.

(d) Funding shall be allocated to school districts on a per pupil basis for pupils enrolled in schools ranked in the bottom half of the academic performance index pursuant to Article 2 (commencing with Section 52051) of Chapter 6.1. Within the bottom half of the academic performance index, schools ranked in deciles 1, 2, and 3 shall receive $1\frac{1}{2}$ times the funding per pupil of schools ranked in deciles 4 and 5. No less than the amount of funding generated by pupils in schools ranked in deciles 1, 2, and 3 shall be expended in those schools.

(e) School districts shall apply to the State Department of Education on behalf of their schools. The district application shall contain information that is specific to each school. Applications shall contain baseline information on the number of teachers with waivers or emergency permits at each school in accordance with subdivision (c).

(f) School districts that participate in the program established in this section shall be encouraged to participate in regional teacher recruitment centers operated by consortia pursuant to Section 44751.

(g) Funds appropriated for the purposes of this chapter shall supplement, and not supplant, existing efforts to recruit and retain fully credentialed teachers in the school district.

(h) The State Board of Education shall submit an evaluation of the program created by this chapter to the Legislature by January 1, 2004.

SEC. 5. Section 44751 of the Education Code is amended to read:

44751. (a) The Teacher Recruitment Incentive Program is hereby created, to be administered by the Sacramento County Office of Education. The Superintendent of Public Instruction shall allocate funds appropriated for the purpose of this program to the Sacramento County Office of Education, which shall allocate those funds as specified in Section 44751.5. The Superintendent of Public Instruction may allocate up to 6 percent of the program funds to the Sacramento County Office of Education for the costs of administering the program.

(b) For purposes of this chapter, the following terms have the following meanings:

(1) "High-priority school" means a school in the bottom half of the Academic Performance Index rankings established pursuant to subdivision (a) of Section 52052 that has applied for participation in the Immediate Intervention Underperforming Schools Program established pursuant to subdivision (a) of Section 52053.

(2) "Regional teacher recruitment center" means an entity operated by a consortium of school districts that may also include county offices of education, colleges, universities, or other community-based organizations.

SEC. 6. Section 44752 of the Education Code is amended to read:

44752. Criteria for awarding the grants shall be established by the Sacramento County Office of Education, but shall include, at a minimum, all of the following:

(a) A plan for collaboration among the consortium members.

(b) A recruitment plan of highly effective recruitment strategies.

(c) A focus on recruiting teachers to high-priority schools, especially those with a teaching staff that has more than 20-percent emergency permit teachers.

(d) Active participation in planning and implementation by school district administrators responsible for certificated personnel.

(e) The demonstrated need.

(f) The number of teachers to be hired through recruitment efforts.

SEC. 7. Section 48200.7 of the Education Code is amended to read:

48200.7. (a) The State Department of Education shall identify the three lowest performing elementary schools in the Compton Unified School District for purposes of extending the school year for pupils enrolled in kindergarten or grades 1 and 2 and for those pupils in any of grades 3 to 5, inclusive, who are performing in mathematics or English

language arts two or more grade levels below the grade in which those pupils are enrolled as determined under subdivision (d).

(b) Beginning with the 1998–99 school year, the Compton Unified School District may identify schools of the district, in addition to those identified pursuant to subdivision (a), that are among the lowest performing schools in the district, and may provide any pupil enrolled in kindergarten and grades 1 to 12, inclusive, in a school identified pursuant to this subdivision who is performing in mathematics or English language arts at two or more grade levels below the grade in which that pupil is enrolled as determined pursuant to subdivision (d), with extended school year instruction pursuant to Section 41601.1.

(c) Notwithstanding subdivision (b) of this section and Section 41601.1, the amount of funding claimed by the district for extended year instruction shall not in any year exceed twice the amount claimed pursuant to this section in the 1997–98 fiscal year as adjusted each year by the inflation adjustment determined pursuant to Section 42238.1.

(d) The determination that a pupil is performing two or more grade levels below the grade in which that pupil is enrolled shall be based on any combination of the following:

- (1) The California Achievement Test-Form E.
- (2) The Spanish assessment of basic education.
- (3) Proficiency tests required for graduation.
- (4) District criterion reference tests based on state curriculum guides.
- (5) The STAR test.

(e) The Compton Unified School District shall test all pupils in kindergarten and grades 1 to 12, inclusive, in its lowest performing schools identified pursuant to subdivisions (a) and (b) prior to those pupils beginning an extended school year program under this section. At the end of the school year the school district shall again test the pupils in kindergarten and grades 1 to 12, inclusive, to determine the grade level at which those pupils are performing.

(f) The State Department of Education shall approve each of the following areas in each elementary school identified as high-priority pursuant to subdivision (a):

- (1) Curricula.
- (2) Testing instruments.
- (3) Schoolday length.
- (4) Teacher selection, teacher mentoring, and staff development processes.

(g) The State Department of Education shall review teacher compensation, including salary and benefits, in each elementary school identified as high-priority pursuant to subdivision (a).

(h) The State Department of Education shall collect data as to each of the following items for each school in subdivisions (a) and (b):

(1) Instructional materials used by, and made available to, the school.
(2) Teacher capacity.
(3) Any other baseline data deemed necessary by the department.
(i) Instruction provided to pupils subject to this section during schooldays in excess of schooldays offered to other pupils shall be devoted to instruction in basic skills in mathematics and English language arts.

(j) In conjunction with the Legislative Analyst, the State Department of Education shall contract for an independent evaluation to determine the effectiveness of the extended school year curriculum, instructional program, and materials provided pursuant to this section and funded pursuant to Section 41601.1 in improving pupil academic outcomes. Testing and data collection conducted pursuant to this section shall be administered under the oversight of the independent evaluator, who shall be provided with copies of all test results. Results of the evaluation shall be reported on or before January 1, 2002, to the Superintendent of Public Instruction, the Legislative Analyst, the Director of Finance, and the appropriate policy and fiscal committees of the Legislature. The Compton Unified School District shall be responsible for all costs incurred pursuant to this subdivision.

(k) A percentage of funding appropriated for purposes of this section, in an amount to be determined by the Superintendent of Public Instruction, shall be used for purposes of testing and data collecting pursuant to this section.

SEC. 8. Section 51101 of the Education Code is amended to read:

51101. (a) Except as provided in subdivision (d), the parents and guardians of pupils enrolled in public schools have the right and should have the opportunity, as mutually supportive and respectful partners in the education of their children within the public schools, to be informed by the school, and to participate in the education of their children, as follows:

(1) Within a reasonable period of time following making the request, to observe the classroom or classrooms in which their child is enrolled or for the purpose of selecting the school in which their child will be enrolled in accordance with the requirements of any intradistrict or interdistrict pupil attendance policies or programs.

(2) Within a reasonable time of their request, to meet with their child's teacher or teachers and the principal of the school in which their child is enrolled.

(3) To volunteer their time and resources for the improvement of school facilities and school programs under the supervision of district employees, including, but not limited to, providing assistance in the classroom with the approval, and under the direct supervision, of the

teacher. Although volunteer parents may assist with instruction, primary instructional responsibility shall remain with the teacher.

(4) To be notified on a timely basis if their child is absent from school without permission.

(5) To receive the results of their child's performance on standardized tests and statewide tests and information on the performance of the school that their child attends on standardized statewide tests.

(6) To request a particular school for their child, and to receive a response from the school district. This paragraph does not obligate the school district to grant the parent's request.

(7) To have a school environment for their child that is safe and supportive of learning.

(8) To examine the curriculum materials of the class or classes in which their child is enrolled.

(9) To be informed of their child's progress in school and of the appropriate school personnel whom they should contact if problems arise with their child.

(10) To have access to the school records of their child.

(11) To receive information concerning the academic performance standards, proficiencies, or skills their child is expected to accomplish.

(12) To be informed in advance about school rules, including disciplinary rules and procedures pursuant to Section 35291, attendance, retention, and promotion policies pursuant to Section 48070.5, dress codes, and procedures for visiting the school.

(13) To receive information about any psychological testing the school does involving their child and to deny permission to give the test.

(14) To participate as a member of a parent advisory committee, schoolsite council, or site-based management leadership team, in accordance with any rules and regulations governing membership in these organizations. In order to facilitate parental participation, schoolsite councils are encouraged to schedule a biannual open forum for the purpose of informing parents about current school issues and activities and answering parents' questions. The meetings should be scheduled on weekends, and prior notice should be provided to parents.

(15) To question anything in their child's record that the parent feels is inaccurate or misleading or is an invasion of privacy and to receive a response from the school.

(16) To be notified, as early in the school year as practicable pursuant to Section 48070.5, if their child is identified as being at risk of retention and of their right to consult with school personnel responsible for a decision to promote or retain their child and to appeal a decision to retain or promote their child.

(b) In addition to the rights described in subdivision (a), parents and guardians of pupils, including those parents and guardians whose

primary language is not English, shall have the opportunity to work together in a mutually supportive and respectful partnership with schools, and to help their children succeed in school. Each governing board of a school district shall develop jointly with parents and guardians, and shall adopt, a policy that outlines how parents or guardians of pupils, school staff, and pupils may share the responsibility for continuing the intellectual, physical, emotional, and social development and well-being of pupils at each schoolsite. The policy shall include, but is not necessarily limited to, the following:

(1) The means by which the school and parents or guardians of pupils may help pupils to achieve academic and other standards of the school.

(2) A description of the school's responsibility to provide a high quality curriculum and instructional program in a supportive and effective learning environment that enables all pupils to meet the academic expectations of the school.

(3) The manner in which the parents and guardians of pupils may support the learning environment of their children, including, but not limited to, the following:

(A) Monitoring attendance of their children.

(B) Ensuring that homework is completed and turned in on a timely basis.

(C) Participation of the children in extracurricular activities.

(D) Monitoring and regulating the television viewed by their children.

(E) Working with their children at home in learning activities that extend learning in the classroom.

(F) Volunteering in their children's classrooms, or for other activities at the school.

(G) Participating, as appropriate, in decisions relating to the education of their own child or the total school program.

(c) All schools that participate in the High Priority Schools Grant Program established pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 and that maintain kindergarten or any of grades 1 to 5, inclusive, shall jointly develop with parents or guardians for all children enrolled at that schoolsite, a school-parent compact pursuant to Section 6319 of Title 20 of the United States Code.

(d) This section does not authorize a school to inform a parent or guardian, as provided in this section, or to permit participation by a parent or guardian in the education of a child, if it conflicts with a valid restraining order, protective order, or order for custody or visitation issued by a court of competent jurisdiction.

SEC. 9. Section 52054 of the Education Code is amended to read:

52054. (a) Commencing in the 2001–02 fiscal year, by November 15 of the year that the school is selected to participate, the governing

board of a school district having jurisdiction over a school selected for participation in the program shall do one of the following:

(1) Contract with an external evaluator from the list of external evaluators and shall appoint a broad-based schoolsite and community team, consisting of a majority of nonschoolsite personnel. In a school that has a limited-English-proficient pupil population that constitutes at least 40 percent of the total pupil population, an external evaluator shall have demonstrated experience in working with a limited-English-proficient pupil population. Not less than 20 percent of the members of the team shall be parents or legal guardians of pupils in the school.

(2) Contract with an entity that has proven, successful expertise specific to the challenges inherent in high-priority schools. These entities may include, but are not limited to, the following:

- (A) Institutions of higher education.
- (B) County offices of education.
- (C) School district personnel.

(b) The selected external evaluator or entity shall solicit input from the parents and legal guardians of the pupils of the school. At a minimum, the evaluator or entity shall do all of the following:

(1) Inform the parents and legal guardians, in writing, that the school has been selected to participate in the Immediate Intervention/Underperforming Schools Program due to its below average performance.

(2) Hold a public meeting at the school, in cooperation with the principal, to which all parents and legal guardians of pupils in the school receive a written invitation. The invitation to the meeting may be combined with the written notice required by paragraph (1).

(3) Solicit, at the public meeting, the recommendations and opinions of the participating parents and legal guardians of pupils in the school regarding actions that should be taken to improve the performance of the school. These opinions and recommendations shall be considered by the external evaluator or entity and the community team in the development or modification of the action plan pursuant to this section or Section 52054.3.

(4) Provide technical assistance to the schoolsite.

(5) Notify all parents and legal guardians of pupils in the school of their opportunity to provide written recommendations of actions that should be taken to improve the performance of the school which shall be considered by the external evaluator or entity and the community team in the development or modification of the action plan pursuant to this section or Section 52054.3. Notice required by this subdivision may be combined with the written notice required by paragraph (1).

(c) By February 15 of the school year in which the school is selected to participate, the selected external evaluator or entity, in collaboration with the broad-based schoolsite and community team selected pursuant to subdivision (a), shall complete a review of the school that identifies weaknesses that contribute to the school's below average performance, make recommendations for improvement, and begin to develop an action plan to improve the academic performance of the pupils enrolled at the school. The action plan shall include percentage growth targets at least as high as the annual growth targets adopted by the State Board of Education pursuant to Section 52052. The action plan shall include an expenditure plan and shall be of a scope that does not require expenditure of funds in excess of those provided pursuant to this article or otherwise available to the school. The action plan may not be of a scope that requires reimbursement by the Commission on State Mandates for its implementation.

(d) At a minimum, the action plan shall do all of the following:

(1) Review and include the school and district conditions identified in the school accountability report card pursuant to Section 33126.

(2) Identify the current barriers at the school and district toward improvements in pupil achievement.

(3) Identify schoolwide and districtwide strategies to remove these barriers.

(4) Review and include school and school district crime statistics, in accordance with Section 628.5 of the Penal Code.

(5) Examine and consider disaggregated data regarding pupil achievement and other indicators to consider whether all groups and types of pupils make adequate progress toward short-term growth targets and long-term performance goals. The disaggregated data to be included and considered by the plan shall, at a minimum, provide information regarding the achievement of English language learners, pupils with exceptional needs, pupils who qualify for free and reduced price meals, and pupils in numerically significant subgroups.

(6) Set short-term academic objectives pursuant to Section 52052 for a two-year period that will allow the school to make adequate progress toward the growth targets established for each participating school for pupil achievement as measured by all of the following to the extent that the data is available for the school:

(A) The achievement test administered pursuant to Section 60640.

(B) Graduation rates for grades 7 to 12, inclusive.

(C) Attendance rates for pupils and school personnel for elementary, middle, and secondary schools.

(D) Any other indicators approved by the State Board of Education.

(e) The school action plan shall focus on improving pupil academic performance, improving the involvement of parents and guardians,

improving the effective and efficient allocation of resources and management of the school, and identifying and developing solutions that take into account the underlying causes for low performance by pupils.

(f) The team, in the development of the action plan, shall consult with the exclusive representatives of employee organizations, where they exist.

(g) The school action plan may propose to increase the number of instructional days offered at the schoolsite and also may propose to increase up to a full 12 months the amount of time for which certificated employees are contracted, if all of the following conditions are met:

(1) Provisions of the plan proposed pursuant to this subdivision shall not violate current applicable collective bargaining agreements.

(2) An agreement is reached with the exclusive representative concerning staffing specifically to accommodate the extended school year or 12-month contract.

(h) The team, in the development of the action plan, shall consult with the exclusive representatives of employee organizations, where they exist.

(i) Upon its completion, the action plan shall be submitted to the governing board of the school districts for its approval at a regularly scheduled public meeting. After the plan is approved, but no later than May 15 of the year that follows the year the school is selected to participate, the plan shall be submitted to the Superintendent of Public Instruction with a request for funding in the form prescribed by the Superintendent of Public Instruction, who shall review the school action plan and recommend approval or disapproval of the school's request for funding to the State Board of Education.

(j) Not later than July 15 of the year next following the year in which a school is selected for participation, the State Board of Education shall review and approve or disapprove the school's request for funding, based on the recommendation of the Superintendent of Public Instruction. Within 30 days of the State Board of Education's review, the Superintendent of Public Instruction shall notify the affected school districts of the state of the board's action regarding the request for funding. In conjunction with its approval of a request for funding to implement a school's action plan, the State Board of Education may, at the request of the governing board of the school district or the county board of education for a school under its jurisdiction, waive all or any part of any provision of this code, or any regulation adopted by the State Board of Education, controlling any of the programs listed in clause (i) of subparagraph (B) of paragraph (1) of subdivision (a) of Section 54761 and Section 64000 if the waiver does not result in a decrease in the instructional time otherwise required by law or regulation or an increase

in state costs and is determined to be consistent with subdivision (a) of Section 46300.

SEC. 10. Section 52055.52 of the Education Code is amended to read:

52055.52. (a) Thirty-six months after the Superintendent of Public Instruction assigns a management team, trustee, or a school assistance and intervention team to a schoolsite, if the school makes significant growth on the Academic Performance Index, as determined by the State Board of Education, in two consecutive years, the school shall exit the Immediate Intervention/Underperforming Schools Program and is no longer subject to the requirements of the program.

(b) Thirty-six months after the Superintendent of Public Instruction assigns a management team, trustee, or a school assistance and intervention team to a schoolsite, if the management team, trustee, or school assistance and intervention team fails to assist the school in making significant growth on the Academic Performance Index, as determined by the State Board of Education, the Superintendent of Public Instruction shall remove the management team, trustee, or school assistance and intervention team from providing services at the schoolsite and any other schoolsite. Additionally, the Superintendent of Public Instruction shall do at least one of the following:

(1) Require the school district to ensure, using available federal funds, that 100 percent of the teachers at the schoolsite are highly qualified, as defined by the state for the purposes of the federal No Child Left Behind Act.

(2) Require the school to contract, using available federal funds, with an outside entity to provide supplemental instruction to high-priority pupils and assign a management team, trustee, or school assistance and intervention team that has demonstrated success with other state-monitored schools.

(3) Allow parents of pupils enrolled at the school to apply directly to the State Board of Education to establish the charter school at the existing schoolsite.

(4) Close the school.

SEC. 11. The heading of Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of the Education Code is amended to read:

Article 3.5. High Priority Schools Grant Program

SEC. 12. Section 52055.600 of the Education Code is amended to read:

52055.600. (a) The High Priority Schools Grant Program is hereby established. Participation in this program is voluntary.

(b) From funds made available for purposes of this article, the Superintendent of Public Instruction shall allocate a total of four hundred dollars (\$400) per pupil, including funds received pursuant to Section 52054.5 or for the Comprehensive School Reform Demonstration Program (Public Law 105-78), to eligible schools for implementation of a school action plan approved pursuant to this article. In the first year of participation, instead of four hundred dollars (\$400) per pupil, a schoolsite may receive a total of thirty-three dollars and thirty-three cents (\$33.33) per pupil for each month remaining in the fiscal year ending June 30, 2003, beginning in the month immediately following the date of approval by the State Board of Education of the action plan required pursuant to this article. If the plan is not approved prior to the end of the fiscal year, the funding shall be similarly prorated in the subsequent year.

(c) It is the intent of the Legislature that federal funding provided pursuant to the Comprehensive School Reform Demonstration Program (P.L. 105-78) supplement, not supplant, funding received pursuant to this article.

(d) Funds received pursuant to this article may not be used to match funds received pursuant to Article 3 (commencing with Section 52053).

(e) The school district shall keep fiscal records available for inspection that affirm allocation to schoolsites in accordance with this section and shall allocate resources in a manner that does not delay their use.

SEC. 13. Section 52055.605 of the Education Code is amended to read:

52055.605. (a) The Superintendent of Public Instruction, with the approval of the State Board of Education, shall identify schools ranked in deciles 1 to 5, inclusive, on the Academic Performance Index (API).

(b) The Superintendent of Public Instruction shall invite schools identified pursuant to subdivision (a) to participate in the High Priority Schools Grant Program. Notwithstanding subdivision (h) of Section 52053, in order to be eligible for funding from the High Priority Schools Grant Program, a school shall also participate in the Immediate Intervention/Underperforming Schools Program. A school participating in both programs may elect to submit only one application and one plan for both programs. A school participating in the Immediate Intervention/Underperforming Schools Program before the date of the enactment of the act adding this section is also eligible for participation in the High Priority Schools Grant Program.

(c) First priority for participation in the High Priority Schools Grant Program shall be given to schools ranked on the API in decile 1. Second priority shall be given to schools in decile 2. Third priority shall be given to schools in decile 3. Fourth priority shall be given to schools in decile

4. Fifth priority shall be given to schools in decile 5. Within each decile, priority shall be given to the lowest ranked schools.

(d) Notwithstanding any other provision of law and if funds are available for this purpose, the number of schools within the designated cohorts of the Immediate Intervention/Underperforming Schools Program pursuant to Section 52053 may exceed the maximum numbers specified in that section in order to participate in the program established pursuant to this article.

(e) If a school ranked in decile 1 of the API completes the action plan required as part of the application to participate in the federal Comprehensive School Reform Demonstration Program (P.L. 105-78), but there are insufficient funds to allow that school to participate in that program, so long as the action plan meets the requirements of subdivisions (d) and (e) of Section 52054, that school shall be automatically approved to the extent funding is available for participation in the Immediate Intervention/Underperforming Schools Program and shall be deemed to have complied with the requirements of Section 52054.

(f) The State Board of Education may allow continuation high schools to apply for and receive funding pursuant to this article if those continuation high schools report pupil performance that is equivalent to that of high schools ranked in deciles 1 and 2 on the Academic Performance Index and the board determines that the state will be able to adequately determine growth in pupil performance in a valid and reliable manner for the purpose of accountability pursuant to this article. The State Board of Education may establish a limit on the number of continuation high schools that may be funded to reflect their proportion of high-priority pupils in grades 9 to 12, inclusive, and may adopt criteria limiting the eligibility for funding, pursuant to this article, of continuation high schools with a high level of per pupil funding from the continuation high school revenue limit add-on.

SEC. 14. Section 52055.610 of the Education Code is amended to read:

52055.610. (a) Fourteen days after the effective date of the act adding this section, the Superintendent of Public Instruction shall establish a procedure that is consistent with this article for the approval of applications and school action plans.

(b) Notwithstanding the existing application process established pursuant to Article 3 (commencing with Section 52053), in developing an action plan to be submitted with the application for funding pursuant to this article, a school may choose from the following options:

(1) A school district on behalf of an eligible school under its jurisdiction may elect to receive fifty thousand dollars (\$50,000) as a planning grant from funds appropriated for purposes of this article.

These planning grant funds shall be used for technical assistance in the development of the school action plan. Technical assistance includes assistance provided by school district personnel, county offices of education, universities, a state approved external evaluator, or any other entity that has proven successful expertise specific to the challenges inherent in high-priority schools. If the school action plan is approved, the Superintendent of Public Instruction shall provide funding for its implementation. Planning grant funds, as well as other funds available to school districts pursuant to this article, may be used for ongoing technical assistance throughout the implementation of the action plan and continued participation in the program established pursuant to Article 3 (commencing with Section 52053) and the program established pursuant to this article.

(2) A school district, on behalf of an eligible school under its jurisdiction, may elect to forego the fifty thousand dollars (\$50,000) planning grant and immediately submit its application and school action plan. If a school chooses this option, the Superintendent of Public Instruction shall take one of the following actions:

(A) Recommend approval of the application by the State Board of Education and action plan and provide funding for implementation of the school action plan.

(B) Request additional clarification and technical changes, after which the school and district shall resubmit the application and school action plan with the clarifications and changes for approval. If the application and school action plan is approved, the Superintendent of Public Instruction shall provide funding for implementation of the school action plan.

(C) Disapprove the plan in which case a school district on behalf of an eligible school under its jurisdiction shall receive a fifty thousand dollar (\$50,000) planning grant that shall be used for technical assistance in the redevelopment of the school action plan according to the department's recommendations. Technical assistance includes assistance provided by school district personnel, county offices of education, universities, a state approved external evaluator, or any other entity that has proven expertise specific to the challenges inherent in high-priority schools.

(c) The following deadlines apply for the 2001–02 fiscal year:

(1) A school district on behalf of an eligible school under its jurisdiction shall submit the application and school action plan to the Superintendent of Public Instruction for review and approval by May 15, 2002.

(2) The Superintendent of Public Instruction shall make a recommendation to the State Board of Education regarding approval or disapproval of applications and school action plans by June 15, 2002.

The State Board of Education shall approve or disapprove the application and action plan by June 30, 2002. Upon approval by the State Board of Education, the State Department of Education shall allocate funding to schools for the implementation of the action plan. If the State Board of Education fails to approve or disapprove the application and school action plan by June 30, 2002, the recommendation of the Superintendent of Public Instruction shall be deemed to be adopted and funding for implementation of the action plan shall be allocated.

(3) If the Superintendent of Public Instruction takes the action specified in subparagraph (B) of paragraph (2) of subdivision (b), the school and school district shall resubmit the application and school action plan with the clarifications and changes for approval by August 1, 2002, and the Superintendent of Public Instruction shall make a recommendation to the State Board of Education regarding approval or disapproval by September 1, 2002. The State Board of Education shall approve or disapprove the application and action plan by September 30, 2002. If the action plan is approved, the department shall allocate funding to the school district on behalf of an eligible school under its jurisdiction for implementation of the action plan. If the State Board of Education fails to approve or disapprove the application and school action plan by September 30, 2002, the recommendation of the Superintendent of Public Instruction shall be deemed to be adopted and funding for implementation of the action plan is to be allocated.

(4) A school district may request that the State Board of Education waive the deadlines set forth in this subdivision. The State Board of Education may grant a waiver request made pursuant to this paragraph.

(d) If a school receives implementation funding during the same fiscal year it receives a fifty thousand dollar (\$50,000) planning grant, the planning grant shall be deducted from the amount of implementation funding provided to the school pursuant to subdivision (b) of Section 52055.600.

SEC. 15. Section 52055.615 of the Education Code is amended to read:

52055.615. (a) If the Superintendent of Public Instruction invites a school to participate in the High Priority Schools Grant Program, the governing board of the school district shall hold a public hearing at a regularly scheduled meeting to discuss whether or not to apply for participation in this program and how to address the needs of the school and pupils.

(b) If a school district, on behalf of an eligible school under its jurisdiction, decides not to accept the invitation to participate in the High Priority Schools Grant Program, the governing board of the school district shall hold a public hearing at a regularly scheduled meeting to discuss the reasons and rationale for not accepting the invitation and

explain how the district intends to address the needs of the school and pupils. This section does not apply to school districts with jurisdiction over schools for which the Superintendent of Public Instruction has indicated that funding would not be available. The governing board shall not place the discussion required pursuant to this subdivision on the consent calendar of the hearing.

(c) The governing board shall notify, in writing, the following persons and entities of the public hearings required pursuant to subdivisions (a) and (b):

(1) Representative parent organizations at the schoolsite, including the parent-teacher association, parent teacher clubs, and schoolsite councils. The district is encouraged also to notify parents directly through appropriate means. Notifications to parents shall comply with Article 4 (commencing with Section 48985) of Chapter 6 of Part 27.

(2) All local major media outlets.

(3) The local mayor.

(4) All members of the city council.

(5) All members of the county board of supervisors.

(6) County superintendents of schools.

(7) County board of education.

SEC. 16. Section 52055.620 of the Education Code is amended to read:

52055.620. (a) As a condition of the receipt of funds, a school action plan shall be based upon the following:

(1) It shall be based on scientifically based research, effective practices, and be data driven.

(2) It shall include ongoing data gathering for the purposes of this program so that progress can be measured and verified and the plan can be modified based on the data.

(3) It shall be grounded in the findings from an initial needs assessment.

(4) It shall evidence a commitment by the school community to implement the plan. The plan shall describe how this commitment will be evidenced.

(5) It shall make clear that there is a heightening of expectations on the part of all personnel associated with the schoolsite that all children can learn and every school can succeed.

(6) It shall ensure that an environment that is conducive to teaching and learning is provided at the schoolsite.

(7) It shall identify additional human, financial, and other resources available to the school to be used in the implementation of the school action plan.

(b) (1) The action plan shall be developed, in partnership with the school district, by the schoolsite council, as defined in Section 52012,

or if the school does not have a schoolsite council, by a schoolwide advisory group or school support group that conforms to the requirements of Section 52012 and whose members are self-selected.

(2) Notwithstanding paragraph (1), a school participating in the Immediate Intervention/Underperforming Schools Program prior to the effective date of the act adding this section may continue using its school action team for purposes of developing an action plan pursuant to this article.

(c) In developing a school action plan, the school and school district shall use the technical assistance from school district personnel, county offices of education, universities, a state approved external evaluator, or any other person or entity that has proven successful expertise specific to the challenges inherent in high-priority schools. In addition, the school and district may include an individual to facilitate the activities related to the development of this plan.

(d) The action plan shall include a strategy, jointly developed by the school district and the exclusive bargaining representative of the certificated employees of the district, for addressing the distribution of experienced credentialed teachers throughout the district, including an agreement by the district and the exclusive bargaining representative of the certificated staff on how they are going to achieve a balance in that distribution. This collaboration shall take place outside of collective bargaining and shall strive to develop a strategy that will attract and retain equal ratios of credentialed teachers at each school in the district. This collaboration shall include discussions on ways to maximize current options to recruit credentialed teachers to the district, use of regional recruitment centers, ensuring that newly hired credentialed teachers are assigned in alignment with the goal of even distribution of credentialed teachers, and ensuring that high-priority schools provide a necessary teaching and learning environment to retain a fully credentialed teaching staff.

(e) The action plan may include any existing plan a school may have developed for another program, that may include existing strategies that meet the requirements of the essential components of a school action plan specified in Section 52055.625.

SEC. 17. Section 52055.625 of the Education Code is amended to read:

52055.625. (a) It is the intent of the Legislature that the lists contained in paragraph (2) of subdivisions (c), (d), (e), and (f) be considered options that may be considered by a school in the development of its school action plan and that a school not adopt all of the listed options as a condition of funding under the terms of this act. Instead, this listing of options is intended to provide the opportunity for

focus and strategic planning as schools plan to address the needs of high-priority pupils.

(b) As a condition of the receipt of funds, a school action plan shall include each of the following essential components:

- (1) Pupil literacy and achievement.
- (2) Quality of staff.
- (3) Parental involvement.
- (4) Facilities, curriculum, instructional materials, and support services.

(c) (1) The pupil literacy and achievement component shall contain a strategy to focus on increasing pupil literacy and achievement, with necessary attention to the needs of English language learners. At a minimum, this strategy shall include a plan to achieve the following goals:

(A) Each pupil at the school will be provided appropriate instructional materials aligned with the academic content and performance standards adopted by the State Board of Education as required by law.

(B) Each significant subgroup at the school will demonstrate increased achievement based on API results by the end of the implementation period.

(C) English language learners at the school will demonstrate increased performance based on the English language development test required by Section 60810 and the achievement tests required pursuant to Section 60640.

(2) To achieve the goals in paragraph (1), a school in its action plan may include, among other things, any of the following options:

(A) Selective class size reduction in key curricular areas provided this does not result in a decrease in the proportion of experienced credentialed teachers at the schoolsite.

(B) Increased learning time in key curricular areas identified as needing attention, including mathematics.

(C) Targeted intensive reading instruction utilizing reading capacity-level materials that may include, but are not limited to, the following strategies:

(i) The development of a reading competency program for pupils in grades 5 to 8, inclusive, whose reading scores are at or below the 40th percentile or in the two lowest performance levels, as adopted by the State Board of Education, on the reading portion of the achievement test, authorized by Section 60640. This program may include direct instruction in reading at grade level utilizing the English language arts content standards adopted pursuant to Section 60605. Additionally, this program may offer specialized intervention that utilizes state approved instructional materials adopted pursuant to Section 60200. It is the intent

of the Legislature, as a recommendation, that this curriculum consist of at least one class period during the regular schoolday taught by a teacher trained in the English language arts standards pursuant to Section 60605. It is also the intent of the Legislature, as a recommendation, that periodic assessments throughout the year be conducted to monitor the progress of the pupils involved.

(ii) The use of a library media teacher to work cooperatively with every teacher and principal at the schoolsite to develop and implement an independent and free reading program, help teachers determine a pupil's reading level, order books that have been determined to meet the needs of pupils, help choose books at pupils' independent reading levels, and assure that pupils read a variety of genres across all academic content areas. For purposes of this article, "library media teacher" means a classroom teacher who possesses or is in the process of obtaining a library media teacher services credential consistent with Section 44868.

(D) Mentoring programs for pupils.

(E) Community, business, or university partnerships with the school.

(d) (1) The quality of staff component shall contain a strategy to attract, retain, and fairly distribute the highest quality staff at the school, including teachers, administrators, and support staff. At a minimum, this strategy shall include a plan to achieve the following goals:

(A) An increase in the number of credentialed teachers working at that schoolsite.

(B) An increase in or targeting of professional development opportunities for teachers related to the goals of the action plan and English language development standards adopted by the State Board of Education aligned with the academic content and performance standards, including, but not limited to, participation in professional development institutes established pursuant to Article 2 (commencing with Section 92220) of Chapter 5 of Part 65.

(C) By the end of the implementation period, successful completion by the schoolsite administrators of a program designed to maximize leadership skills.

(2) To achieve the goals in paragraph (1) a school may include in its action plan, among others, any of the following options:

(A) Incentives to attract credentialed teachers and quality administrators to the schoolsite, including, but not limited to, additional compensation strategies similar to those authorized pursuant to Section 44735.

(B) A school district preintern or intern program within which eligible emergency permit teachers located at the schoolsite would be required to participate, unless those individuals are already participating in another teacher preparation program that leads to the attainment of a valid California teaching credential.

(C) Common planning time for teachers, administrators, and support staff focused on improving pupil achievement.

(D) Mentoring for site administrators, peer assistance for credentialed teachers, and support services for new teachers, including, but not limited to, the Beginning Teacher Support and Assessment System.

(E) Providing assistance and incentives to teachers for completion of professional certification programs and toward attaining BCLAD or CLAD certification.

(F) Increasing professional development in state academic content and performance standards, including English language development standards.

(e) (1) The parental involvement component shall contain a strategy to change the culture of the school community to recognize parents and guardians as partners in the education of their children and to prepare and educate parents and guardians in the learning and academic progress of their children. At a minimum, this strategy shall include a commitment to develop a school-parent compact as required by Section 51101 and a plan to achieve the goal of maintaining or increasing the number and frequency of personal parent and guardian contacts each year at the schoolsite and school-home communications designed to promote parent and guardian support for meeting state standards and core curriculum requirements.

(2) To achieve the goals in subdivision (a), a school may in its action plan include, among others, any of the following options:

(A) Parent and guardian homework support classes.

(B) A program of regular home visits.

(C) After school and evening opportunities for parents, guardians, and pupils to learn together.

(D) Training programs to educate parents and guardians about state standards and testing requirements, including the high school exit examination.

(E) Creation, maintenance, and support of parent centers located on schoolsites to educate parents and guardians regarding pupil expectations and provide support to parents and guardians in their efforts to help their children learn.

(F) Programs targeted at parents and guardians of special education pupils.

(G) Efforts to develop a culture at the schoolsite focused on college attendance, including programs to educate parents and guardians regarding college entrance requirements and options.

(H) Providing more bilingual personnel at the schoolsite and at school related functions to communicate more effectively with parents and guardians who speak a language other than English.

(I) Providing an opportunity for parents to monitor online, if the technology is available, and in compliance with applicable state and federal privacy laws, the academic progress and attendance of their children.

(f) (1) The facilities, curriculum, instructional materials, and support services component shall contain a strategy to provide an environment that is conducive to teaching and learning and that includes the development of a high-quality curriculum and instruction aligned with the academic content and performance standards adopted pursuant to Section 60605 and the standards for English language development adopted pursuant to Section 60811 to measure progress made towards achieving English language proficiency. At a minimum, this strategy shall include the goal of providing adequate logistical support including, but not limited to, curriculum, quality instruction, instructional materials, support services, and supplies for every pupil.

(2) To achieve the goal specified in paragraph (1), a school in its action plan may include, among others, any of the following options:

(A) State and locally developed valid and reliable assessments based on state academic content standards.

(B) Increased learning time in key curricular areas identified as needing attention, including mathematics.

(C) The addition of more pupil support services staff, including, but not limited to, paraprofessionals, counselors, library media teachers, nurses, psychologists, social workers, speech therapists, audiologists, and speech pathologists.

(D) Pupil support centers for additional tutoring or homework assistance.

(E) Use of most current standards-aligned textbooks adopted by the State Board of Education, including materials for English language learners.

(F) For secondary schools, offering advanced placement courses and courses that meet the requirements for admission to the University of California or the California State University.

(g) A school action plan to improve pupil performance that is developed for participation in the program established pursuant to this article shall meet the requirements of subdivisions (d) and (e) of Section 52054 and this article.

SEC. 18. Section 52055.650 of the Education Code is amended to read:

52055.650. (a) Section 52055.5 does not apply to a school participating in the High Priority School Grant Program.

(b) Twenty-four months after receipt of funding for implementation of the action plan pursuant to Sections 52054.5 and 52055.600 or no sooner than July 1, 2004, a school that has not met its growth targets each

year shall be subject to review by the State Board of Education. This review shall include an examination of the school's progress relative to the components and reports made pursuant to Section 52055.640. The Superintendent of Public Instruction, with the approval of the State Board of Education, may direct that the governing board of a school take appropriate action and adopt appropriate strategies to provide corrective assistance to the school in order to achieve the components and benchmarks established in the school's action plan.

(c) Thirty-six months after receipt of funding to implement a school action plan or no sooner than July 1, 2005, a school that has met or exceeded its growth target each year shall receive a monetary or nonmonetary award, under the Governor's Performance Award Program, as set forth in Section 52057. Funds received pursuant to that section may be used at the school's discretion.

(d) Thirty-six months after receipt of funding to implement a school action plan or no sooner than July 1, 2005, a school that has not met its growth targets each year, but demonstrates significant growth, as determined by the State Board of Education, shall continue to participate in the program and receive funding as specified in Sections 52054.5 and 52055.600.

(e) Notwithstanding any other provision of law, the Superintendent of Public Instruction, with the approval of the State Board of Education, shall follow the course of action prescribed by paragraph (1) or (2) with respect to a school that does not meet its growth targets within the periods described in either subdivision (c) or (d), as applicable, or no later than July 1, 2005, and has failed to show significant growth, as determined by the State Board of Education.

(1) Require the district to enter into a contract with a school assistance and intervention team.

(A) Team members should possess a high degree of knowledge and skills in the areas of school leadership, curriculum, and instruction aligned to state academic content and performance standards, classroom management and discipline, academic assessment, parent-school relations, and evaluation and research-based reform strategies and have proven successful expertise specific to the challenges inherent in high-priority schools.

(B) The team shall provide intensive support and expertise to implement the school reform initiatives in the plan. Decisions about interventions shall be data driven. A school assistance and intervention team shall work with school staff, site planning teams, administrators, and district staff to improve pupil literacy and achievement by assessing the degree of implementation of the current action plan, refining and revising the action plan, and making recommendations to maximize the use of fiscal resources and personnel in achieving the goals of the plan.

The district shall provide support and assistance to enhance the work of the team at the targeted schoolsites.

(C) Not later than 60 days after the school's API becomes public, the team must have completed an initial report. The report shall include recommendations for corrective actions chosen from a range of interventions, including the reallocation of district fiscal resources to ensure that appropriate resources are targeted to those specific interventions identified in the recommendations of the team for the targeted schools and other changes deemed appropriate to make progress toward meeting the school's growth target. Not later than 90 days after the API is made public, the governing board of the school district shall adopt the team's recommendations at a regularly scheduled meeting of the governing board. The governing board may not place the adoption on the consent calendar. The report shall be submitted to the Superintendent of Public Instruction and State Board of Education.

(D) No less than three times during the year, the school district and schoolsite shall present the team with data regarding progress toward the goals established by the team's initial assessment. The data shall be presented to the governing board of the school district at a regularly scheduled meeting. The team shall, to the extent possible, utilize existing site data. The data shall also be provided to the Superintendent of Public Instruction and State Board of Education. Every effort shall be made to report this data in a manner that minimizes the length and complexity of the reporting requirement in order to maximize the focus on improving pupil literacy and achievement.

(E) An action taken pursuant to this paragraph shall not increase local costs or require reimbursement by the Commission on State Mandates.

(2) The Superintendent of Public Instruction shall assume all the legal rights, duties, and powers of the governing board with respect to the school. The Superintendent of Public Instruction, in consultation with the State Board of Education and the governing board of the school district, shall reassign the principal of that school subject to the findings in subdivision (i). In addition to reassigning the principal, the Superintendent of Public Instruction, in consultation with the State Board of Education, shall, notwithstanding any other provision of law, do at least one of the following:

(A) Revise attendance options for pupils to allow them to attend any public school in which space is available. If additional attendance options are made available, nothing in this option shall be construed to require either the sending or receiving school district to incur additional transportation costs.

(B) Allow parents or guardians to apply directly to the State Board of Education for the establishment of a charter school and allow parents or guardians to establish the charter school at the existing schoolsite.

(C) Under the supervision of the Superintendent of Public Instruction, assign the management of the school to a college, university, county office of education, or other appropriate educational institution. However, the Superintendent of Public Instruction may not assume the management of the school.

(D) Reassign other certificated employees of the school.

(E) Renegotiate a new collective bargaining agreement at the expiration of the existing collective bargaining agreement.

(F) Reorganize the school.

(G) Close the school.

(f) In addition to the actions listed in subdivision (e), the Superintendent of Public Instruction, in consultation with the State Board of Education, may take any other action considered necessary or desirable against the school district or the school district governing board, including appointment of a new superintendent or suspension of the authority of the governing board with respect to a school that does not meet its growth targets within the periods described in either subdivision (b) or (c), as applicable, and has failed to show significant growth, as determined by the State Board of Education.

(g) Before the Superintendent of Public Instruction may take any action against a principal pursuant to subdivision (e), the Superintendent of Public Instruction or a designee of the superintendent shall hold a public hearing on the matter in the school district and make both of the following findings:

(1) A finding that the principal had the authority to take specific enumerated actions that would have helped the school meet its performance goals.

(2) A finding that the principal failed to take specific enumerated actions pursuant to paragraph (1).

(h) An action taken pursuant to subdivision (e), (f), or (g) shall not increase local costs or require reimbursement by the Commission on State Mandates.

(i) An action taken pursuant to subdivision (e), (f), or (g) shall be accompanied by specific findings by the Superintendent of Public Instruction and the State Board of Education that the action is directly related to the identified causes for continued failure by a school to meet its performance goals.

SEC. 19. Section 52055.655 of the Education Code is amended to read:

52055.655. (a) Notwithstanding subdivision (c) of Section 52055.650, a school participating in the High Priority Schools Grant Program that meets or exceeds its API growth target shall continue to receive funding under this program in the amount specified in Sections

52054.5 and 52055.600 for one additional year of implementation, less the amount received pursuant to Section 52057.

(b) From funds made available to the State Department of Education pursuant to the act adding this section, the State Department of Education shall conduct a study on the issue of sustainability of funding for high-priority schools. The issues to be addressed in this study shall include, but are not limited to, the following:

(1) An objective rather than a comparative view of the necessity of sustaining supplemental funding over time to address the ongoing needs of high-priority pupils, and the impact of policies that only provide funding over a specified period of time.

(2) A description of the ongoing needs of high-priority schools, as identified in needs assessments submitted pursuant to paragraph (3) of subdivision (a) of 52055.620 and the sources of funding schools used to meet these needs.

(3) An analysis of the use of funds provided pursuant to this article and the effectiveness of that use in meeting the continued or changing needs of communities served by high-priority schools. This analysis shall include an evaluation of the growth in academic achievement realized by participating schools and the ability of those schools to sustain growth in academic achievement if funding is continued.

(4) An assessment of whether local, state, and federal resources are likely to be sufficient to sustain all or some of the academic improvements made in high-priority schools after this state subsidy expires, taking into account prospects for the subsequent pupil population's incidence of poverty and low socioeconomic status.

SEC. 20. Section 52055.656 of the Education Code is amended to read:

52055.656. (a) Each school district with schools participating in the High Priority Schools Grant Program established pursuant to Section 52055.600 shall submit to the Superintendent of Public Instruction an evaluation of the impact, costs, and benefits of the program as it relates to the school district and the schools under its jurisdiction that are participating in the program and whether or not the schools met their growth targets, with an analysis of the reasons why the schools have or have not met those growth targets. Costs to develop and submit the evaluation shall be funded with resources provided pursuant to Article 3 (commencing with Section 52053). The evaluation shall be submitted by November 30, subsequent to the first full year of action plan implementation by participating schools, and on November 30, of each year thereafter.

(b) By January 15, 2003, the Superintendent of Public Instruction shall develop, and the State Board of Education shall approve, the guidelines for a request for proposal for an independent evaluator as

described in this subdivision. By June 30, 2003, the Superintendent of Public Instruction shall contract with an independent evaluator to prepare a multiyear comprehensive evaluation of the implementation, impact, costs, and benefits of the High Priority Schools Grant Program. The preliminary results of the multiyear evaluation shall be disseminated to the Legislature, the Governor and interested parties no later than June 30, 2004. An interim report shall be disseminated to the Legislature, the Governor, and interested parties no later than June 30, 2005. The final comprehensive evaluation shall be disseminated to the Legislature, the Governor, and interested parties no later than June 30, 2006. The final report shall include recommendations for necessary or desirable modifications to the programs established pursuant to this chapter.

(c) The evaluations shall consider all of the following:

(1) Pupil performance data, including, but not limited to, results of assessments used to determine whether or not schools have made significant progress towards meeting their growth targets.

(2) Program implementation data, including, but not limited to, a review of startup activities, community support, parental participation, staff development activities associated with implementation of the program, percentage of fully credentialed teachers, percentage of teachers who hold emergency credentials, percentage of teachers assigned outside their subject area of competence, the accreditation status of the school if appropriate, average size per grade level, and the number of pupils in a multitrack year-round educational program.

(3) (A) Pupil performance data, and its impact on the API, for each of the following subgroups:

(i) English language learners.

(ii) Pupils with exceptional needs.

(iii) Pupils that qualify for free or reduced price meals and are enrolled in schools that receive funds under Chapter 1 of the federal Elementary and Secondary Education Act of 1965, as amended by the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (P.L. 100-290).

(B) Information concerning individual pupils may not be disclosed in the process of preparing pupil performance data pursuant to this subdivision.

SEC. 21. Section 52058.1 of the Education Code is amended to read:

52058.1. (a) The No Child Left Behind Liaison Team is hereby established to advise the Superintendent of Public Instruction and the State Board of Education on all appropriate matters related to the implementation of the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.). The liaison team shall make recommendations

to the Superintendent of Public Instruction and to the State Board of Education that are consistent with the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) and its implementing regulations and that ensure the timely compliance by all schools within California that are subject to the requirements set forth in that act.

(b) The liaison team shall be composed of 15 members, as follows:

(1) One representative of the Legislative Analyst's office.

(2) Two members appointed by the Superintendent of Public Instruction.

(3) Two members appointed by the State Board of Education.

(4) Three members appointed by the Senate Committee on Rules.

(5) Three members appointed by the Speaker of the Assembly.

(6) The Chairperson of the Senate Committee on Education, or his or her designee.

(7) The Chairperson of the Assembly Committee on Education or his or her designee.

(8) The Vice Chairperson of the Senate Committee on Education or his or her designee.

(9) The Vice Chairperson of the Assembly Committee on Education or his or her designee.

(c) The members of the liaison team shall serve without compensation for a term not to exceed two years.

(d) The State Department of Education staff shall assist the State Board of Education and the liaison team.

(e) It is the intent of the Legislature that the members of the liaison team include members with practical experience and success working with high-priority schools including, but not limited to, experience working as teachers, administrators, classified personnel, or educational researchers.

(f) It is the intent of the Legislature that the liaison team have experience and knowledge working with California's diverse pupil population and urban and rural areas of the state and its members of the committee shall be selected from populations that reflect the diverse population of the state, to the extent possible.

SEC. 22. Section 58907 of the Education Code is amended to read:

58907. Each applicant school district shall establish and implement policies and procedures in order to improve pupil achievement in high-priority schools within the proposal. Applicant districts, as part of any demonstration proposal, may apply for the highest level of demonstration funding in order to provide for additional restructuring in demonstration schools defined as high-priority. It is the intent of the Legislature that in developing policies and procedures to assist all schools, applicant districts give consideration to all of the following:

(a) Standards of expectations for pupil achievement that exceed districtwide standards of pupil achievement and state-recommended model curriculum standards.

(b) Offering all pupils access to a rigorous, comprehensive core curriculum and advanced placement programs and classes which include critical thinking and higher level skills, including, at minimum, the elimination of tracking based upon pupil achievement.

(c) Instructional strategies and supplementary assistance designed to assist all pupils to exceed districtwide standards of pupil achievement.

(d) Staff development for school personnel designed to support curriculum and instruction necessary for pupils to exceed districtwide standards of pupil achievement and state-recommended model curriculum standards.

(e) Monitoring and evaluation of school progress toward implementing the management, curriculum, and instruction necessary to support pupil achievement of districtwide standards and state-recommended model curriculum standards.

(f) Coordinated services between schools and social services and health agencies including children's protective services, juvenile justice services, nonschool based preschool services, and health care services. It is the intent of the Legislature that this coordination be based upon joint planning among these agencies and comprehensive assessments of the need to: provide services; coordinate service delivery; fill gaps in existing services; and collaborate to address the provision of needed services.

(g) Expanded schooldays and school years in order to provide opportunities for increased instructional time, tutoring by staff, pupils or volunteers, an environment conducive to learning before and after school and personalized instruction, mentoring, and information from other elementary or secondary students, college students, and adults.

(h) Outside assistance as necessary to support effective management and teaching at the school; for example, assistance in planning, implementation, staff development, and assessment from universities, colleges, business and industry, county offices of education, or nonprofit agencies dedicated toward improved school functioning and higher pupil achievement.

SEC. 23. Section 58916 of the Education Code is amended to read: 58916. The Superintendent of Public Instruction shall do all of the following with respect to the demonstration of restructuring in education under this chapter:

(a) Disseminate information to all school districts on the availability of the program, after consultation with representatives of classroom teachers, school and district level administrators, school boards, parents,

and business and industry. These representatives shall reflect the racial, ethnic, gender, and socioeconomic diversity of California.

The superintendent shall advise the education policy committees of both houses of the Legislature and the Governor regarding the proposed representatives. The superintendent shall wait for a minimum of 30 calendar days after providing the names in writing before selecting and notifying a representative.

The representatives shall be provided opportunities to advise the superintendent on matters including, but not limited to:

(1) Their interpretation of the legislative intent with respect to education restructuring under this chapter.

(2) The statutory requirements governing the demonstration of restructuring in education.

(3) The requirements for submission of applications for planning grants and demonstration grants.

(4) The criteria to be used for the approval of planning and demonstration grants.

(b) Make special outreach efforts to inform school districts with chronically high-priority schools about the demonstration, encourage these districts to apply for education restructuring grants, and, at the request of the school or school district, assist schools and districts to develop and implement locally developed strategies designed to improve these schools.

(c) Recommend school districts to the State Board of Education to participate in the demonstration of restructuring in education, in consultation with representatives of classroom teachers, school level administrators, parents, and businesses.

(d) Provide funding to districts selected to participate, to the extent funding for this purpose is provided by the Legislature and Governor.

SEC. 24. Section 66941 of the Education Code is amended to read:

66941. (a) The Legislature finds and declares that access to a high quality education is the primary goal for the use of educational technology in higher education. All students in California's public schools and colleges and all adults in the state shall have access to educational opportunities for which they are qualified, regardless of their income level, geographic location, or the size of the school they attend.

(b) Pursuant to its statutory planning and coordination functions and responsibilities identified in Section 66900, the California Postsecondary Education Commission shall convene an intersegmental working group to determine state funding priorities consistent with the institutional missions of the systems of higher education.

(c) The intersegmental working group shall observe all of the following principles to guide the development of priorities and the

proposed expenditure of state revenues on technology infrastructure and applications:

(1) Development of a statewide infrastructure that provides compatible connectivity between all levels of education to reduce redundancy and increase efficiency.

(2) Adherence to nationally and internally accepted protocols and standards.

(3) Assurance that the standards for course and program quality applied to distance education are rigorous in meeting accreditation standards, Universal Design Standards, and standards currently applied to traditional classroom instruction at higher educational institutions in the areas of course content, student achievement levels, and coherence of the curriculum.

(4) Collaboration between the private sector and educational institutions in the availability and use of technology in high-priority schools and underserved areas.

(5) Collaboration across departments, institutions, states, and countries in the use of technology.

(6) Use of technology to contain costs, improve student outcomes, and enhance quality in instructional and noninstructional functions, such as student services, libraries, and administrative support.

(d) The intersegmental working group shall be composed of representatives from public, elementary and secondary education, the California State University, the California Community Colleges, the University of California, independent accredited universities and colleges, state approved schools and colleges, private sector providers of distance education, the Office of the Secretary of Education, and the private sector.

(e) The commission shall facilitate the development of statewide funding priorities for technology in higher education, and shall forward the recommendations of the working group to the Legislature and the Governor on or before August 1, 2002.

SEC. 25. Section 69440 of the Education Code is amended to read:

69440. (a) Commencing with the 2001–02 academic year, and each academic year thereafter, Cal Grant T awards shall be used only for tuition and student fees for a maximum of one academic year of full-time attendance in a program of professional preparation that has been approved by the California Commission on Teacher Credentialing. There shall be a minimum of 3,000 new Cal Grant T awards each year. The maximum award amount, and the total amount of funding, shall be determined each year in the annual Budget Act. As a condition of receiving a Cal Grant T award, a recipient shall teach for one year in a high-priority school, as defined in subdivision (c) of Section 44765, for each two thousand dollar (\$2,000) incentive provided through the Cal

Grant T Program, for a period not to exceed four years. Any recipient who fails to meet his or her teaching obligation shall repay the Cal Grant T award.

(b) The commission shall allocate Cal Grant T awards using academic criteria or criteria related to past performance similar to that used in awarding Cal Grant A awards for the 2000–01 academic year.

SEC. 26. Section 69532 of the Education Code is amended to read:

69532. Cal Grant Program awards shall be known as “Cal Grant A awards,” “Cal Grant B awards,” “Cal Grant C awards,” and “Cal Grant T awards.” The maximum award in each category shall be determined in the annual Budget Act.

(a) Cal Grant A awards shall be used only for tuition and student fees in an instructional program of no less than two academic years. Commencing as soon as feasible, but no later than the award cycle that provides awards for the 1999–2000 academic year, the eligibility criteria for first-time Cal Grant award recipients who are community college students and transfer to a four-year college or university shall be no more stringent than the eligibility criteria for other first-time Cal Grant award recipients attending a four-year college or university.

(b) Cal Grant B awards shall be used only for tuition, student fees, and subsistence costs in an instructional program of no less than one academic year. Subsistence costs are living expenses, transportation, supplies, and books. Commencing as soon as feasible, but no later than the award cycle that provides awards for the 1999–2000 academic year, the eligibility criteria for first-time Cal Grant award recipients who are community college students and transfer to a four-year college or university shall be no more stringent than the eligibility criteria for other first-time Cal Grant award recipients attending a four-year college or university.

(c) Cal Grant C awards shall be used only for occupational or technical training in a course of no less than four months. There shall be a minimum of 1,570 new Cal Grant C awards each year.

(d) Cal Grant T awards shall be used only for tuition and student fees for a maximum of one academic year of full-time attendance in a program of professional preparation that has been approved by the Commission on Teacher Credentialing. There shall be a minimum of 3,000 new Cal Grant T awards each year. As a condition of receiving a Cal Grant T award, a recipient shall teach for one year in a high-priority school as defined in subdivision (c) of Section 44765 for each two thousand dollar (\$2,000) incentive provided pursuant to Section 69532 through the Cal Grant T Program, for a period not to exceed four years. Any recipient who fails to meet his or her teaching obligation shall repay the Cal Grant T award.

(e) The California Student Aid Commission shall evaluate the Cal Grant T Award program from its inception to determine, of the total number of recipients, the number of recipients who become employed as public school teachers. This evaluation shall be reported on an annual basis to the Governor and the Legislature beginning July 1, 2001.

SEC. 27. Section 69612 of the Education Code is amended to read: 69612. (a) The Legislature finds and declares all of the following:

(1) There is a growing shortage of high-quality classroom teachers, and there is a need for qualified teachers throughout California.

(2) One of the most important elements in a pupil's success at learning is the quality of the teacher.

(3) The teacher shortage is most serious in particular subject areas, partly due to the shortage of students in these fields who enter the teaching profession.

(4) Many school districts have difficulty recruiting and retaining high-quality teachers for high-priority schools, for pupils with special needs, for schools serving rural areas or large populations of pupils from low-income and linguistic minority families, and for schools with a high percentage of teachers holding emergency permits.

(5) The rising costs of higher education, coupled with a shift in available financial aid from scholarships and grants to loans, make loan repayment options an important consideration in a student's decision to pursue a postsecondary education.

(6) The availability of financial aid and loan repayment assistance are important considerations for many students, especially economically disadvantaged students, in making their educational decisions.

(b) It is, therefore, the intent of the Legislature that all of the following occur:

(1) The Assumption Program of Loans for Education be designed to encourage persons to enter into the teaching profession in designated subject matter shortage areas and in schools serving large populations of pupils from low-income families, schools serving rural areas, schools with a high percentage of teachers holding emergency permits, or schools with any or all of these characteristics.

(2) That the enactment of this article accomplish all of the following:

(A) Providing outstanding postsecondary students, particularly economically disadvantaged students, with the assurance of financial assistance to encourage them to complete postsecondary education programs leading to teaching credentials, and to seek employment as teachers.

(B) Providing persons who agree to become teacher trainees or teacher interns in a subject matter shortage area with the assurance of financial assistance to encourage them to complete the additional coursework necessary to obtain a teaching credential.

(C) Identifying subject matter areas or schools in which there are shortages of fully credentialed teachers and provide incentives for persons to obtain teaching credentials and seek teaching positions in those areas.

(D) Identifying schools serving rural areas, schools serving large populations of students from low-income families, or both, and schools with a high percentage of teachers holding emergency permits, and provide incentives for persons to obtain teaching credentials and seek teaching positions in those schools.

(E) Identifying high-priority schools and provide incentives for persons to obtain teaching credentials and seek teaching positions in those schools. For the purpose of this article, “high-priority school” means a school in the bottom half of the Academic Performance Index rankings established pursuant to subdivision (a) of Section 52056 at the time that a teacher is hired.

(3) Commencing with the 2000–01 school year, all persons eligible to enter into agreements for loan assumption pursuant to this article shall be persons who need to complete training or coursework in order to be fully credentialed, and who agree to obtain a credential and teach in a designated subject matter shortage area or in a school that, at the time that the teacher is hired, meets any of the following criteria:

(A) Serves a large population of pupils from low-income families.

(B) Has a high percentage of teachers holding emergency permits. For the purposes of this article, a school with a “high percentage of teachers holding emergency permits” is a school in which 20 percent or more of the teachers hold emergency permits, teach pursuant to waivers of credential requirements, or are interns.

(C) Is a high-priority school.

(4) Funding necessary for the administration of this article shall be included within the annual budget of the commission in an amount necessary to meet the student loan obligations incurred by the commission.

SEC. 28. Section 69613.1 of the Education Code is amended to read:

69613.1. The Superintendent of Public Instruction shall furnish the commission with all of the following:

(a) Every January 1 thereafter, a list of teaching fields that have the most critical shortage of teachers. The superintendent shall review this list annually and revise the list as he or she deems necessary. Commencing January 1, 2001, the list of shortage areas furnished pursuant to this subdivision shall include the state special schools as a category separate from special education.

(b) A list of schools that serve a large population of pupils from low-income families, as designated for purposes of the Perkins Loan

Program, or according to standards the superintendent deems appropriate.

(c) Commencing January 31, 2001, and every January 1 thereafter, a list of schools with a high percentage of teachers holding emergency permits. The list shall be established according to criteria determined by the superintendent.

(d) Commencing January 31, 2001, and every January 1 thereafter, a list of schools serving rural areas. The list shall be established according to standards deemed appropriate by the superintendent.

(e) Commencing January 31, 2001, and every January 1 thereafter, a list of high-priority schools.

SEC. 29. Section 69615.4 of the Education Code is amended to read:

69615.4. The commission shall report annually to the Legislature regarding all of the following, on the basis of sex, age, and ethnicity:

(a) The total number of program participants.

(b) The number of agreements entered into with juniors, seniors, students enrolled in teacher training programs, and persons who agree to enroll in teacher trainee programs or teacher internship programs.

(c) The number of participants who agree to teach in a subject matter shortage area.

(d) The number of participants who agree to teach in schools with a high ratio of pupils from low-income families and in high-priority schools.

(e) The number of participants who agree to teach in schools serving rural areas.

(f) The number of participants who agree to teach in schools with a high percentage of teachers holding emergency permits.

(g) The number of participants who receive a loan assumption benefit, classified by payment year.

(h) The number of participants who have participated in the Science, Mathematics, and Technology Teacher Pipeline Program established by Chapter 1271 of the Statutes of 1993.

(i) The number of out-of-state teachers who enter into agreements.

(j) The number of participants who have participated in teacher trainee programs or teacher internship programs, classified by school district or county office of education.

SEC. 30. Section 70001 of the Education Code is amended to read:

70001. (a) The Chancellor's office of the California State University shall have the following duties:

(1) Developing an application process that establishes a merit-based fellowship program for graduate students who agree to teach at a high-priority school for four years.

(2) Establishing a broad and effective outreach effort to promote the availability and the merits of the fellowship program.

(3) Conducting the selection process for fellowship applicants.

(4) Collaborating with the Commission on Teacher Credentialing to develop and implement a system for monitoring program participants through the completion of their four-year teaching obligation.

(5) Determining the criteria for selecting teaching fellowship candidates. The criteria shall include, at a minimum, all of the following:

(A) Previous academic and employment record.

(B) A demonstrated commitment to serve in a high-priority school.

(C) Faculty and employer evaluations.

(D) Interviews.

(E) Letters of recommendation.

(b) For the purposes of this article, a “high-priority school” is a school in the bottom half of the Academic Performance Index rankings established pursuant to subdivision (a) of Section 52056. If a school meets this criteria at the time a teacher is hired, continued employment of the teacher at that school fulfills the commitment made by the teacher, even if the school improves its rank on the Academic Performance Index.

SEC. 31. Section 70003 of the Education Code is amended to read:

70003. (a) A fellowship recipient shall agree to teach in a high-priority school for four years and shall have four years, upon completion of his or her preparation program, to meet that obligation. Except as provided in subdivision (c), a fellowship recipient shall agree to repay the state five thousand dollars (\$5,000) annually for each year the recipient fails to complete either the teacher preparation program or the required teaching service, up to full repayment of twenty thousand dollars (\$20,000).

(b) Nonperformance of the commitment to teach in a high-priority school for four years shall be certified by the Commission on Teacher Credentialing to the chancellor’s office.

(c) Any exceptions to the requirement for repayment shall be defined by the chancellor’s office.

SEC. 32. Section 70005 of the Education Code is amended to read:

70005. (a) The Chancellor’s office of the California State University shall adopt any rules and regulations it deems necessary for the administration of this section and the recovery of funds it determines are owed to the state. The rules and regulations adopted by the chancellor’s office pursuant to this section shall also include a provision authorizing the chancellor’s office to seek a civil penalty on a recipient of funds under this program, in an amount not to exceed five thousand dollars (\$5,000) per year for each year that the recipient of funds is

determined by the Commission on Teacher Credentialing to have failed to fulfill his or her obligation to teach in a high-priority school.

(b) Any moneys derived from the assessment of penalties pursuant to this section shall be deposited into the General Fund.

SEC. 33. Section 99200 of the Education Code is amended to read:

99200. (a) With funds appropriated therefor, and with the approval of the Concurrence Committee, the Regents of the University of California shall establish and maintain cooperative endeavors designed to accomplish the following:

(1) Develop and enhance teachers' subject matter knowledge in the subject matter areas specified in Section 99201.

(2) Develop and enhance teachers' instructional strategies to improve student learning and academic performance as measured against State Board of Education standards adopted pursuant to Section 60605.

(3) Provide teachers with access to and opportunity to examine current research that is demonstrably linked to improved student learning and achievement as measured by performance levels on state tests administered pursuant to Section 60605.

(4) Maintain subject-specific professional communities that create ongoing opportunities for teacher learning and research.

(5) Develop and deploy as teacher leaders, teachers with demonstrated levels of expertise in the classroom and certifiable levels of content knowledge.

(b) The duties of the Concurrence Committee shall include, but need not be limited to, all of the following:

(1) Ensuring that the statewide and local subject matter projects comply with requirements of this chapter.

(2) Developing rules and regulations for the statewide subject matter projects.

(3) Selecting a contractor for a four-year independent evaluation of the effectiveness of the subject matter projects.

(c) An independent evaluation of the effectiveness of the subject matter projects shall be performed by a contractor selected pursuant to paragraph (3) of subdivision (b), and shall be reported to the State Board of Education, the Governor, and the Legislature by February 1, 2006. Preliminary results shall be reported annually beginning February 1, 2004. The evaluation shall include, but not be limited to:

(1) Documenting the impact of participation in the program on student achievement in the statewide tests administered pursuant to Section 60605.

(2) Measuring the results of research on learning, knowledge, and educational materials developed by the statewide subject matter projects.

(3) Documenting the quantity, quality, cost-effectiveness, and inclusiveness of subject matter project programs.

(4) The impact of the subject matter projects on the performance levels of high-priority schools affiliated with the subject matter projects.

(d) Grants to establish local sites of statewide subject matter projects shall be available to institutions of higher education, county offices of education and school districts, or any combination thereof, with a subject matter proposal approved pursuant to this article. Once established, each subject matter project shall be administered by the University of California in cooperation with the Concurrence Committee. Local sites of statewide subject matter projects shall be distributed throughout the state so that elementary, secondary, and postsecondary school personnel located in rural, urban, and suburban areas may avail themselves of subject matter projects.

(e) The composition of the Concurrence Committee shall be as follows:

(1) One representative selected by the Regents of the University of California.

(2) One representative selected by the Board of Trustees of the California State University.

(3) Two representatives selected by the State Board of Education.

(4) One representative selected by the Governor.

(5) One representative selected by the Commission on Teacher Credentialing.

(6) One representative selected by the Curriculum Development and Supplemental Materials Commission.

(7) One representative of the California Community Colleges selected by the Board of Governors of the California Community Colleges.

(8) One representative of an independent postsecondary institution selected by the Association of Independent California Colleges and Universities.

SEC. 34. Section 99203 of the Education Code is amended to read:

99203. The project advisory board of each statewide subject matter project shall use the following criteria in recommending funding for local project sites:

(a) The proposed site is designed to provide support to teachers to develop and enhance the content knowledge and pedagogical skills necessary to implement State Board of Education standards adopted pursuant to Section 60605.

(b) The proposed site allocates a minimum of 75 percent of program slots to teachers from schools achieving scores on the state tests administered pursuant to Section 60605 that rank the school in the bottom 40 percent of all California schools.

(c) The proposed site develops formal partnerships with high-priority schools that achieve scores on the state tests administered pursuant to Section 60605 that rank the school in the bottom 40 percent of all California schools.

(d) The proposed site maintains evaluation data as required by subdivision (c) of Section 99200.

(e) The proposed site gives attention to instructional strategies that make use of educational technology to support the instructional program.

(f) The proposed site involves various levels and segments of education in a cooperative approach.

(g) Participating school districts, colleges, and universities provide financial and personnel support for the proposed site.

(h) The proposed site uses participants as professional development providers in school districts, colleges, and universities.

(i) The proposed site provides continuing professional development to project participants.

(j) The proposed site addresses the need to integrate existing standards of competence in the subject matter into the curriculum at the grade level taught by each participating teacher.

(k) The proposed site contributes to the effectiveness of school and district development plans and coordinates with existing agencies or entities, such as the resource agency or consortia established pursuant to Article 2 (commencing with Section 44680) of Chapter 3.1 of Part 25.

(l) Neighboring institutions have worked collaboratively to develop a proposal which clearly indicates their intention to continue to work cooperatively throughout the duration of the local project.

SEC. 35. Section 99220 of the Education Code is amended to read:

99220. The Regents of the University of California are requested to jointly develop with the Trustees of California State University and the independent colleges and universities, the California Reading Professional Development Institutes, to be administered by the university, in partnership with the California State University and with private, independent universities in California, in accordance with all of the following criteria:

(a) (1) In June 1999, the University of California and its institutes' partners shall commence instruction for 6,000 participants who either provide direct instruction in reading to pupils in kindergarten or in grade 1, 2, or 3, or who supervise beginning teachers of reading. Commencing in July 2000, the institutes shall provide instruction for an additional 14,000 participants who either provide direct instruction in reading to pupils, including special education pupils, in prekindergarten, kindergarten or in grade 1, 2, or 3, or supervise beginning teachers of reading. Of the 14,000 new positions, at least 2,000 shall be reserved for

prekindergarten teachers who teach in state preschool programs located in the attendance area of high-priority schools in order to link prekindergarten literacy development and reading readiness to the state's reading goals for pupils enrolled in kindergarten and grades 1 to 3, inclusive. If there are not enough applicants to fill the 2,000 positions, the remaining positions may be filled by teachers of pupils enrolled in kindergarten or any of grades 1 to 3, inclusive.

(2) Ongoing support for second-year participants shall include a second-year institute focusing on the use of instructional materials, leveraging of school district resources, and the development of teacher leadership within the school district to improve pupil achievement in reading.

(b) (1) The institutes shall provide instruction for school teams from each participating school. These school teams may include both beginning and experienced teachers and the schoolsite administrator, with the majority of the team composed of beginning teachers.

(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 reading portion of the achievement test authorized by Section 60640.

(B) Schools with a high number of beginning and noncredentialed teachers.

(C) Schools with high poverty levels, as determined by the percentage of pupils eligible for free or reduced price meals.

(D) Schools with a full complement of team members as outlined above.

(E) School teams committed to participate in the Elementary School Intensive Reading Program established pursuant to Article 1 (commencing with Section 53025) of Chapter 16 of Part 28 for a minimum of three years.

(F) Schools that have adopted standards-based materials approved by the State Board of Education.

(3) In any fiscal year, if funding is inadequate to accommodate the participation of all eligible school teams, first priority shall be given to schools meeting the criteria set forth in subparagraph (B) of paragraph (2).

(c) (1) The institutes shall provide instruction in the teaching of reading in a manner consistent with the standard for a comprehensive reading instruction program that is research-based, as described in subparagraphs (A) and (B) of paragraph (4) of subdivision (b) of Section 44259, and shall include all of the following components:

(A) The study of organized, systematic, explicit skills including phonemic awareness, direct, systematic explicit phonics, and decoding skills.

(B) A strong literature, language and comprehension component with a balance of oral and written language.

(C) Ongoing diagnostic techniques that inform teaching and assessment.

(D) Early intervention techniques.

(2) Instruction provided pursuant to this section shall be consistent with state-adopted academic content standards and with the curriculum framework on reading/language arts adopted by the State Board of Education.

(3) Instruction provided pursuant to this section shall acquaint teachers with the value in the diagnostic nature of standardized tests.

(d) (1) Each participant who satisfactorily completes an institute authorized by this section shall receive a stipend, commensurate with the duration of the institute, of not less than one thousand dollars (\$1,000) nor more than two thousand dollars (\$2,000), as determined by the University of California.

(2) A participant in an institute authorized by this section who satisfactorily completes additional institute activities or leadership and mentoring responsibilities in his or her school in subsequent years in accordance with institute guidelines shall receive a stipend, commensurate with the participant's responsibilities, of not less than five hundred dollars (\$500) and not more than two thousand dollars (\$2,000), as determined by the University of California. It is the intent of the Legislature that stipends paid to participants under this paragraph average approximately one thousand dollars (\$1,000) per stipend recipient per year.

(e) In order to provide maximum access, the institutes shall be offered through multiple university and college campuses that are widely distributed throughout the state or in a regionally accredited program offered through instructor-led, interactive online courses. In order to maximize access to teachers and administrators who may be precluded from participating in an onsite institute due to geographical, physical, or time constraints, each institute shall be required to accommodate at least 5 percent of the participants through state-approved instructor-led, interactive online courses. Instruction at the institutes shall consist of an intensive, sustained training period of no less than 40 hours nor more than 120 hours during the summer or during an intersession break or an equivalent instructor-led, online course, and shall be supplemented, during the following school year, with no fewer than 80 additional hours nor more than 120 additional hours of instruction and schoolsite

meetings, held on at least a monthly basis, to focus on the academic progress of that school's pupils in reading.

(f) It is the intent of the Legislature that a local education agency or postsecondary institution that offers an accredited program of professional preparation consider providing partial and proportional credit toward satisfaction of reading course requirements to an enrolled candidate who satisfactorily completes a California Reading Professional Development Institute program if the institute has been certified by the Commission on Teacher Credentialing as meeting reading preparation standards.

(g) This section does not prohibit a participant from attending an institute authorized by this section in more than one academic year.

(h) "Beginning teachers," for purposes of this article, are teachers with three or fewer years of teaching experience.

SEC. 36. Section 99234 of the Education Code is amended to read:

99234. (a) The Superintendent of Public Instruction shall notify local education agencies that they are eligible to receive an incentive award for up to 3 percent of eligible teachers in the 2002–03 fiscal year, up to 3 percent in the 2003–04 fiscal year, up to 2.4 percent in the 2004–05 fiscal year, up to 2.7 percent in the 2005–06 fiscal year, and up to 1.3 percent in the 2006–07 fiscal year. It is the intent of the Legislature that a local education agency give highest priority to training teachers assigned to high-priority schools. It is also the intent of the Legislature that funding appropriated in one fiscal year that is not expended by a local education agency be redirected to local education agencies that have trained more eligible teachers than the percentage funded. When a redirection of funding occurs, funding in subsequent fiscal years for the local education agencies involved shall be adjusted to reflect the redirection of funding.

(b) A school district that cannot make the certification required pursuant to paragraph (3) of subdivision (a) of Section 99237 for all the grade levels it maintains in reading and mathematics may apply for and receive incentive funding for the grade levels and subjects for which it can make the certification required pursuant to paragraph (3) of subdivision (a) of Section 99237, in which case the certified assurance submitted pursuant to Section 99237 shall apply only to the professional development provided to teachers and instructional aides and paraprofessionals who directly assist with classroom instruction in mathematics and reading in the grade levels and subjects for which it can make the certification required pursuant to paragraph (3) of subdivision (a) of Section 99237.

(c) Of the incentive provided pursuant to subdivision (c), a local education agency may use not more than one thousand dollars (\$1,000)

of the per teacher per subject amount to provide an individual teacher stipend.

(d) The Superintendent of Public Instruction shall notify local education agencies that the maximum funding for the purpose of this article for which they are eligible each year is equal to the percentage set forth in subdivision (a), multiplied by the sum of the following two factors multiplied by two thousand five hundred dollars (\$2,500):

(1) Twice the number of multiple subjects teachers teaching in a self-contained classroom and special education teachers, as specified in paragraphs (1) and (2) of Section 99233, that provide direct instruction in reading and mathematics as reported in the most recent available CBEDS data, who have not received training pursuant to either this article or Article 2 (commencing with Section 99220).

(2) The number of mathematics, English, science, and social science teachers as specified in paragraphs (3) to (6), inclusive, of Section 99233 that were reported in the most recent available CBEDS data, who have not received training pursuant to either this article or Article 2 (commencing with Section 99220).

(e) The Superintendent of Public Instruction shall allocate funding appropriated for the purposes of this article in the following order of priority:

(1) Two thousand five hundred dollars (\$2,500) for each qualifying teacher who was provided training pursuant to subdivision (a) in the prior year for whom the local education agency did not receive funding due to insufficient availability of funds in the prior fiscal year.

(2) Two thousand five hundred dollars (\$2,500) for each qualifying teacher who was provided training pursuant to this article, subject to the limitations in subdivision (d).

(3) Five hundred dollars (\$500) for each qualifying teacher for each qualifying program as specified in Article 2 (commencing with Section 99220) who successfully completes mathematics or reading standards training, or both, at a California Professional Development Institute authorized pursuant to Article 2 (commencing with Section 99220) in the 2001–02 fiscal year to the 2004–05 fiscal year, inclusive, using funds received pursuant to Article 2 (commencing with Section 99220), and has had specific approved training on the mathematics or reading instructional materials selected for use in the school.

(4) Five hundred dollars (\$500) for each qualifying teacher in each qualifying program pursuant to Article 2 (commencing with Section 99220) who successfully completed mathematics or reading standards training, or both, at a California Professional Development Institute authorized pursuant to Article 2 (commencing with Section 99220) in the 1999–2000 or 2000–01 fiscal year, using funds received pursuant to Article 2 (commencing with Section 99220), and has had specific

approved training on the mathematics or English-language arts instructional materials selected for use in the school.

(5) Two thousand five hundred dollars (\$2,500) for each qualifying teacher who was provided training pursuant to this article in excess of limitations in subdivision (d).

(f) For purposes of this article, qualifying teachers who, in the 2000–01 fiscal year, received training at a California Professional Development Institute authorized pursuant to Article 2 (commencing with Section 99220) that was paid for by a local education agency using funds that were not received pursuant to Article 2 (commencing with Section 99220) shall be deemed to have received training in the 2001–02 fiscal year. A local education agency shall receive funding for these qualifying teachers in accordance with paragraph (2) of subdivision (e).

(g) Except as provided in subdivision (f) of Section 99237, funding may not be provided to a local education agency until the State Board of Education approves the agency's certified assurance submitted pursuant to Section 99237.

(h) Of the funding a local education agency is eligible to receive pursuant to this section for each eligible teacher, up to the number specified in subdivision (a), 50 percent shall be awarded following the provision of 40 hours of professional development as specified in subdivision (b) of Section 99237, with the remaining funding to be awarded following certification of the provision of the 80 hours of followup instruction as specified in subdivision (b) of Section 99237.

(i) Except as provided in paragraphs (3) and (4) of subdivision (e), a local education agency may not receive funds pursuant to this article for teachers who receive training pursuant to Article 2 (commencing with Section 99220) using funding provided pursuant to Article 2 (commencing with Section 99220).

SEC. 37. Section 8869.80 of the Government Code is amended to read:

8869.80. The Legislature hereby finds and declares all of the following:

(a) The Tax Reform Act of 1986 (Public Law 99-514) establishes a unified volume ceiling on the aggregate amount of private activity bonds that can be issued in each state. The unified volume ceiling is the product of seventy-five dollars (\$75) multiplied by the state population in 1987 and fifty dollars (\$50) multiplied by the state population in each succeeding calendar year.

(b) The federal act requires each state to allocate its volume ceiling according to a specified formula unless a different procedure is established by Governor's proclamation or state legislation.

(c) Therefore, it is necessary to designate a state agency and create an allocation system to administer the state unified volume ceiling.

(d) A substantial public benefit is served by promoting housing for lower income families and individuals.

(e) A substantial public benefit is served by preserving and rehabilitating existing governmental assisted housing for lower income families and individuals.

(f) A substantial public benefit is served by providing federal tax credits or reduced interest rate mortgages to assist teachers, principals, vice principals, and assistant principals who are willing to serve in high-priority schools to purchase a home.

SEC. 38. Section 8869.84 of the Government Code is amended to read:

8869.84. (a) The committee shall, as soon as is practicable after the start of each calendar year, determine and announce the state ceiling for the calendar year.

(b) The entire state ceiling for each calendar year is hereby allocated to the committee to further allocate to state and local agencies as provided in this chapter.

(c) The committee shall prepare application forms and announce procedures for receipt and review of applications from state and local agencies desiring to issue private activity bonds.

(d) The committee may at any time, before or after granting any allocations in any calendar year to any state agencies or local agencies, announce priorities or reservations of any part of the state ceiling not theretofore allocated either for certain categories of bonds or categories of issuers.

(e) The committee may require any issuer making an application to the committee or MBTCAC for allocation of a portion of the state ceiling to make a deposit, as determined by the committee, of up to 1 percent of the portion requested. If an allocation is not given, the deposit shall be returned. If an allocation is given, the deposit shall be kept (in proportion to the amount of allocation given) until bonds are issued. Upon that issuance, the deposit shall be returned to the issuer in an amount equal to the product of (1) the amount of the deposit retained times (2) the ratio between the amount of bonds issued divided by the amount of allocation granted. If no bonds are issued prior to the expiration of the allocation, the deposit shall be kept, unless the committee determines there is good cause to return all or part of the deposit. Any portion of a deposit kept shall be deposited in the fund.

(f) The committee may transfer part of the state ceiling to the MBTCAC, to be used for qualified mortgage bonds and exempt facility bonds, as those terms are used in the Internal Revenue Code, for qualified residential rental projects, as those terms are used in the Internal Revenue Code, (together referred to as "housing bonds"), with directions and conditions pursuant to which MBTCAC may allocate

those amounts to issuers of housing bonds at both the state and local level. In carrying out these functions, MBTCAC shall act solely as directed or authorized by the committee. If the committee makes the transfer to MBTCAC authorized by this subdivision, the references in Sections 8869.85, 8869.86, 8869.87, and 8869.88 to the “committee” shall, for purposes of any housing bonds, be deemed to mean MBTCAC.

(g) (1) The committee may establish the Extra Credit Teacher Home Purchase Program to provide federal mortgage credit certificates and reduced interest rate loans funded by mortgage revenue bonds to eligible teachers, principals, vice principals, and assistant principals who agree to teach or provide administration in a high-priority school. For purposes of this program, a high-priority school is a state K–12 public school that is ranked in the bottom half of the Academic Performance Index developed pursuant to subdivision (a) of Section 52052. However, priority shall be given to schools that are ranked in the bottom three deciles. The committee may make reservations of a portion of future calendar year state ceiling limits for up to five future calendar years for that program. The committee may also make future allocations of the state ceiling for up to five years for any issuer under that program. Any future allocation made by the committee shall constitute an allocation of the state ceiling for a future year specified by the committee and shall be deemed to have been made on the first day of the future year so specified.

(2) The committee may condition allocations under the Extra Credit Teacher Home Purchase Program on any terms and conditions that the committee deems necessary or appropriate, including, but not limited to, the execution of a contract between the teacher, principal, vice principal, or assistant principal and the issuer whereby the teacher, principal, vice principal, or assistant principal agrees to comply with the terms and conditions of the program. The contract may include, among other things, an agreement by the teacher, principal, vice principal, or assistant principal to teach or provide administration in a high-priority school for a minimum number of years, and provisions for enforcing the contract that the committee deems necessary or appropriate.

(3) If a teacher, principal, vice principal, or assistant principal does not fulfill the requirements of a contract entered into pursuant to paragraph (2), the issuer of the mortgage credit certificate or mortgage revenue bond may recover as an assessment from the teacher, principal, or assistant principal a monetary amount equal to the lesser of (A) one-half of the teacher’s, principal’s, vice principal’s, or assistant principal’s net proceeds from the sale of the related residence or (B) the amount of monetary benefit conferred on the teacher, principal, vice principal, or assistant principal as a result of the federal mortgage credit certificate or reduced interest rate loan funded by a mortgage revenue bond, offset by the amount of any federal recapture, as defined by

Section 143(m) of the Internal Revenue Code. The assessment may be secured by a lien against the residence, which shall decline in amount over the term of the contract as the teacher, principal, vice principal, or assistant principal fulfills the term of the contract, and which shall be collected at the time of sale of the residence. Any assessment collected pursuant to this paragraph shall be used for the issuer's costs in administering the Extra Credit Teacher Home Purchase Program. The issuers shall report annually to the committee the total amount of any assessments collected pursuant to this paragraph and how those assessments were used by the issuer.

(4) If the committee establishes the Extra Credit Teacher Home Purchase Program pursuant to this subdivision, the committee shall report annually to the Legislature the results of the program, including all of the following:

(A) The amount of state ceiling limits allocated to or reserved for the program.

(B) The agencies to which state ceiling limits were issued.

(C) The number of loans or mortgage credit certificates issued to teachers, principals, vice principals, and assistant principals.

(D) The schools at which recipients of assistance are employed, aggregated by decile in which the schools rank on the Academic Performance Index and by the percentage of uncredentialed teachers employed at the schools.

(5) The committee shall not make any reservations of future calendar year state ceiling limits or future allocations of the state ceiling pursuant to this subdivision on or after January 1, 2004, unless a later enacted statute, that is enacted before January 1, 2004, deletes or extends that date. However, reservations and allocations made prior to that date shall remain valid.

CHAPTER 92

An act to amend Section 32645 of the Public Resources Code, relating to the San Diego River Conservancy.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 32645 of the Public Resources Code is amended to read:

32645. The conservancy may take any of the following actions for the purposes of this division:

(a) Select and acquire real property or interests in real property in the name of the state pursuant to the Property Acquisition Law (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code).

(b) Acquire interests in land by various means, including, but not limited to, land exchanges, easements, development rights, life estates, leases, and leaseback agreements.

(c) Accept and hold real property or an interest in real property that is acquired through gift, exchange, donation, or dedication.

CHAPTER 93

An act to amend Section 98.2 of the Labor Code, relating to employment.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. It is the intent of the Legislature, in enacting this act, to overturn the decision in *Smith v. Rae-Venter Law Group* (2002) 29 Cal.4th 345.

SEC. 2. Section 98.2 of the Labor Code is amended to read:

98.2. (a) Within 10 days after service of notice of an order, decision, or award the parties may seek review by filing an appeal to the superior court, where the appeal shall be heard *de novo*. A copy of the appeal request shall be served upon the Labor Commissioner by the appellant. For purposes of computing the 10-day period after service, Section 1013 of the Code of Civil Procedure shall be applicable.

(b) Whenever an employer files an appeal pursuant to this section, the employer shall post an undertaking with the reviewing court in the amount of the order, decision, or award. The undertaking shall consist of an appeal bond issued by a licensed surety or a cash deposit with the court in the amount of the order, decision, or award. The employer shall provide written notification to the other parties and the Labor Commissioner of the posting of the undertaking. The undertaking shall be on the condition that, if any judgment is entered in favor of the employee, the employer shall pay the amount owed pursuant to the judgment, and if the appeal is withdrawn or dismissed without entry of judgment, the employer shall pay the amount owed pursuant to the order,

decision, or award of the Labor Commissioner unless the parties have executed a settlement agreement for payment of some other amount, in which case the employer shall pay the amount that the employer is obligated to pay under the terms of the settlement agreement. If the employer fails to pay the amount owed within 10 days of entry of the judgment, dismissal, or withdrawal of the appeal, or the execution of a settlement agreement, a portion of the undertaking equal to the amount owed, or the entire undertaking if the amount owed exceeds the undertaking, shall be forfeited to the employee.

(c) If the party seeking review by filing an appeal to the superior court is unsuccessful in the appeal, the court shall determine the costs and reasonable attorney's fees incurred by the other parties to the appeal, and assess that amount as a cost upon the party filing the appeal. An employee is successful if the court awards an amount greater than zero.

(d) If no notice of appeal of the order, decision, or award is filed within the period set forth in subdivision (a), the order, decision, or award shall, in the absence of fraud, be deemed the final order.

(e) The Labor Commissioner shall file, within 10 days of the order becoming final pursuant to subdivision (d), a certified copy of the final order with the clerk of the superior court of the appropriate county unless a settlement has been reached by the parties and approved by the Labor Commissioner. Judgment shall be entered immediately by the court clerk in conformity therewith. The judgment so entered shall have the same force and effect as, and shall be subject to all of the provisions of law relating to, a judgment in a civil action, and may be enforced in the same manner as any other judgment of the court in which it is entered. Enforcement of the judgment shall receive court priority.

(f) In order to ensure that judgments are satisfied, the Labor Commissioner may serve upon the judgment debtor, personally or by first-class mail at the last known address of the judgment debtor listed with the division, a form similar to, and requiring the reporting of the same information as, the form approved or adopted by the Judicial Council for purposes of subdivision (a) of Section 116.830 of the Code of Civil Procedure to assist in identifying the nature and location of any assets of the judgment debtor.

The judgment debtor shall complete the form and cause it to be delivered to the division at the address listed on the form within 35 days after the form has been served on the judgment debtor, unless the judgment has been satisfied. In case of willful failure by the judgment debtor to comply with this subdivision, the division or the judgment creditor may request the court to apply the sanctions provided in Section 708.170 of the Code of Civil Procedure.

(g) Notwithstanding subdivision (e), the Labor Commissioner may stay execution of any judgment entered upon an order, decision, or award

that has become final upon good cause appearing therefor and may impose the terms and conditions of the stay of execution. A certified copy of the stay of execution shall be filed with the clerk entering the judgment.

(h) When a judgment is satisfied in fact, otherwise than by execution, the Labor Commissioner may, upon the motion of either party or on its own motion, order entry of satisfaction of judgment. The clerk of the court shall enter a satisfaction of judgment upon the filing of a certified copy of the order.

(i) The Labor Commissioner shall make every reasonable effort to ensure that judgments are satisfied, including taking all appropriate legal action and requiring the employer to deposit a bond as provided in Section 240.

(j) The judgment creditor, or the Labor Commissioner as assignee of the judgment creditor, shall be entitled to court costs and reasonable attorney fees for enforcing the judgment that is rendered pursuant to this section.

CHAPTER 94

An act to amend Sections 5152, 5154, 5257, 5259.3, 5264, 5267, and 5270.35 of the Welfare and Institutions Code, relating to mental health.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 5152 of the Welfare and Institutions Code is amended to read:

5152. (a) Each person admitted to a facility for 72-hour treatment and evaluation under the provisions of this article shall receive an evaluation as soon as possible after he or she is admitted and shall receive whatever treatment and care his or her condition requires for the full period that he or she is held. The person shall be released before 72 hours have elapsed only if the psychiatrist directly responsible for the person's treatment believes, as a result of the psychiatrist's personal observations, that the person no longer requires evaluation or treatment. However, in those situations in which both a psychiatrist and psychologist have personally evaluated or examined a person who is placed under a 72-hour hold and there is a collaborative treatment relationship between the psychiatrist and psychologist, either the psychiatrist or psychologist may authorize the release of the person from the hold, but only after they

have consulted with one another. In the event of a clinical or professional disagreement regarding the early release of a person who has been placed under a 72-hour hold, the hold shall be maintained unless the facility's medical director overrules the decision of the psychiatrist or psychologist opposing the release. Both the psychiatrist and psychologist shall enter their findings, concerns, or objections into the person's medical record. If any other professional person who is authorized to release the person believes the person should be released before 72 hours have elapsed, and the psychiatrist directly responsible for the person's treatment objects, the matter shall be referred to the medical director of the facility for the final decision. However, if the medical director is not a psychiatrist, he or she shall appoint a designee who is a psychiatrist. If the matter is referred, the person shall be released before 72 hours have elapsed only if the psychiatrist making the final decision believes, as a result of the psychiatrist's personal observations, that the person no longer requires evaluation or treatment.

(b) Any person who has been detained for evaluation and treatment shall be released, referred for further care and treatment on a voluntary basis, or certified for intensive treatment, or a conservator or temporary conservator shall be appointed pursuant to this part as required.

(c) A person designated by the mental health facility shall give to any person who has been detained at that facility for evaluation and treatment and who is receiving medication as a result of his or her mental illness, as soon as possible after detention, written and oral information about the probable effects and possible side effects of the medication. The State Department of Mental Health shall develop and promulgate written materials on the effects of medications, for use by county mental health programs as disseminated or as modified by the county mental health program, addressing the probable effects and the possible side effects of the medication. The following information shall be given orally to the patient:

(1) The nature of the mental illness, or behavior, that is the reason the medication is being given or recommended.

(2) The likelihood of improving or not improving without the medication.

(3) Reasonable alternative treatments available.

(4) The name and type, frequency, amount, and method of dispensing the medication, and the probable length of time the medication will be taken.

The fact that the information has or has not been given shall be indicated in the patient's chart. If the information has not been given, the designated person shall document in the patient's chart the justification for not providing the information. A failure to give information about the

probable effects and possible side effects of the medication shall not constitute new grounds for release.

(d) The amendments to this section made by Assembly Bill 348 of the 2003–04 Regular Session shall not be construed to revise or expand the scope of practice of psychologists, as defined in Chapter 6.6 (commencing with Section 2900) of Division 2 of the Business and Professions Code.

SEC. 2. Section 5154 of the Welfare and Institutions Code is amended to read:

5154. (a) Notwithstanding Section 5113, if the provisions of Section 5152 have been met, the professional person in charge of the facility providing 72-hour treatment and evaluation, his or her designee, the medical director of the facility or his or her designee described in Section 5152, the psychiatrist directly responsible for the person's treatment, or the psychologist shall not be held civilly or criminally liable for any action by a person released before the end of 72 hours pursuant to this article.

(b) The professional person in charge of the facility providing 72-hour treatment and evaluation, his or her designee, the medical director of the facility or his or her designee described in Section 5152, the psychiatrist directly responsible for the person's treatment, or the psychologist shall not be held civilly or criminally liable for any action by a person released at the end of the 72 hours pursuant to this article.

(c) The peace officer responsible for the detainment of the person shall not be civilly or criminally liable for any action by a person released at or before the end of the 72 hours pursuant to this article.

(d) The amendments to this section made by Assembly Bill 348 of the 2003–04 Regular Session shall not be construed to revise or expand the scope of practice of psychologists, as defined in Chapter 6.6 (commencing with Section 2900) of Division 2 of the Business and Professions Code.

SEC. 3. Section 5257 of the Welfare and Institutions Code is amended to read:

5257. (a) During the period of intensive treatment pursuant to Section 5250 or 5270.15, the person's involuntary detention shall be terminated and the person shall be released only if the psychiatrist directly responsible for the person's treatment believes, as a result of the psychiatrist's personal observations, that the person certified no longer is, as a result of mental disorder or impairment by chronic alcoholism, a danger to others, or to himself or herself, or gravely disabled. However, in those situations in which both a psychiatrist and psychologist have personally evaluated or examined a person who is undergoing intensive treatment and there is a collaborative treatment relationship between the psychiatrist and the psychologist, either the psychiatrist or psychologist

may authorize the release of the person, but only after they have consulted with one another. In the event of a clinical or professional disagreement regarding the early release of a person who is undergoing intensive treatment, the person may not be released unless the facility's medical director overrules the decision of the psychiatrist or psychologist opposing the release. Both the psychiatrist and psychologist shall enter their findings, concerns, or objections into the person's medical record. If any other professional person who is authorized to release the person believes the person should be released during the designated period of intensive treatment, and the psychiatrist directly responsible for the person's treatment objects, the matter shall be referred to the medical director of the facility for the final decision. However, if the medical director is not a psychiatrist, he or she shall appoint a designee who is a psychiatrist. If the matter is referred, the person shall be released during the period of intensive treatment only if the psychiatrist making the final decision believes, as a result of the psychiatrist's personal observations, that the person certified no longer is, as a result of mental disorder or impairment by chronic alcoholism, a danger to others, or to himself or herself, or gravely disabled. Nothing herein shall prohibit the person from remaining at the facility on a voluntary basis or prevent the facility from providing the person with appropriate referral information concerning mental health services.

(b) A person who has been certified for a period of intensive treatment pursuant to Section 5250 shall be released at the end of 14 days unless the patient either:

- (1) Agrees to receive further treatment on a voluntary basis.
- (2) Is certified for an additional 14 days of intensive treatment pursuant to Article 4.5 (commencing with Section 5260).
- (3) Is certified for an additional 30 days of intensive treatment pursuant to Article 4.7 (commencing with Section 5270.10).
- (4) Is the subject of a conservatorship petition filed pursuant to Chapter 3 (commencing with Section 5350).
- (5) Is the subject of a petition for postcertification treatment of a dangerous person filed pursuant to Article 6 (commencing with Section 5300).

(c) The amendments to this section made by Assembly Bill 348 of the 2003–04 Regular Session shall not be construed to revise or expand the scope of practice of psychologists, as defined in Chapter 6.6 (commencing with Section 2900) of Division 2 of the Business and Professions Code.

SEC. 4. Section 5259.3 of the Welfare and Institutions Code is amended to read:

5259.3. (a) Notwithstanding Section 5113, if the provisions of Section 5257 have been met, the professional person in charge of the

facility providing intensive treatment, his or her designee, the medical director of the facility or his or her designee described in Section 5257, the psychiatrist directly responsible for the person's treatment, or the psychologist shall not be held civilly or criminally liable for any action by a person released before the end of 14 days pursuant to this article.

(b) The professional person in charge of the facility providing intensive treatment, his or her designee, the medical director of the facility or his or her designee described in Section 5257, the psychiatrist directly responsible for the person's treatment, or the psychologist shall not be held civilly or criminally liable for any action by a person released at the end of the 14 days pursuant to this article.

(c) The attorney or advocate representing the person, the court-appointed commissioner or referee, the certification review hearing officer conducting the certification review hearing, and the peace officer responsible for the detainment of the person shall not be civilly or criminally liable for any action by a person released at or before the end of 14 days pursuant to this article.

(d) The amendments to this section made by Assembly Bill 348 of the 2003–04 Regular Session shall not be construed to revise or expand the scope of practice of psychologists, as defined in Chapter 6.6 (commencing with Section 2900) of Division 2 of the Business and Professions Code.

SEC. 5. Section 5264 of the Welfare and Institutions Code is amended to read:

5264. (a) A certification for imminently suicidal persons shall be for no more than 14 days of intensive treatment, and shall terminate only as soon as the psychiatrist directly responsible for the person's treatment believes, as a result of the psychiatrist's personal observations, that the person has improved sufficiently for him or her to leave, or is prepared to voluntarily accept treatment on referral or to remain on a voluntary basis in the facility providing intensive treatment. However, in those situations in which both a psychiatrist and psychologist have personally evaluated or examined a person who is undergoing intensive treatment and there is a collaborative treatment relationship between the psychiatrist and psychologist, either the psychiatrist or psychologist may authorize the release of the person, but only after they have consulted with one another. In the event of a clinical or professional disagreement regarding the early release of a person who is undergoing intensive treatment, the person may not be released unless the facility's medical director overrules the decision of the psychiatrist or psychologist opposing the release. Both the psychiatrist and psychologist shall enter their findings, concerns, or objections into the person's medical record. If any other professional person who is authorized to release the person believes the person should be released

before 14 days have elapsed, and the psychiatrist directly responsible for the person's treatment objects, the matter shall be referred to the medical director of the facility for the final decision. However, if the medical director is not a psychiatrist, he or she shall appoint a designee who is a psychiatrist. If the matter is referred, the person shall be released before 14 days have elapsed only if the psychiatrist believes, as a result of the psychiatrist's personal observations, that the person has improved sufficiently for him or her to leave, or is prepared to accept voluntary treatment on referral or to remain in the facility providing intensive treatment on a voluntary basis.

(b) Any person who has been certified for 14 days of intensive treatment under this article and to whom Section 5226.1 is not applicable, or with respect to whom the criminal charge has been dismissed under Section 5226.1, shall be released at the end of the 14 days unless any of the following applies:

(1) The patient agrees to receive further treatment on a voluntary basis.

(2) The patient has been recommended for conservatorship pursuant to Chapter 3 (commencing with Section 5350).

(3) The patient is a person to whom Article 6 (commencing with Section 5300) of this chapter is applicable.

(c) The amendments to this section made by Assembly Bill 348 of the 2003–04 Regular Session shall not be construed to revise or expand the scope of practice of psychologists, as defined in Chapter 6.6 (commencing with Section 2900) of Division 2 of the Business and Professions Code.

SEC. 6. Section 5267 of the Welfare and Institutions Code is amended to read:

5267. (a) Notwithstanding Section 5113, if the provisions of Section 5264 have been met, the professional person in charge of the facility providing intensive treatment, his or her designee, the medical director of the facility or his or her designee described in Section 5264, the psychiatrist directly responsible for the person's treatment, or the psychologist shall not be held civilly or criminally liable for any action by a person released before the end of 14 days pursuant to this article.

(b) The professional person in charge of the facility providing intensive treatment, his or her designee, the medical director of the facility or his or her designee described in Section 5264, the psychiatrist directly responsible for the person's treatment, or the psychologist shall not be held civilly or criminally liable for any action by a person released at the end of 14 days pursuant to this article.

(c) The amendments to this section made by Assembly Bill 348 of the 2003–04 Regular Session shall not be construed to revise or expand the scope of practice of psychologists, as defined in Chapter 6.6

(commencing with Section 2900) of Division 2 of the Business and Professions Code.

SEC. 7. Section 5270.35 of the Welfare and Institutions Code is amended to read:

5270.35. (a) A certification pursuant to this article shall be for no more than 30 days of intensive treatment, and shall terminate only as soon as the psychiatrist directly responsible for the person's treatment believes, as a result of the psychiatrist's personal observations, that the person no longer meets the criteria for the certification, or is prepared to voluntarily accept treatment on a referral basis or to remain on a voluntary basis in the facility providing intensive treatment. However, in those situations in which both a psychiatrist and psychologist have personally evaluated or examined a person who is undergoing intensive treatment and there is a collaborative treatment relationship between the psychiatrist and the psychologist, either the psychiatrist or psychologist may authorize the release of the person but only after they have consulted with one another. In the event of a clinical or professional disagreement regarding the early release of a person who is undergoing intensive treatment, the person may not be released unless the facility's medical director overrules the decision of the psychiatrist or psychologist opposing the release. Both the psychiatrist and psychologist shall enter their findings, concerns, or objections into the person's medical record. If any other professional person who is authorized to release the person believes the person should be released before 30 days have elapsed, and the psychiatrist directly responsible for the person's treatment objects, the matter shall be referred to the medical director of the facility for the final decision. However, if the medical director is not a psychiatrist, he or she shall appoint a designee who is a psychiatrist. If the matter is referred, the person shall be released before 30 days have elapsed only if the psychiatrist believes, as a result of the psychiatrist's personal observations, that the person no longer meets the criteria for certification, or is prepared to voluntarily accept treatment on referral or to remain on a voluntary basis in the facility providing intensive treatment.

(b) Any person who has been certified for 30 days of intensive treatment under this article, shall be released at the end of 30 days unless one or more of the following is applicable:

(1) The patient agrees to receive further treatment on a voluntary basis.

(2) The patient is the subject of a conservatorship petition filed pursuant to Chapter 3 (commencing with Section 5350).

(3) The patient is the subject of a petition for postcertification treatment of a dangerous person filed pursuant to Article 6 (commencing with Section 5300).

(c) The amendments to this section made by Assembly Bill 348 of the 2003–04 Regular Session shall not be construed to revise or expand the scope of practice of psychologists, as defined in Chapter 6.6 (commencing with Section 2900) of Division 2 of the Business and Professions Code.

CHAPTER 95

An act to add and repeal Section 31580.3 of the Government Code, relating to county employees' retirement systems.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 31580.3 is added to the Government Code, to read:

31580.3. (a) If Section 31580.2 is applicable, in a fiscal year in which the net asset value of the retirement system is reduced from a previous fiscal year due to a general investment market downturn, the board of retirement or the board of retirement and the board of investment may fix the expense of administration pursuant to Section 31580.2 based on the value of the total assets of the retirement system as of an asset valuation date within a previous fiscal year, as determined by the board or boards, in which a positive rate of return for the retirement fund was generated.

(b) At no time may the expense of administration, as determined pursuant to paragraph (a), exceed 0.23 percent of net asset value.

(c) This section shall remain in effect only until January 1, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2007, deletes or extends that date.

CHAPTER 96

An act to amend Sections 31496.3 and 31621.9 of, and to add Section 31485.10 to, the Government Code, relating to county employees' retirement.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 31485.10 is added to the Government Code, to read:

31485.10. (a) Notwithstanding any other provision of law, in a county of the 10th class, as defined in Sections 28020 and 28031, the board of supervisors may, by resolution, ordinance, contract, or contract amendment under this chapter, provide any retirement benefits for some, but not all, general members or safety members of a county.

(b) The resolution, ordinance, contract, or contract amendment described in subdivision (a) may provide a different formula for calculation of retirement benefits, by making any section of this chapter applicable to any subgroup of members within a membership classification, including, but not limited to, bargaining units, or unrepresented groups, applicable to service credit earned on and after the date specified in the resolution, which date may be earlier than the date the resolution is adopted.

(c) A resolution adopted pursuant to this section may require members to pay all or part of the contributions by a member or employer, or both, that would have been required if the section or sections specified in subdivision (b), as adopted by the board or governing body, had been in effect during the period of time designated in the resolution. The payment by a member shall become part of the accumulated contributions of the member. For those members who are represented by a bargaining unit, the payment requirement shall be approved in a memorandum of understanding executed by the board of supervisors and the employee representatives.

(d) This section shall only apply to members who retire on or after the effective date of the resolution described in subdivision (a) or (b).

(e) This section shall not become operative unless and until the county board of supervisors, by resolution adopted by a majority vote, makes this section operative in the county.

SEC. 2. Section 31496.3 of the Government Code is amended to read:

31496.3. Unless the context otherwise requires, the definitions contained in this section govern the construction of this article.

(a) "Board" means the board of retirement.

(b) "Employer" means the county or district or agency whose employees are members of the retirement system of the county.

(c) "Federal system" means the Old Age and Survivors Insurance provisions of the Social Security Act.

(d) "Final compensation" means the average annual compensation earnable by a general member during any three years, whether or not consecutive, elected by the member at or before the time an application

for retirement is filed or, if no election is made, during the three years in which the member or former member last earned compensation preceding retirement. If a member or former member has less than three years of service, final compensation shall be determined by dividing total compensation by the number of months of service credited to the member or former member and multiplying by 12. In no event shall final compensation include any disability benefits received by the member or former member under a disability plan provided by the employer.

(e) "Member" or "general member" means an employee hired on a permanent basis, as defined by the employer, except an employee eligible for safety membership.

(f) "Primary insurance amount" means the monthly retirement benefit payable under the federal system at the age of 65.

(g) "Service" means the period of uninterrupted employment of a member and the time in which a member or former member (1) is totally disabled, and (2) is receiving disability benefits or is eligible to receive disability benefits either during or after any elimination or qualifying period, under a disability plan provided by the employer.

Except as provided, a member may not be credited with service for any period of time in which the member is absent from work without pay.

Unless otherwise provided, service may not include military service or public service other than service with the employer.

Notwithstanding any other provision of this chapter, a member who has elected or transferred to the plan created by this article and who terminates for any reason and is later reemployed shall receive Plan 3 credit for his or her service rendered prior to termination.

SEC. 3. Section 31621.9 of the Government Code is amended to read:

31621.9. In counties adopting Section 31676.14, the normal rates of contribution, except for members covered by Article 6.8 (commencing with Section 31639), shall be that which will provide an average annuity at age 55 equal to $\frac{1}{120}$ of the final compensation of members not covered by Article 6.8 (commencing with Section 31639), according to the tables adopted by the board of supervisors, for each year of service rendered after entering the system.

This section may be made applicable in counties on the first day of the month after the board of supervisors of the county adopts, by majority vote, a resolution adopting this section.

This section shall apply only to a county of the 10th or 20th class, as provided by Sections 28020, 28031, and 28041.

CHAPTER 97

An act to amend Section 20200 of the Government Code, relating to public employees' retirement.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 20200 of the Government Code is amended to read:

20200. (a) Notwithstanding any other provision of law, the board may establish a program utilizing the retirement fund to assist system members, through financing, to obtain homes throughout the United States.

(b) For the purpose of this section, the term "member" means any person who is receiving, or is entitled to receive, a retirement allowance funded by this system, the Legislators' Retirement System, the Judges' Retirement System, or the Judges' Retirement System II, notwithstanding any vesting requirement and without regard to present eligibility to retire.

(c) The board shall adopt regulations governing the program that shall, among other things, provide:

(1) That home loans be made available to members for the purchase of single-family dwellings, two-family dwellings, three-family dwellings, four-family dwellings, single-family cooperative apartments, and single-family condominiums.

(2) That private lending institutions throughout the United States shall originate and service its home loans pursuant to agreements entered into between those institutions and the board.

(3) That the recipients of the loans occupy the homes as their permanent residences in accord with rules and regulations established by the board.

(4) That its home loans shall be available only for the purchase or refinancing of homes throughout the United States and that under no condition shall a member have more than one outstanding loan.

(5) That the amount and length of the loans shall be pursuant to a schedule periodically established by the board that shall provide a loan-to-value ratio of no greater than the following:

(A) One hundred percent for the first loan for a single-family dwelling, single-family cooperative apartment, or single-family condominium.

(B) Ninety-five percent for the first loan on a two-family dwelling.

(C) Ninety percent for the first loan on a three-family dwelling or four-family dwelling.

The portion of any loan exceeding 80 percent of value shall be insured by an admitted mortgage guaranty insurer conforming to Chapter 2A (commencing with Section 12640.01) of Part 6 of Division 2 of the Insurance Code, in an amount so that the unguaranteed portion of the loan does not exceed 75 percent of the market value of the property together with improvements thereon.

(6) That there may be prepayment penalties assessed on its loans in accordance with rules and regulations established by the board.

(7) That the criteria and terms for its loans shall provide the greatest benefit to members consistent with the financial integrity of the program and the sound investment of the retirement fund.

(8) Any other terms and conditions as the board shall deem appropriate.

(d) This section shall be known as, and may be cited as, the Dave Elder Public Employees' Retirement System Member Home Loan Program Act.

CHAPTER 98

An act to amend Section 798.86 of the Civil Code, relating to mobilehome parks.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 798.86 of the Civil Code is amended to read:

798.86. (a) If a homeowner or former homeowner of a park is the prevailing party in a civil action, including a small claims court action, against the management to enforce his or her rights under this chapter, the homeowner, in addition to damages afforded by law, may, in the discretion of the court, be awarded an amount not to exceed two thousand dollars (\$2,000) for each willful violation of this chapter by the management.

(b) A homeowner or former homeowner of a park who is the prevailing party in a civil action against management to enforce his or her rights under this chapter may be awarded either punitive damages

pursuant to Section 3294 of the Civil Code or the statutory penalty provided by subdivision (a).

CHAPTER 99

An act to add Section 5027.1 to the Public Resources Code, relating to historic places.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 5027.1 is added to the Public Resources Code, to read:

5027.1. (a) As required by Section 5027, the Legislature hereby approves demolition of the Transbay Terminal building at First and Mission Streets in the City and County of San Francisco, including its associated vehicle ramps, for construction of a new terminal at the same location, designed to serve Caltrain in addition to local, regional, and intercity buslines, and designed to accommodate high-speed passenger rail service. The Transbay Joint Powers Authority shall have primary jurisdiction with respect to all matters concerning the financing, design, development, construction, and operation of the new terminal.

(b) Notwithstanding any other law, any redevelopment plan adopted to finance, in whole or in part, the demolition of the Transbay Terminal building and the construction of a new terminal, including its associated vehicle ramps, shall ensure that at least 25 percent of all dwelling units developed within the project area shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 60 percent of the area median income, and that at least an additional 10 percent of all dwelling units developed within the project area shall be available at affordable housing cost to, and occupied by, persons and families whose incomes do not exceed 120 percent of the area median income. The redevelopment agency shall ensure that dwelling units made affordable pursuant to this subdivision remain available at affordable housing cost to, and occupied by, persons and families of the respective income categories consistent with the time requirements contained in subdivision (f) of Section 33334.3 of, and subparagraph (C) of paragraph (2) of subdivision (b) of Section 33413 of, the Health and Safety Code.

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 unique circumstances applicable only to the Transbay Terminal building.

CHAPTER 100

An act to amend Sections 16429, 16475, 16475.5, and 16480.6 of the Government Code, relating to state funds.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 16429 of the Government Code is amended to read:

16429. (a) The Condemnation Deposits Fund in the State Treasury is continued in existence. The fund consists of all money deposited in the State Treasury pursuant to Title 7 (commencing with Section 1230.010) of Part 3 of the Code of Civil Procedure and all interest earned or other increment derived from its investment. The Treasurer shall receive all such moneys, duly receipt for, and safely keep the same in the fund, and for that duty he or she is liable upon his or her official bond.

(b) Money in the Condemnation Deposits Fund shall be invested under the provisions of Article 4 (commencing with Section 16470) of Chapter 3.

(c) The Controller shall apportion at the conclusion of each calendar quarter, the interest earned or increment derived and deposited in the fund during the three calendar months ending with those dates. There shall be apportioned and paid to each plaintiff having a deposit in the fund during the three-month period for which an apportionment is made an amount directly proportionate to the total deposits in the fund and the length of time the deposits remained therein, except that no payment shall be made of any interest in the amount of five dollars (\$5) or less. These amounts shall be transferred to the General Fund by the Controller. The Treasurer shall pay out the money deposited by a plaintiff in the manner and at the times the court or a judge thereof may, by order or decree, direct. Any residual amount after all required payments have been made shall be paid to the plaintiff if that amount is more than five dollars (\$5). If the amount is five dollars (\$5) or less, it shall be transferred to the General Fund by the Controller.

SEC. 2. Section 16475 of the Government Code is amended to read:

16475. At the conclusion of each calendar quarter, all interest earned and other increment derived from investments made pursuant to this article shall, on order of the Controller, be deposited in the Surplus Money Investment Fund. The Controller, after deducting an amount equal to the reasonable costs incurred by the Treasurer, the Controller, and the Department of Finance in carrying out this article, shall apportion, quarterly, to the following funds in the Treasury, interest earned or increment derived from the investments authorized by this article for the three calendar months ending with those dates:

(a) The General Fund.

(b) Each fund into which are deposited or which contains moneys collected from any tax now or hereafter imposed by the state upon the manufacture, sale, distribution, or use of motor vehicle fuel, for use in motor vehicles upon the public streets and highways.

(c) Each fund into which are deposited or which contains moneys collected from motor vehicle and other vehicle registration license fees or from any other tax or license fee now or hereafter imposed by the state upon vehicles, motor vehicles or the operation thereof, except those taxes and license fees that, by the provisions of Section 7 of Article XIX of the California Constitution, are exempted from the provisions of Section 2 of Article XIX.

(d) Each fund into which are deposited or that contains moneys collected under any law of this state relating to the protection, conservation, propagation, or preservation of fish, game, mollusks, or crustaceans, and fines imposed by any court for the violation of any of those laws.

(e) Each fund into which are deposited or that contains moneys available for construction, repair, replacement, maintenance or operation of public works of the state, including, but not limited to, the facilities of the State Water Resources Development System, as defined in Section 12931 of the Water Code, toll facilities financed, built, or acquired pursuant to the California Toll Bridge Authority Act (Chapter 1 (commencing with Section 30000) of Division 17 of the Streets and Highways Code), or moneys available for the payment of principal or interest on bonds issued to provide for the construction of those facilities.

(f) Every other fund in respect to which the Director of Finance on the advice of the Attorney General determines that the operation of the California Constitution or the United States Constitution prohibits the expenditure of interest received under this article and allocated on the basis of amounts in that fund for General Fund purposes.

(g) Each fund not included within subdivisions (a) to (f), inclusive.

The apportionments shall be made by the Controller in the following manner:

(1) All money not apportioned to the funds referred to in subdivisions (b), (c), (d), (e), (f), and (g) shall be apportioned to the General Fund.

(2) There shall be apportioned to each of the funds referred to in subdivisions (b), (c), (d), (e), (f), and (g), an amount directly proportionate to the respective amounts transferred from those funds to the Surplus Money Investment Fund and the length of time the amounts remained therein.

(3) Interest accrued or paid to the Pooled Money Investment Account from the proceeds of tax-exempt obligations on loans made pursuant to Section 16312 or 16313, to the extent thereof, shall be deemed apportioned to the State Highway Account or any other accounts that may be designated by the Controller pursuant to Section 16654, but only to the extent of its proportionate earnings as determined under paragraph (2). This paragraph shall neither increase nor decrease the amount of earnings apportioned to any fund or account in accordance with this section. These moneys shall be deemed expended, or applied to reimburse expenditures previously paid, first following the allocation of these interest earnings of the Surplus Money Investment Fund to the State Highway Account or any other accounts that may be designated by the Controller pursuant to Section 16654. It is the intent of the Legislature that this paragraph shall authorize the Treasurer and the Controller to monitor the expenditure of the proceeds of tax-exempt obligations in order to comply with federal tax laws and shall neither increase nor decrease the amount of bonds, notes, or other obligations to be issued by the state or any subdivision thereof, nor shall this paragraph be interpreted to indicate that the allocation is contrary to any bond act.

SEC. 3. Section 16475.5 of the Government Code is amended to read:

16475.5. Notwithstanding Section 16475, at the conclusion of each calendar quarter, all interest earned and other increment derived from the investment pursuant to this article of money of the Fish and Game Preservation Fund, less the expenses incurred by the Treasurer, the Controller, and the Department of Finance under this article in connection with the investment of this money, shall be transferred to the Fish and Game Preservation Fund.

SEC. 4. Section 16480.6 of the Government Code is amended to read:

16480.6. (a) At the conclusion of each calendar quarter, all interest earned and increment derived from investments in securities, time deposits and loans made pursuant to this article shall upon order of the Controller be distributed to the General Fund and the Surplus Money Investment Fund. The basis for distribution to the Surplus Money Investment Fund shall be the ratio that the total dollar day designated

surplus balance in the Surplus Money Investment Fund bears to the total dollar day investments of the Pooled Money Investment Account.

(b) On the effective date of the amendment of this section at the 1967 Regular Session, the Controller shall exchange the securities held as investments in the Surplus Money Investment Fund for money available for investment under this article, the securities to be exchanged at their values as they appear on the accounts of the Surplus Money Investment Fund at the time of exchange. Upon order of the Controller, the Treasurer shall make the corresponding transfers of the securities.

CHAPTER 101

An act to amend Section 602.8 of the Penal Code, relating to crimes.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 602.8 of the Penal Code is amended to read:

602.8. (a) Any person who without the written permission of the landowner, the owner's agent, or the person in lawful possession of the land, willfully enters any lands under cultivation or enclosed by fence, belonging to, or occupied by, another, or who willfully enters upon uncultivated or unenclosed lands where signs forbidding trespass are displayed at intervals not less than three to the mile along all exterior boundaries and at all roads and trails entering the lands, is guilty of a public offense.

(b) Any person convicted of a violation of subdivision (a) shall be punished as follows:

(1) A first offense is an infraction punishable by a fine of seventy-five dollars (\$75).

(2) A second offense on the same land or any contiguous land of the same landowner, without the permission of the landowner, the landowner's agent, or the person in lawful possession of the land, is an infraction punishable by a fine of two hundred fifty dollars (\$250).

(3) A third or subsequent offense on the same land or any contiguous land of the same landowner, without the permission of the landowner, the landowner's agent, or the person in lawful possession of the land, is a misdemeanor.

(c) Subdivision (a) shall not apply to any of the following:

(1) Any person engaged in lawful labor union activities which are permitted to be carried out on property by the California Agricultural

Labor Relations Act, Part 3.5 (commencing with Section 1140) of Division 2 of the Labor Code, or by the National Labor Relations Act.

(2) Any person on the premises who is engaging in activities protected by the California or United States Constitution.

(3) Any person described in Section 22350 of the Business and Professions Code who is making a lawful service of process.

(4) Any person licensed pursuant to Chapter 15 (commencing with Section 8700) of Division 3 of the Business and Professions Code who is engaged in the lawful practice of land surveying as authorized by Section 846.5 of the Civil Code.

(d) For any infraction charged pursuant to this section, the defendant shall have the option to forfeit bail in lieu of making a court appearance. Notwithstanding subdivision (e) of Section 853.6, if the offender elects to forfeit bail pursuant to this subdivision, no further proceedings shall be had in the case.

CHAPTER 102

An act to amend Section 832.7 of the Penal Code, relating to peace officers.

[Approved by Governor July 22, 2003. Filed with
Secretary of State July 22, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 832.7 of the Penal Code is amended to read:
832.7. (a) Peace officer or custodial officer personnel records and records maintained by any state or local agency pursuant to Section 832.5, or information obtained from these records, are confidential and shall not be disclosed in any criminal or civil proceeding except by discovery pursuant to Sections 1043 and 1046 of the Evidence Code. This section shall not apply to investigations or proceedings concerning the conduct of peace officers or custodial officers, or an agency or department that employs those officers, conducted by a grand jury, a district attorney's office, or the Attorney General's office.

(b) Notwithstanding subdivision (a), a department or agency shall release to the complaining party a copy of his or her own statements at the time the complaint is filed.

(c) Notwithstanding subdivision (a), a department or agency that employs peace or custodial officers may disseminate data regarding the number, type, or disposition of complaints (sustained, not sustained,

exonerated, or unfounded) made against its officers if that information is in a form which does not identify the individuals involved.

(d) Notwithstanding subdivision (a), a department or agency that employs peace or custodial officers may release factual information concerning a disciplinary investigation if the officer who is the subject of the disciplinary investigation, or the officer's agent or representative, publicly makes a statement he or she knows to be false concerning the investigation or the imposition of disciplinary action. Information may not be disclosed by the peace or custodial officer's employer unless the false statement was published by an established medium of communication, such as television, radio, or a newspaper. Disclosure of factual information by the employing agency pursuant to this subdivision is limited to facts contained in the officer's personnel file concerning the disciplinary investigation or imposition of disciplinary action that specifically refute the false statements made public by the peace or custodial officer or his or her agent or representative.

(e) (1) The department or agency shall provide written notification to the complaining party of the disposition of the complaint within 30 days of the disposition.

(2) The notification described in this subdivision shall not be conclusive or binding or admissible as evidence in any separate or subsequent action or proceeding brought before an arbitrator, court, or judge of this state or the United States.

(f) Nothing in this section shall affect the discovery or disclosure of information contained in a peace or custodial officer's personnel file pursuant to Section 1043 of the Evidence Code.

CHAPTER 103

An act to add Chapter 4.6 (commencing with Section 1070) to Part 3 of Division 2 of the Labor Code, relating to employment.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 23, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Chapter 4.6 (commencing with Section 1070) is added to Part 3 of Division 2 of the Labor Code, to read:

CHAPTER 4.6. PUBLIC TRANSIT SERVICE CONTRACTS

1070. The Legislature finds and declares all of the following:

(a) That when public transit agencies award contracts to operate bus and rail services to a new contractor, qualified employees of the prior contractor who are not reemployed by the successor contractor face significant economic dislocation as a result.

(b) That those displaced employees rely unnecessarily upon the unemployment insurance system, public social services, and health programs, increasing costs to these vital government programs and placing a significant burden upon both the government and the taxpayers.

(c) That it serves an important social purpose to establish incentives for contractors who bid public transit services contracts to retain qualified employees of the prior contractor to perform the same or similar work.

1071. The following definitions apply throughout this chapter:

(a) "Awarding authority" means any local government agency, including any city, county, special district, transit district, joint powers authority, or nonprofit corporation that awards or otherwise enters into contracts for public transit services performed within the State of California.

(b) "Bidder" means any person who submits a bid to an awarding agency for a public transit service contract or subcontract.

(c) "Contractor" means any person who enters into a public transit service contract with an awarding authority.

(d) "Employee" means any person who works for a contractor or subcontractor under a contract. "Employee" does not include an executive, administrative, or professional employee exempt from the payment of overtime compensation within the meaning of subdivision (a) of Section 515 or any person who is not an "employee" as defined under Section 2(3) of the National Labor Relations Act (29 U.S.C. Sec. 152(3)).

(e) "Person" means any individual, proprietorship, partnership, joint venture, corporation, limited liability company, trust, association, or other entity that may employ individuals or enter into contracts.

(f) "Public transit services" means the provision of passenger transportation services to the general public, including paratransit service.

(g) "Service contract" means any contract the principal purpose of which is to provide public transit services through the use of service employees.

(h) "Subcontractor" means any person who is not an employee who enters into a contract with a contractor to assist the contractor in performing a service contract.

1072. (a) A bidder shall declare as part of the bid for a service contract whether or not he or she will retain the employees of the prior contractor or subcontractor for a period of not less than 90 days.

(b) An awarding authority letting a service contract out to bid shall give a 10 percent preference to any bidder who agrees to retain the employees of the prior contractor or subcontractor pursuant to subdivision (a).

(c) (1) If the awarding authority announces that it intends to let a service contract out to bid, the existing service contractor, within a reasonable time, shall provide to the awarding authority the number of employees who are performing services under the service contract and the wage rates, benefits, and job classifications of those employees. In addition, the existing service contractor shall make this information available to any entity that the awarding authority has identified as a bona fide bidder. If the successor service contract is awarded to a new contractor, the existing contractor shall provide the names, addresses, dates of hire, wages, benefit levels, and job classifications of employees to the successor contractor. The duties imposed by this subdivision shall be contained in all service contracts.

(2) A successor contractor or subcontractor who agrees to retain employees pursuant to subdivision (a) shall retain employees who have been employed by the prior contractor or subcontractors, except for reasonable and substantiated cause. That cause is limited to the particular employee's performance or conduct while working under the prior contract or the employee's failure of any controlled substances and alcohol test, physical examination, criminal background check required by law as a condition of employment, or other standard hiring qualification lawfully required by the successor contractor or subcontractor.

(3) The successor contractor or subcontractor shall make a written offer of employment to each employee to be rehired. That offer shall state the time within which the employee must accept that offer, but in no case less than 10 days. Nothing in this section requires the successor contractor or subcontractor to pay the same wages or offer the same benefits provided by the prior contractor or subcontractor.

(4) If, at any time, the successor contractor or subcontractor determines that fewer employees are required than were required under the prior contract or subcontract, he or she shall retain qualified employees by seniority within the job classification. In determining those employees who are qualified, the successor contractor or subcontractor may require an employee to possess any license that is required by law to operate the equipment that the employee will operate as an employee of the successor contractor or subcontractor.

1073. (a) An employee who was not offered employment or who has been discharged in violation of this chapter, or his or her agent, may bring an action against the successor contractor or subcontractor in any superior court having jurisdiction over the successor contractor or subcontractor. Upon finding a violation of this chapter, the court shall order reinstatement to employment with the successor contractor or subcontractor and award backpay, including the value of benefits, for each day of violation. A violation of this chapter continues for each day that the successor contractor or subcontractor fails to employ the employee, within the period agreed to pursuant to Section 1072.

(b) The court may preliminarily or permanently enjoin the continued violation of this chapter.

(c) If the employee prevails in an action brought under this chapter, the court shall award the employee reasonable attorney's fees and costs as part of the costs recoverable.

1074. (a) Upon its own motion or upon the request of any member of the public, an awarding authority may terminate any service contract made pursuant to Section 1072 if both of the following occur:

(1) The contractor or subcontractor has substantially breached the contract.

(2) The awarding authority holds a public hearing within 30 days of the receipt of the request or its announcement of its intention to terminate.

(b) A contractor or subcontractor terminated pursuant to subdivision (a) shall be ineligible to bid on or be awarded a service contract or subcontract with that awarding authority for a period of not less than one year and not more than three years, to be determined by the awarding authority.

CHAPTER 104

An act to amend Section 70 of the Penal Code, relating to public safety officers.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 70 of the Penal Code is amended to read:

70. (a) Every executive or ministerial officer, employee, or appointee of the State of California, or any county or city therein, or any political subdivision thereof, who knowingly asks, receives, or agrees to

receive any emolument, gratuity, or reward, or any promise thereof excepting such as may be authorized by law for doing an official act, is guilty of a misdemeanor.

(b) This section does not prohibit deputy registrars of voters from receiving compensation when authorized by local ordinance from any candidate, political committee, or statewide political organization for securing the registration of voters.

(c) (1) Nothing in this section precludes a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, from engaging in, or being employed in, casual or part-time employment as a private security guard or patrolman for a public entity while off duty from his or her principal employment and outside his or her regular employment as a peace officer of a state or local agency, and exercising the powers of a peace officer concurrently with that employment, provided that the peace officer is in a police uniform and is subject to reasonable rules and regulations of the agency for which he or she is a peace officer. Notwithstanding the above provisions, any and all civil and criminal liability arising out of the secondary employment of any peace officer pursuant to this subdivision shall be borne by the officer's secondary employer.

(2) It is the intent of the Legislature by this subdivision to abrogate the holdings in *People v. Corey*, 21 Cal.3d 738, and *Cervantez v. J.C. Penney Co.*, 24 Cal.3d 579, to reinstate prior judicial interpretations of this section as they relate to criminal sanctions for battery on peace officers who are employed, on a part-time or casual basis, by a public entity, while wearing a police uniform as private security guards or patrolmen, and to allow the exercise of peace officer powers concurrently with that employment.

(d) (1) Nothing in this section precludes a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, from engaging in, or being employed in, casual or part-time employment as a private security guard or patrolman by a private employer while off duty from his or her principal employment and outside his or her regular employment as a peace officer, and exercising the powers of a peace officer concurrently with that employment, provided that all of the following are true:

(A) The peace officer is in his or her police uniform.

(B) The casual or part-time employment as a private security guard or patrolman is approved by the county board of supervisors with jurisdiction over the principal employer or by the board's designee or by the city council with jurisdiction over the principal employer or by the council's designee.

(C) The wearing of uniforms and equipment is approved by the principal employer.

(D) The peace officer is subject to reasonable rules and regulations of the agency for which he or she is a peace officer.

(2) Notwithstanding the above provisions, a peace officer while off duty from his or her principal employment and outside his or her regular employment as a peace officer of a state or local agency shall not exercise the powers of a police officer if employed by a private employer as a security guard during a strike, lockout, picketing, or other physical demonstration of a labor dispute at the site of the strike, lockout, picketing, or other physical demonstration of a labor dispute. The issue of whether or not casual or part-time employment as a private security guard or patrolman pursuant to this subdivision is to be approved shall not be a subject for collective bargaining. Any and all civil and criminal liability arising out of the secondary employment of any peace officer pursuant to this subdivision shall be borne by the officer's principal employer. The principal employer shall require the secondary employer to enter into an indemnity agreement as a condition of approving casual or part-time employment pursuant to this subdivision.

(3) It is the intent of the Legislature by this subdivision to abrogate the holdings in *People v. Corey*, 21 Cal. 3d 738, and *Cervantez v. J. C. Penney Co.*, 24 Cal. 3d 579, to reinstate prior judicial interpretations of this section as they relate to criminal sanctions for battery on peace officers who are employed, on a part-time or casual basis, while wearing a police uniform approved by the principal employer, as private security guards or patrolmen, and to allow the exercise of peace officer powers concurrently with that employment.

(e) (1) Nothing in this section precludes a peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, from engaging in, or being employed in, other employment while off duty from his or her principal employment and outside his or her regular employment as a peace officer of a state or local agency.

(2) Subject to subdivisions (c) and (d), and except as provided by written regulations or policies adopted by the employing state or local agency, or pursuant to an agreement between the employing state or local agency and a recognized employee organization representing the peace officer, no peace officer shall be prohibited from engaging in, or being employed in, other employment while off duty from his or her principal employment and outside his or her regular employment as a peace officer of a state or local agency.

(3) If an employer withholds consent to allow a peace officer to engage in or be employed in other employment while off duty, the employer shall, at the time of denial, provide the reasons for denial in writing to the peace officer.

CHAPTER 105

An act to add Sections 1586.6 and 1586.7 to the Health and Safety Code, relating to care facilities.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1586.6 is added to the Health and Safety Code, to read:

1586.6. Adult day health care centers may not require family members to attend the center or assist the participant with activities of daily living while at the center.

SEC. 2. Section 1586.7 is added to the Health and Safety Code, to read:

1586.7. (a) Adult day health care centers may not discriminate because of race, color, creed, national origin, sex, sexual orientation, or physical or mental disabilities. Centers shall accommodate individuals with physical disabilities by ensuring that they have access to bathrooms, hallways, and door entrances, and by providing safe and adequate parking and passenger loading areas. All staff at centers shall be trained and able to interact with participants with physical disabilities.

(b) Notwithstanding subdivision (a), the program may not admit any participants to the program that, in the clinical judgment of those administering the program, cannot be appropriately cared for by the program.

SEC. 3. 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.

CHAPTER 106

An act to amend Section 5560 of the Public Resources Code, relating to parks and recreation.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 5560 of the Public Resources Code is amended to read:

5560. (a) Violation of an ordinance, rule, or regulation adopted pursuant to this article is a misdemeanor punishable by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment in the county jail for a period not to exceed six months, or by both that fine and imprisonment, unless the board provides that a violation of an ordinance, rule, or regulation is an infraction that is punishable by:

(1) A fine not exceeding one hundred dollars (\$100) for a first violation.

(2) A fine not exceeding two hundred dollars (\$200) for a second violation of the same ordinance, rule, or regulation within one year.

(3) A fine not exceeding five hundred dollars (\$500) for each additional violation of the same ordinance, rule, or regulation within one year.

(b) A municipal court that is established within the district, or superior court in a county in which there is no municipal court, has jurisdiction of all prosecutions under this article for violations of an ordinance, rule, or regulation adopted by the board.

SEC. 1.5. Section 5560 of the Public Resources Code is amended to read:

5560. (a) Violation of an ordinance, rule, or regulation adopted pursuant to this article is a misdemeanor punishable by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment in the county jail for a period not to exceed six months, or by both that fine and imprisonment, unless the board provides that a violation of an ordinance, rule, or regulation is an infraction, that is punishable by:

(1) A fine not exceeding one hundred dollars (\$100) for a first violation.

(2) A fine not exceeding two hundred dollars (\$200) for a second violation of the same ordinance, rule, or regulation within one year.

(3) A fine not exceeding five hundred dollars (\$500) for each additional violation of the same ordinance, rule, or regulation within one year.

(b) A superior court of a county lying wholly or in part within the district is a proper court for trial of all prosecutions under this article for violations of an ordinance, rule, or regulation adopted by the board.

SEC. 2. Section 1.5 of this bill incorporates amendments to Section 5560 of the Public Resources Code proposed by both this bill and AB

1712. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2004, (2) each bill amends Section 5560 of the Public Resources Code, and (3) this bill is enacted after AB 1712, in which case Section 1 of this bill shall not become operative.

CHAPTER 107

An act to amend Section 156.1 of the Business and Professions Code, to amend Sections 8448, 22217, 22362, 41320, and 62004 of the Education Code, to amend Sections 7604, 8543.1, 8544.2, 8544.3, 8544.5, 8544.6, 8545, 8545.1, 8545.2, 8545.4, 8545.5, 8546.1, 8546.3, 8546.4, 8546.8, 12430, 13297, 13298, 13299, 13299.1, 13405, 16366.7, 53134, and 53138 of, to amend the heading of Article 3 (commencing with Section 8547) of Chapter 6.5 of Division 1 of Title 2 of, to amend and renumber Section 8546.5 of, the Government Code, to amend Section 18052.5 of the Health and Safety Code, to amend Section 10359 of the Public Contract Code, to amend Section 2154 of the Streets and Highways Code, and to amend Section 14100.2 of the Welfare and Institutions Code, relating to the Bureau of State Audits.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 156.1 of the Business and Professions Code is amended to read:

156.1. (a) Notwithstanding any other provision of law, individuals or entities contracting with the department or any board within the department for the provision of services relating to the treatment and rehabilitation of licentiates impaired by alcohol or dangerous drugs, shall retain all records and documents pertaining to those services until such time as these records and documents have been reviewed for audit by the department. These records and documents shall be retained for a maximum of three years from the date of the last treatment or service rendered to that licentiate, or until such time as the records pertaining to treatment or services rendered to that licentiate are audited, whichever occurs first, after which time the records and documents may be purged and destroyed by the contract vendor. This provision shall supersede any other provision of law relating to the purging or destruction of records pertaining to those treatment and rehabilitation programs.

(b) Notwithstanding any other provision of law, all records and documents pertaining to services for the treatment and rehabilitation of licentiates impaired by alcohol or dangerous drugs provided by any contract vendor to the department or to any board within the department shall be kept confidential and are not subject to discovery or subpoena.

(c) With respect to all other contracts for services with the department or any board within the department other than those set forth in subdivision (a), the director or chief deputy director may request an examination and audit by the department's internal auditor of all performance under the contract. For this purpose, all documents and records of the contract vendor in connection with such performance shall be retained by such vendor for a period of three years after final payment under the contract. Nothing in this section shall affect the authority of the State Auditor to conduct any examination or audit under the terms of Section 8546.7 of the Government Code.

SEC. 2. Section 8448 of the Education Code is amended to read: 8448. As used in this article:

(a) "Financial and compliance audit" means a systematic review or appraisal to determine each of the following:

(1) Whether the financial statements of an audited organization fairly present the financial position and the results of financial operations in accordance with generally accepted accounting principles.

(2) Whether the organization has complied with laws and regulations that may have a material effect upon the financial statements.

(b) "Public accountants" means certified public accountants, or state licensed public accountants.

(c) "Independent auditors" means public accountants who have no direct or indirect relationship with the functions or activities being audited or with the business conducted by any of the officials or contractors being audited.

(d) "Generally accepted auditing standards" means the auditing standards set forth in the financial and compliance element of the "Government Auditing Standards" issued by the Comptroller General of the United States and incorporating the audit standards of the American Institute of Certified Public Accountants.

(e) "Direct service contract" means any contract with any public or private entity for child care and development programs, resource and referral programs, and programs contracting to provide support services as defined in Section 8208.

(f) "Nonprofit organization" means an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954 which is exempt from taxation under Section 501(a) of that code, or any nonprofit, scientific, or educational organization qualified under Section 23701d of the Revenue and Taxation Code.

(g) Annually, there shall be a single independent financial and compliance audit of organizations that contract with the state under a direct service contract. Any such audit shall include an evaluation of the accounting and control systems of the direct service contractor and of the activities by the contractor to comply with the financial requirements of direct service contracts received by the contractor from the state agency. The financial and compliance requirements to be reviewed during the audit shall be those developed and published by the State Department of Education in consultation with the Department of Finance. Audits carried out pursuant to this section shall be audits of the contractor rather than audits of individual contracts or programs. In the case of any contractor that receives less than twenty-five thousand dollars (\$25,000) per year from any state agency, the audit required by this section shall be conducted biennially, unless there is evidence of fraud or other violation of state law in connection with the direct service contract. The cost of the audit may be included in direct service contracts.

The organization receiving funds from the state shall be responsible for obtaining the required financial and compliance audits of the organization and any subcontractors, except for direct service subcontracts and other subcontracts exempt from State Department of Education review, as agreed to by the Departments of Finance and General Services. The audits shall be made by independent auditors in accordance with generally accepted auditing standards. The audit shall be completed by the 15th day of the fifth month following the end of the contractor's fiscal year. A copy of the required audit shall be filed with the State Department of Education upon its completion. In the event an audit is not filed, the State Department of Education shall notify the organization of the contract violation. The audit report filed shall be an integral part of the direct service contract file.

(h) (1) Nothing in this article limits the authority of the State Department of Education to make audits of direct service contracts. However, if independent audits arranged for by direct service contractors meet generally accepted auditing standards, the State Department of Education shall rely on those audits and any additional audit work shall build upon the work already done.

(2) Nothing in this article precludes the state from conducting, or contracting for the conduct of, contract performance audits which are not financial and compliance audits.

(3) Nothing in this article limits the state's responsibility or authority to enforce state law or regulations, procedures, or reporting requirements arising pursuant thereto.

(4) Nothing in this article limits the responsibility of the State Department of Education to provide an independent appeal procedure according to the provisions of the Administrative Procedure Act

(Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2) of the Government Code.

SEC. 3. Section 22217 of the Education Code is amended to read:

22217. (a) The board shall employ a certified public accountant or public accountant, who is not in public employment, to audit the financial statements of the system. The costs of the audit shall be paid from the income of the retirement fund. The audit shall be made annually commencing with the fiscal year ending June 30, 1974. The board shall file a copy of the audit report with the Governor, the Secretary of the Senate, and the Chief Clerk of the Assembly.

(b) These audits shall not be duplicated by the Department of Finance or the State Auditor. The system shall be exempt from a pro rata general administrative charge for auditing.

SEC. 4. Section 22362 of the Education Code is amended to read:

22362. (a) Notwithstanding any other provision of law, the board shall give first priority to investing not less than 25 percent of all funds of the plan that become available in a fiscal year for new investments, in any of the following:

(1) Obligations secured by a lien or charge solely on residential realty, including rental housing, located in the state and on the security of which, commercial banks are permitted to make loans pursuant to Article 2 (commencing with Section 1220) of Chapter 10 of Division 1 of the Financial Code.

(2) Securities representing a beneficial interest in a pool of obligations secured by a lien or charge solely on residential realty located in the state.

(3) Certificates of deposit issued by savings and loan associations, if the savings and loan associations agree to make loans, or to fund tax-exempt notes or bonds issued by housing authorities, cities, or counties, on residential realty located in the state, including rental housing, in an amount equal to the amount of the deposit.

(b) Funds subject to investment pursuant to this section include all moneys received as employer and member contributions, investment income, and the proceeds from all net gains and losses from securities, reduced by the amount of benefit payments and withdrawals occurring during the fiscal year. In computing the amount of investment pursuant to this section, a dollar-for-dollar credit shall be given for residential realty investments described in this section that are contractually agreed to be made by a financial institution from which the board, in consideration thereof, purchases other such investments. In computing the amount of investment pursuant to this section, the board may elect to include the dollar amount of commitments to purchase mortgages from public revenue bond programs in the year the commitment is given.

However, that election may not exceed one-fifth of the total guideline amount.

(c) Nothing in this section shall be construed to require the acquisition of any instrument or security at less than the market rate.

(d) If the board determines during any fiscal year that compliance with this section will result in lower overall earnings for the retirement fund than obtainable from alternative investment opportunities that would provide equal or superior security, including guarantee of yield, the board may substitute those higher yielding investments, to the extent actually available for acquisition, for the investments otherwise specified by this section. Additionally, if, and to the extent that, adherence to the diversification guideline specified in this section would conflict with its fiduciary obligations in violation of Section 9 of Article I of the California Constitution or Section 10 of Article I of the United States Constitution, or would conflict with the standard for prudent investment of the fund as set forth in Section 17 of Article XVI of the California Constitution, the board may substitute alternative investments. In that case, the board shall estimate the amount of funds available in substitute alternative investments and the amount of funds invested pursuant to subdivision (a) and shall submit its resolution of findings and determinations, together with a description of the type, quantity, and yield of the investments substituted, to the Governor and to the Joint Legislative Audit Committee within 20 days following the conclusion of the fiscal year. Within 30 days thereafter, the Joint Legislative Audit Committee shall transmit the State Auditor's report to the Speaker of the Assembly and to the Senate Committee on Rules for transmittal to affected policy committees.

(e) The board, upon determining the final amount of funds available for investment in substitute alternative investments and the estimated amount of funds invested pursuant to subdivision (a), shall submit that information to the Governor and the Joint Legislative Audit Committee. Thereafter, the Joint Legislative Audit Committee shall transmit the report of the State Auditor to the Speaker of the Assembly and the Senate Committee on Rules for transmittal to the affected policy committees.

SEC. 5. Section 41320 of the Education Code is amended to read:
41320. As a condition to any emergency apportionment to be made pursuant to Section 41310, the following requirements shall be met:

(a) The district requesting the apportionment shall submit to the county superintendent of schools having jurisdiction over the district a report issued by an independent auditor approved by the county superintendent of schools on the financial conditions and budgetary controls of the district, a written management review conducted by a qualified management consultant approved by the county

superintendent of schools, and a fiscal plan adopted by the governing board to resolve the financial problems of the district.

(b) The county superintendent of schools shall review, and provide written comment on, the independent auditor's report, the management review, and the district plan. That written comment shall include the county superintendent's approval or disapproval of the district plan. In the event the county superintendent disapproves the plan, the governing board shall revise the district plan to respond to the concerns expressed by the county superintendent.

(c) Upon his or her approval of the district plan, the county superintendent of schools shall submit copies of the report, review, plan, and written comments specified in subdivision (b) to the Superintendent of Public Instruction, the Joint Legislative Audit Committee, the Joint Legislative Budget Committee, the Director of Finance, and the Controller.

(d) The Superintendent of Public Instruction shall review the reports and comments submitted to him or her by the county superintendent of schools and shall certify to the Director of Finance that the action taken to correct the financial problems of the district is realistic and will result in placing the district on a sound financial basis.

(e) The district shall develop a schedule to repay the emergency loan and submit it to the county superintendent of schools. The county superintendent of schools shall review and comment on the repayment schedule and submit it to the Superintendent of Public Instruction for approval or disapproval. Upon the approval of the repayment schedule, and of the other reports, reviews, plans, and the appointment of the trustee required by this article, the Superintendent of Public Instruction shall request the Controller to disburse the proceeds of the emergency loan to the district.

(f) The district requesting the apportionment shall reimburse the county superintendent of schools for the costs incurred by the superintendent pursuant to this section.

SEC. 6. Section 62004 of the Education Code is amended to read: 62004. The State Auditor shall audit, on a sampling basis, school districts' use of the funds specified in Section 62002.

SEC. 7. Section 7604 of the Government Code is amended to read: 7604. In the event of a loss in the reacquisition of loaned securities, the responsible state agency shall make a written report of the loss to the Legislature and the State Auditor as soon as possible, but not later than 30 days after the incurrence of that loss.

SEC. 8. Section 8543.1 of the Government Code is amended to read: 8543.1. The duties of the Bureau of State Audits are to examine and report annually upon the financial statements prepared by the executive branch of the state and to perform other related assignments, including

performance audits, that are mandated by statute. For the purposes of this chapter “bureau” means the “Bureau of State Audits,” unless the context clearly requires otherwise.

SEC. 9. Section 8544.2 of the Government Code is amended to read:

8544.2. Persons employed by the bureau pursuant to Section 8544.1 shall be allowed to enroll in the Public Employees’ Medical and Hospital Care Act contained in Part 5 (commencing with Section 22751) of Division 5 of Title 2.

SEC. 9.5. Section 8544.2 of the Government Code is amended to read:

8544.2. Persons employed by the bureau pursuant to Section 8544.1 shall be allowed to enroll in the Public Employees’ Medical and Hospital Care Act contained in Part 5 (commencing with Section 22750) of Division 5 of Title 2.

SEC. 10. Section 8544.3 of the Government Code is amended to read:

8544.3. All persons employed by the bureau pursuant to Section 8544.1 who were members of the Public Employees’ Retirement System as of November 3, 1992, shall retain their existing classification within the system and shall be considered state miscellaneous members as defined in Section 20014.

SEC. 11. Section 8544.5 of the Government Code is amended to read:

8544.5. (a) There is hereby established in the State Treasury the State Audit Fund. Notwithstanding Section 13340, the State Audit Fund is continuously appropriated for the expenses of the State Auditor. There shall be appropriated annually in the Budget Act to the State Audit Fund, from the General Fund, the amount necessary to reimburse the State Audit Fund for the cost of audits to be performed that are not directly reimbursed under subdivision (c). “Cost of audits” means all direct and indirect costs of conducting the audits and any other related expenses incurred by the State Auditor in fulfilling his or her statutory responsibilities.

(b) Upon certification by the State Auditor of estimated costs on a monthly basis, the Controller shall transfer the amount thus certified from the General Fund to the State Audit Fund. The Controller shall thereafter issue warrants drawn against the State Audit Fund upon receipt of claims certified by the State Auditor.

(c) To ensure appropriate reimbursement from federal and special funds for the costs of the duties performed pursuant to Section 8546.3, the State Auditor may directly bill state agencies for the costs incurred, subject to the approval of the Director of Finance.

(d) To ensure adequate oversight of the operations of the bureau, the Milton Marks “Little Hoover” Commission on California State

Government Organization and Economy shall annually obtain the services of an independent public accountant to audit the State Audit Fund and the operation of the bureau to assure compliance with state law, including Section 8546. The results of this audit shall be submitted to the commission and shall be a public record.

(e) To ensure that audits of the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy are conducted in conformity with government auditing standards, any audit of the commission that is required or permitted by law shall be conducted by the independent public accountant selected pursuant to subdivision (d).

SEC. 12. Section 8544.6 of the Government Code is amended to read:

8544.6. All unreimbursed expenditures of the bureau are defined as “administrative costs” defined in Section 11270.

SEC. 13. Section 8545 of the Government Code is amended to read:

8545. The State Auditor shall not destroy any papers or memoranda used to support a completed audit sooner than three years after the audit report is released to the public. All books, papers, records, and correspondence of the bureau pertaining to its work are public records subject to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 and shall be filed at any of the regularly maintained offices of the State Auditor, except that none of the following items or papers of which these items are a part shall be released to the public by the State Auditor, his or her employees, or members of the commission:

(a) Personal papers and correspondence of any person providing assistance to the State Auditor when that person has requested in writing that his or her papers and correspondence be kept private and confidential. Those papers and correspondence shall become public records if the written request is withdrawn or upon the order of the State Auditor.

(b) Papers, correspondence, memoranda, or any substantive information pertaining to any audit not completed.

(c) Papers, correspondence, or memoranda pertaining to any audit that has been completed, which papers, correspondence, or memoranda are not used in support of any report resulting from the audit.

SEC. 14. Section 8545.1 of the Government Code is amended to read:

8545.1. (a) The State Auditor, and any employee or former employee of the bureau, may not divulge or make known to any person not employed by the bureau in any manner not expressly permitted by law any particulars of any record, document, or information the disclosure of which is restricted by law from release to the public. This

prohibition includes, but is not limited to, the restrictions on the release of records, documents, or information set forth in Section 8545.

(b) Subdivision (a) also applies to:

(1) Any person or business entity that is contracting with or has contracted with the bureau and to the employees and former employees of that person or business entity.

(2) The officers and employees of and any person or business entity that is contracting with or has contracted with any state or local governmental agency or publicly created entity that has assisted the bureau in the course of any audit or investigative audit or that has received a draft copy of any report or other draft document from the bureau for comment or review.

(c) Any officer, employee, or person who discloses the particulars of any record, document, or other information in violation of this section is guilty of a misdemeanor.

SEC. 15. Section 8545.2 of the Government Code is amended to read:

8545.2. (a) Notwithstanding any other provision of law, the State Auditor during regular business hours shall have access to and authority to examine and reproduce, any and all books, accounts, reports, vouchers, correspondence files, and other records, bank accounts, and money or other property, of any agency of the state, whether created by the California Constitution or otherwise, any local governmental entity, including any city, county, and school or special district, and any publicly created entity, for any audit or investigative audit. Any officer or employee of any agency or entity having these records or property in his or her possession, under his or her control, or otherwise having access to them, shall permit access to, and examination and reproduction thereof, upon the request of the State Auditor or his or her authorized representative.

(b) For the purposes of access to and examination and reproduction of the records and property described in subdivision (a), an authorized representative of the State Auditor is an employee or officer of the state or local governmental agency or publicly created entity involved and is subject to any limitations on release of the information as may apply to an employee or officer of the state or local governmental agency or publicly created entity. For the purpose of conducting any audit or investigation, the State Auditor or his or her authorized representative shall have access to the records and property of any public or private entity or person subject to review or regulation by the public agency or public entity being audited or investigated to the same extent that employees or officers of that agency or public entity have access. No provision of law providing for the confidentiality of any records or property shall prevent disclosure pursuant to subdivision (a), unless the

provision specifically refers to and precludes access and examination and reproduction pursuant to subdivision (a). This subdivision does not apply to records compiled pursuant to Part 1 (commencing with Section 8900) or Part 2 (commencing with Section 10200) of Division 2.

(c) Any officer or person who fails or refuses to permit access and examination and reproduction, as required by this section, is guilty of a misdemeanor.

SEC. 16. Section 8545.4 of the Government Code is amended to read:

8545.4. (a) In connection with any audit or investigative audit conducted by the State Auditor, the State Auditor or his or her designee, may do any of the following:

- (1) Administer oaths.
- (2) Certify to all official acts.
- (3) Issue subpoenas for the attendance of witnesses and the production of papers, books, accounts, or documents, or for the making of oral or written sworn statements, in any interview conducted as part of an audit or investigative audit.

(b) Any subpoena issued under this section extends as process to all parts of the state and may be served by any person authorized to serve process of courts of record or by any person designated for that purpose by the State Auditor or his or her designee. The person serving this process may receive compensation as allowed by the State Auditor or his or her designee, not to exceed the fees prescribed by law for similar service.

(c) Notwithstanding Section 7470, 7474, or 7491, subpoenas issued under this section for financial records of financial institutions concerning customers of financial institutions or for information contained in those records shall not be subject to the requirement or conditions of Section 7474.

SEC. 17. Section 8545.5 of the Government Code is amended to read:

8545.5. (a) The superior court in the county in which any interview is held under the direction of the State Auditor or his or her designee has jurisdiction to compel the attendance of witnesses, the making of oral or written sworn statements, and the production of papers, books, accounts, and documents, as required by any subpoena issued by the State Auditor or his or her designee.

(b) If any witness refuses to attend or testify or produce any papers required by the subpoena, the State Auditor or his or her designee may petition the superior court in the county in which the hearing is pending for an order compelling the person to attend and answer questions under penalty of perjury or produce the papers required by the subpoena before

the person named in the subpoena. The petition shall set forth all of the following:

(1) That due notice of the time and place of attendance of the person or the production of the papers has been given.

(2) That the person has been subpoenaed in the manner prescribed in Section 8545.4.

(3) That the person has failed and refused to attend or produce the papers required by subpoena before the State Auditor or his or her designee as named in the subpoena, or has refused to answer questions propounded to him or her in the course of the interview under penalty of perjury.

(c) Upon the filing of the petition, the court shall enter an order directing the person to appear before the court at a specified time and place and then and there show cause why he or she has not attended, answered questions under penalty of perjury, or produced the papers as required. A copy of the order shall be served upon him or her. If it appears to the court that the subpoena was regularly issued by the State Auditor or his or her designee, the court shall enter an order that the person appear before the person named in the subpoena at the time and place fixed in the order and answer questions under penalty of perjury or produce the required papers. Upon failure to obey the order, the person shall be dealt with as for contempt of court.

SEC. 18. Section 8546.1 of the Government Code is amended to read:

8546.1. (a) The State Auditor shall conduct financial and performance audits as directed by statute. The State Auditor may conduct these audits of any state agency as defined by Section 11000, whether created by the California Constitution or otherwise, any local governmental agency, including any city, county, and school or special district, or any publicly created entity. However, the State Auditor shall not audit the activities of the Milton Marks Commission on California State Government Organization and Economy or the Legislature to assure compliance with government auditing standards.

(b) The State Auditor shall conduct any audit of a state or local governmental agency or any other publicly created entity that is requested by the Joint Legislative Audit Committee to the extent that funding is available and in accordance with the priority established by the committee with respect to other audits requested by the committee. Members of the Legislature may submit requests for audits to the committee for its consideration and approval. Any audit request approved by the committee shall be forwarded to the State Auditor as a committee request.

(c) The State Auditor shall complete any audit in a timely manner and in accordance with the "Government Auditing Standards" published by the Comptroller General of the United States.

(d) Immediately upon completion of the audit, the State Auditor shall transmit a copy of the audit report to the commission. Not later than 24 hours after delivery to the commission, the commission shall deliver the report to the Legislature, appropriate committees or subcommittees of the Legislature, and the Governor. Once transmitted to these parties, the report shall be made available to the public.

SEC. 19. Section 8546.3 of the Government Code is amended to read:

8546.3. The State Auditor shall examine and report annually upon the financial statements otherwise prepared by the executive branch of the state so that the Legislature and the public will be informed of the adequacy of those financial statements in compliance with generally accepted accounting principles. In making that examination, the State Auditor may make the audit examination of accounts and records, accounting procedures, and internal auditing performance that he or she determines to be necessary to disclose all material facts necessary to proper reporting in accordance with the federal Single Audit Act of 1984 (31 U.S.C. Section 7501 and following) and the purposes set forth in Section 8521.5.

SEC. 20. Section 8546.4 of the Government Code is amended to read:

8546.4. (a) The State Auditor shall annually issue an auditor's report based upon the general purpose financial statements included in the Controller's annual report that is submitted to the Governor pursuant to Section 12460. The report shall be in accordance with the "Government Auditing Standards" published by the Comptroller General of the United States and the standards published by the American Institute of Certified Public Accountants.

(b) The State Auditor, in the performance of this annual audit, may examine all the financial records, accounts, and documents of any state agency as defined by Section 11000.

(c) The State Auditor shall rely, to the maximum extent possible, upon the audits performed by the Controller, the Department of Finance, internal auditors of state agencies, and independent contractors. The Director of Finance shall be responsible for coordinating and providing technical assistance to the internal auditors of state agencies. Nothing in this article is intended to reduce or restrict the operations of internal auditors whose review of internal financial and administrative controls of state agencies is essential for coordinated audits.

(d) State agencies receiving federal funds shall be primarily responsible for arranging for federally required financial and compliance

audits. State agencies shall immediately notify the Director of Finance, the State Auditor, and the Controller when they are required to obtain federally required financial and compliance audits. The Director of Finance, the State Auditor, and the Controller shall coordinate the procurement by state agencies, including any negotiations with cognizant federal agencies, of federally required financial and compliance audits.

(e) To prevent duplication of the annual audit conducted by the State Auditor pursuant to subdivision (a), except for those state agencies that are required by state law to obtain an annual audit, no state agency shall enter into a contract for a financial or compliance audit without prior written approval of the Controller and the Director of Finance, which approval shall state the reason for the contract and shall be filed with the State Auditor at least 30 days prior to the award of the contract. No funds appropriated by the Legislature shall be encumbered for the purpose of funding any contract for an audit that duplicates the annual financial audit conducted by the State Auditor.

(f) Notwithstanding any other provision of this article, nothing in this section shall be construed to limit, restrict, or otherwise infringe upon the constitutional or statutory authority of the Controller to superintend the fiscal concerns of the state.

(g) Notwithstanding any other provision of this article, nothing in this section shall be construed to limit, restrict, or otherwise infringe upon the statutory authority of the Director of Finance to supervise the financial and business policies of the state.

SEC. 21. Section 8546.5 of the Government Code is amended and renumbered to read:

13071. The Director of Finance, in coordinating the internal auditors of state agencies, shall ensure that these auditors utilize the "Standards for the Professional Practices of Internal Auditing."

SEC. 22. Section 8546.8 of the Government Code is amended to read:

8546.8. Unless the contrary is stated or clearly appears from the context, any reference to the Auditor General or the Office of the Auditor General in any statute or contract in effect on the effective date of this chapter, other than Chapter 4 (commencing with Section 10500), with respect to the performance of audits, shall be construed to refer to the State Auditor and the Bureau of State Audits, respectively.

SEC. 23. The heading of Article 3 (commencing with Section 8547) of Chapter 6.5 of Division 1 of Title 2 of the Government Code is amended to read:

Article 3. California Whistleblower Protection Act

SEC. 24. Section 12430 of the Government Code is amended to read:

12430. Annually, the Controller, the State Auditor, and the Director of the Department of Finance shall each prepare a plan to meet their audit responsibilities. With respect to audits to fulfill the requirements necessary for the receipt of federal funds, the State Auditor shall be primarily responsible for financial audits, and the Director of Finance or the Controller shall be primarily responsible for compliance audits, and the Director of Finance shall be primarily responsible for coordinating state agency internal audits and determining when agencies are required to obtain federally mandated audits. Upon completion of these audit plans, the Controller, State Auditor, and Director of Finance shall meet to review and discuss the plans with the purpose of coordinating their audit efforts to avoid unnecessary duplication and negotiation with federal agencies regarding federally mandated audits.

Subsequent to their review of the audit plans and negotiations with federal agencies if the Controller, the Director of Finance, or the State Auditor determines that the proposed audit plan of the other does not fulfill all audit requirements necessary for the receipt of federal funds, they may expand the scope of their audit of state agencies to meet the additional federal audit requirements. The financial audit report issued by the State Auditor and the compliance audit report issued by the Controller or the Director of Finance or both are intended to fulfill federally mandated audit requirements. These audit reports shall be performed in accordance with the "Standards for Audits of Governmental Organizations, Programs, Activities and Functions," published by the Comptroller General of the United States, and the standards published by the American Institute of Certified Public Accountants.

Nothing in this section shall be construed to limit, restrict, or otherwise infringe upon the duty of the State Auditor to conduct annual financial audits pursuant to Section 10534 or to limit, restrict, or otherwise infringe upon the authority of the Joint Legislative Audit Committee to direct the State Auditor to conduct any audit of state government pursuant to Chapter 6.5 (commencing with Section 8540) of Division 1 of Title 2.

SEC. 25. Section 13297 of the Government Code is amended to read:

13297. The money in the Treasury shall be counted by the State Auditor at least twice each year, without giving the Treasurer any previous notice of the day or hour of counting.

At any counting the State Auditor may place any sum in bags or boxes and mark and seal them with a seal adopted and kept by him or her. At any subsequent counting he or she may count each sealed bag or box separately and credit at the value stamped thereon the contents of the bags or boxes as part of the money counted without making a detailed count of the contents.

SEC. 26. Section 13298 of the Government Code is amended to read:

13298. The State Auditor shall count as cash all evidence of money belonging to the state upon deposit outside the treasury that may be held by the Treasurer in accordance with law and shall determine for himself or herself whether that evidence is sufficient according to law.

SEC. 27. Section 13299 of the Government Code is amended to read:

13299. After each count of money the State Auditor shall make and file with the Secretary of State and cause to be published in some newspaper in the City of Sacramento, an affidavit showing:

- (a) The amount of money or credit that should be in the treasury.
- (b) The amount and kind of money or credit actually in the treasury.

SEC. 28. Section 13299.1 of the Government Code is amended to read:

13299.1. Securities held in the treasury or other depositories for safekeeping purposes shall be counted or confirmed, at least annually, by the State Auditor. After each count or confirmation of securities, the State Auditor shall issue his or her report on the accountability of securities.

SEC. 29. Section 13405 of the Government Code is amended to read:

13405. (a) To ensure that the requirements of this section are fully complied with, the head of each agency which the director determines is covered by this section shall prepare and submit a report on the adequacy of the agency's systems of internal accounting and administrative control by December 31, 1983, and by December 31 following the end of each odd-numbered fiscal year thereafter.

(b) The report, including the state agency's response to report recommendations, shall be signed by the head of the agency and addressed to the agency secretary or the director of finance for agencies without an agency secretary. Copies of the reports shall be forwarded to the Legislature, the State Auditor, the Governor, and the Director of Finance. Copies of these reports shall also be forwarded to the State Library where they shall be available for public inspection.

(c) By January 1, 1983, the director, in consultation with the State Auditor and the Controller, shall establish a system of reporting and a general framework to guide the agencies in performing evaluations on

their systems of internal accounting and administrative control. The director, in consultation with the State Auditor and the Controller, may modify the format for the report or the framework for conducting the evaluations from time to time as deemed necessary.

(d) Any material inadequacy or material weakness in an agency's systems of internal accounting and administrative control which prevents the head of the agency from stating that the agency's systems of internal accounting and administrative control provided reasonable assurances that each of the objectives specified above was achieved, shall be identified and the plans and schedule for correcting any such inadequacy described in detail.

SEC. 29.5. Section 13405 of the Government Code is amended to read:

13405. (a) To ensure that the requirements of this chapter are fully complied with, the head of each agency that the director determines is covered by this chapter shall prepare and submit a report on the adequacy of the agency's systems of internal accounting controls and administrative controls by January 31, 2004, and by December 31 of every odd-numbered calendar year thereafter.

(b) The report, including the state agency's response to report recommendations, shall be signed by the head of the agency and addressed to the agency secretary or the director of finance for agencies without an agency secretary. Copies of the reports shall be forwarded to the Chair of the Joint Legislative Audit Committee, the State Auditor, the Governor, and the director. Copies of these reports shall also be forwarded to the State Library where they shall be available for public inspection.

(c) Any material inadequacy or material weakness in an agency's systems of internal accounting controls and administrative controls that prevents the head of the agency from stating that the agency's systems of internal accounting controls and administrative controls provided reasonable assurances that each of the objectives specified above was achieved, shall be identified and the plans and schedule for correcting any inadequacy described in detail.

(d) To ensure that the requirements of this chapter are fully complied with, the head of each agency that the director determines is covered by this chapter shall prepare and submit a report to the director on the adequacy of the agency's system of information security controls by January 31, 2004, and by December 31 of every odd-numbered calendar year thereafter. Any material inadequacy or material weakness in an agency's system of information security controls that prevents the head of the agency from stating that the agency's system of information security controls provided reasonable assurances that each of the objectives specified above was achieved shall be identified and the plans

and schedule for correcting any inadequacy described in detail. The confidentiality of the information submitted to the director pursuant to this subdivision shall be maintained and the information may not be disclosed to the public.

SEC. 30. Section 16366.7 of the Government Code is amended to read:

16366.7. Since federal block grant funds were reduced by an average of 26 percent during the 1981–82 fiscal year and are proposed for further reductions during the 1982–83 fiscal year, the Legislature declares that the state’s administrative costs and processes must be reduced in order to ensure that maximum funds are available to continue essential direct human services.

Therefore, notwithstanding any other provision of law, all of the following state procedures shall be implemented within 60 days after the effective date of this section:

(a) All state agencies, offices, or departments administering federal block grant funds shall have the authority, subject to the approval of the Department of Finance, to grant advance payments of federal funds to contractors or local governmental agencies in any amounts as the administering state department deems necessary for startup or continued provision of services or program operation.

(b) Departmental service contracts utilizing federal block grant funds shall be exempt from approval by the Department of Finance and the State Department of General Services prior to their execution. Instead, the proper state fiscal controls over federal block grant funds shall be insured by all of the following provisions:

(1) State departments that award block grant funds to local agencies shall permit, as appropriate, to the extent that federal funds are available for this purpose, local agencies to provide for federally mandated financial and compliance audits of block grant awards in accordance with the federal audit provisions and standards promulgated by the Comptroller General of the United States, and consistent with the department’s approved audit plan.

(2) The Department of Finance, in consultation with the Controller, shall establish fiscal reporting requirements for the departments to use on a quarterly basis with all providers.

(3) In the event a contractor has not engaged in a contract for these program purposes before with the state, state administering departments shall have the authority to conduct a preaudit or fund a preaudit by the Controller in order to certify the ability of the contractor to administer the funds.

(4) The State Auditor shall provide audit findings regarding each block grant to the Legislature no later than May 1 of each year.

(c) Each administering state department shall develop standard definitions for units of service, costs per unit of service, citizen participation processes, and due process notification for clients in relation to diminishing federal funds within 60 days after the effective date of this section and shall incorporate all of these elements into each agreement or contract.

(d) To the extent possible, compliance with this section shall be consistent with federal policies and procedures. Reports required under this section shall be combined, where practical, with any other similar reports required by the Legislature and by the federal government.

SEC. 31. Section 53134 of the Government Code is amended to read:

53134. (a) Local agencies shall have the option, pursuant to the provisions of Section 53135, to provide for federally mandated financial and compliance audits of block grant funds received from state departments. If, however, a local agency does not elect to, or fails to provide for, federally mandated financial and compliance audits, or if it is determined by the administering state department that a local agency warrants assistance in this function, the state department shall notify the Controller, and the Controller shall identify appropriate methods for accomplishing federally required audits.

The decision of the Controller shall be based upon use of any existing state audit relationship, whenever appropriate in view of federal requirements, so as to avoid duplication and excess costs.

(b) The state shall rely on the audit arranged by the local agency if the audit is conducted in accordance with the standards promulgated by the state consistent with federal policy. Additional work shall not duplicate these audits and shall be conducted only upon approval of the Controller in consultation with the Department of Finance.

(c) Audits performed pursuant to this article shall be conducted not less frequently than every two years, or as specified by federal law, by qualified state or local government auditors or independent public accountants in accordance with the financial and compliance requirements of federal Standards for Audit of Governmental Organizations, Programs, Activities and Functions. These audits shall be completed no later than six months after the close of the audit period. If the provisions of this subdivision have not been met, the Controller shall immediately notify the Governor and the Legislature as to what corrective actions it intends to take.

SEC. 32. Section 53138 of the Government Code is amended to read:

53138. The Controller, the Department of Finance, the State Auditor's office, or other state department auditors may perform audit activities pursuant to this article insofar as the standards of independence

contained in the "Government Auditing Standards" published by the Comptroller General of the United States are met.

SEC. 33. Section 18502.5 of the Health and Safety Code is amended to read:

18502.5. (a) There is hereby established in the State Treasury the Mobilehome Parks Revolving Fund into which funds collected by the department pursuant to this part shall be deposited. Notwithstanding Section 13340 of the Government Code, money deposited in the fund is continuously appropriated to the department for expenditure in carrying out the provisions of this part.

(b) Notwithstanding any maximum fees set by this part, the department may, by regulation, set fees charged by the department for all permits and for the department's activities mandated by this part. The fees shall be set with the primary objective that the aggregate revenue deposited in the Mobilehome Parks Revolving Fund shall not, on an annual basis, exceed the costs of the department's activities mandated by this part.

(c) No proposed increase in fees may be effective any sooner than 45 days after written notification thereof is provided to the Chairman of the Joint Legislative Audit Committee and the State Auditor. Upon receipt of the notification, the State Auditor may prepare, a report to the Legislature which indicates whether the proposed increase is appropriate and consistent with the provisions of this part.

(d) The total money contained in the Mobilehome Parks Revolving Fund on June 30 of each fiscal year shall not exceed the amount of money needed for the department's operating expenses for one year for the enforcement of this part. If the total money contained in the fund exceeds this amount, the department shall make appropriate reductions in the schedule of fees authorized by this section.

SEC. 34. Section 10359 of the Public Contract Code is amended to read:

10359. (a) Each state agency shall annually prepare a report pursuant to this section that includes a list of the consulting services contracts that it has entered into during the previous fiscal year. The listing shall include the following information:

- (1) The name and identification of each contractor.
- (2) The type of bidding entered into, the number of bidders, whether the low bidder was accepted, and if the low bidder was not accepted, an explanation of why another contractor was selected.
- (3) The amount of the contract price.
- (4) Whether the contract was a sole-source contract, and why the contract was a sole-source contract.
- (5) Justification for entering into each consulting services contract.
- (6) The purpose of the contract and the potential beneficiaries.

(7) The date when the initial contract was signed, and the date when the work began and was completed.

The report shall also include a separate listing of consultant contracts completed during that fiscal year, with the same information as above.

(b) The report this section requires shall also include a list of any contracts underway during that fiscal year on which any change was made regarding the following:

(1) The completion date of the contract.

(2) The amount of money to be received by the contractor, if it exceeds 3 percent of the original contract price.

(3) The purpose of the contract or duties of the contractor. A brief explanation shall be given if the change in purpose is significant.

(c) Copies of the annual report shall be sent within 60 working days after the end of the previous fiscal year to the Legislative Analyst, the Department of Finance, the Department of General Services, the State Auditor, the Joint Legislative Budget Committee, the Joint Legislative Audit Committee, the Senate Appropriations Committee, and the Assembly Appropriations Committee.

(d) State agencies may not use the temporary budget allocation process as a means of circumventing the requirements of this section.

(e) Within 120 working days after the close of the fiscal year, the department shall furnish to the officials and committees listed in subdivision (c), a list of the departments and agencies that have not submitted the required report specified in this section.

(f) The department shall annually submit to the Legislature, the Legislative Analyst, the Department of Finance, and the Auditor General, a report describing the information furnished to the department pursuant to this section.

SEC. 35. Section 2154 of the Streets and Highways Code is amended to read:

2154. The Controller shall annually tabulate and compile all such reports received by him or her and shall distribute copies of that tabulation and compilation to the Governor, the Lieutenant Governor, the Members of the Legislature, the department, the State Auditor, the Joint Legislative Audit Committee, the cities, and the counties and to any legislative committee charged with the investigation of streets, roads, highways, or bridges in this state.

SEC. 36. Section 14100.2 of the Welfare and Institutions Code is amended to read:

14100.2. (a) All types of information, whether written or oral, concerning a person, made or kept by any public officer or agency in connection with the administration of any provision of this chapter, Chapter 8 (commencing with Section 14200), or Chapter 8.7 (commencing with Section 14520) and for which a grant-in-aid is

received by this state from the United States government pursuant to Title XIX of the Social Security Act shall be confidential, and shall not be open to examination other than for purposes directly connected with the administration of the Medi-Cal program. However, in the context of a petition for the appointment of a conservator for a person with respect to whom this information is made or kept, and in the context of a criminal prosecution for a violation of Section 368 of Penal Code with respect to such a person, all of the following shall apply:

A public officer or employee of any such agency may answer truthfully, at any proceeding related to the petition or prosecution, when asked if he or she is aware of information that he or she believes is related to the legal mental capacity of that aid recipient or the need for a conservatorship for that aid recipient. If the officer or employee states that he or she is aware of this information, the court may order the officer or employee to testify about his or her observations and to disclose any relevant agency records if the court has an other independent reason to believe that the officer or employee has information that would facilitate the resolution of the matter.

(b) Except as provided in this section and to the extent permitted by federal law or regulation all information about applicants and recipients as provided for in subdivision (a) to be safeguarded includes, but is not limited to, names and addresses, medical services provided, social and economic conditions or circumstances, agency evaluation of personal information, and medical data, including diagnosis and past history of disease or disability.

(c) Purposes directly connected with the administration of the Medi-Cal program, Chapter 8 (commencing with Section 14200), or Chapter 8.7 (commencing with Section 14520) encompass those administrative activities and responsibilities in which the State Department of Health Services and its agents are required to engage to insure effective program operations. These activities include, but are not limited to: establishing eligibility and methods of reimbursement; determining the amount of medical assistance; providing services for recipients; conducting or assisting an investigation, prosecution, or civil or criminal proceeding related to the administration of the Medi-Cal program; and conducting or assisting a legislative investigation or audit related to the administration of the Medi-Cal program.

(d) Any officer, agent, or employee of the State Department of Health Services or of any public agency shall provide the Joint Legislative Audit Committee and the State Auditor with any and all the information described in subdivision (b) within a reasonable period of time as determined by the committee in consultation with the State Department of Health Services, after receipt of a request from the committee approved by a majority of the members of the committee. The Joint

Legislative Audit Committee and the State Auditor may use that information only for the purpose of investigating or auditing the administration of the Medi-Cal program, Chapter 8 (commencing with Section 14200), or Chapter 8.7 (commencing with Section 14520), and shall not use that information for commercial or political purposes. In any case where disclosure of information is authorized by this section, the Joint Legislative Audit Committee or the State Auditor shall not disclose the identity of any applicant or recipient, except in the case of a criminal or civil proceeding conducted in connection with the administration of the Medi-Cal program.

(e) The access to information provided in subdivision (d) shall be permitted only to the extent and under the conditions provided by federal law and regulations governing the release of such information.

(f) The State Department of Health Services may make rules and regulations governing the custody, use and preservation of all records, papers, files, and communications pertaining to the administration of the laws relating to the Medi-Cal program, Chapter 8 (commencing with Section 14200), or Chapter 8.7 (commencing with Section 14520). The rules and regulations shall be binding on all departments, officials, and employees of the state, or of any political subdivision of the state and may provide for giving information to or exchanging information with agencies, public or political subdivisions of the state, and may provide for giving information to or exchanging information with agencies, public or private, which are engaged in planning, providing or securing such services for or in behalf of recipients or applicants; and for making case records available for research purposes, provided, that that research will not result in the disclosure of the identity of applicants for or recipients of those services.

(g) Upon request, the department shall release to the negotiator established pursuant to Article 2.6 (commencing with Section 14081) all computer tapes and any modifications thereto, including paid claims, connected with the administration of the Medi-Cal program which are in the possession or under the control of the department, including tapes prepared prior to the effective date of this section.

To ensure compliance with federal law and regulations, the department shall make the minimum necessary modifications to its computer tapes prior to releasing the tapes to the negotiator in order to assure the confidentiality of the identity of all applicants for, or recipients of, those services. The department shall not make any modifications to paid claims tapes that affect information regarding beneficiaries' aid categories or counties of origin.

(h) Any person who knowingly releases or possesses confidential information concerning persons who have applied for or who have been granted any form of Medi-Cal benefits or benefits under Chapter 8

(commencing with Section 14200) or Chapter 8.7 (commencing with Section 14520) for which state or federal funds are made available in violation of this section is guilty of a misdemeanor.

SEC. 37. Section 9.5 of this bill incorporates amendments to Section 8544.2 of the Government Code proposed by both this bill and SB 626. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2004, (2) each bill amends Section 8544.2 of the Government Code, and (3) this bill is enacted after SB 626, in which case Section 9 of this bill shall not become operative.

SEC. 38. Section 29.5 of this bill incorporates amendments to Section 13405 of the Government Code proposed by both this bill and SB 403. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2004, (2) each bill amends Section 13405 of the Government Code, and (3) this bill is enacted after SB 403, in which case Section 29 of this bill shall not become operative.

CHAPTER 108

An act to add Section 377.2 to the Public Utilities Code, relating to public utilities.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 377.2 is added to the Public Utilities Code, to read:

377.2. Notwithstanding Section 377, a facility for the generation of electricity, or an interest in a facility for the generation of electricity, that is located outside of this state, is owned by a public utility that serves 60,000 or fewer customer accounts in this state, and is not necessary to serve that public utility's customers in this state may be disposed of upon approval of the commission pursuant to Section 851 or upon exemption by the commission pursuant to Section 853.

CHAPTER 109

An act to amend Section 1942.4 of the Civil Code, and to add Section 1174.21 to the Code of Civil Procedure, relating to tenancy.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1942.4 of the Civil Code is amended to read:
1942.4. (a) A landlord of a dwelling may not demand rent, collect rent, issue a notice of a rent increase, or issue a three-day notice to pay rent or quit pursuant to subdivision (2) of Section 1161 of the Code of Civil Procedure, if all of the following conditions exist prior to the landlord's demand or notice:

(1) The dwelling substantially lacks any of the affirmative standard characteristics listed in Section 1941.1 or violates Section 17920.10 of the Health and Safety Code, or is deemed and declared substandard as set forth in Section 17920.3 of the Health and Safety Code because conditions listed in that section exist to an extent that endangers the life, limb, health, property, safety, or welfare of the public or the occupants of the dwelling.

(2) A public officer or employee who is responsible for the enforcement of any housing law, after inspecting the premises, has notified the landlord or the landlord's agent in writing of his or her obligations to abate the nuisance or repair the substandard conditions.

(3) The conditions have existed and have not been abated 35 days beyond the date of service of the notice specified in paragraph (2) and the delay is without good cause. For purposes of this subdivision, service shall be complete at the time of deposit in the United States mail.

(4) The conditions were not caused by an act or omission of the tenant or lessee in violation of Section 1929 or 1941.2.

(b) (1) A landlord who violates this section is liable to the tenant or lessee for the actual damages sustained by the tenant or lessee and special damages of not less than one hundred dollars (\$100) and not more than five thousand dollars (\$5,000).

(2) The prevailing party shall be entitled to recovery of reasonable attorney's fees and costs of the suit in an amount fixed by the court.

(c) Any court that awards damages under this section may also order the landlord to abate any nuisance at the rental dwelling and to repair any substandard conditions of the rental dwelling, as defined in Section 1941.1, which significantly or materially affect the health or safety of the occupants of the rental dwelling and are uncorrected. If the court orders repairs or corrections, or both, the court's jurisdiction continues over the matter for the purpose of ensuring compliance.

(d) The tenant or lessee shall be under no obligation to undertake any other remedy prior to exercising his or her rights under this section.

(e) Any action under this section may be maintained in small claims court if the claim does not exceed the jurisdictional limit of that court.

(f) The remedy provided by this section may be utilized in addition to any other remedy provided by this chapter, the rental agreement, lease, or other applicable statutory or common law. Nothing in this section shall require any landlord to comply with this section if he or she pursues his or her rights pursuant to Chapter 12.75 (commencing with Section 7060) of Division 7 of Title 1 of the Government Code.

SEC. 2. Section 1174.21 is added to the Code of Civil Procedure, to read:

1174.21. A landlord who institutes an unlawful detainer proceeding based upon a tenant's nonpayment of rent, and who is liable for a violation of Section 1942.4 of the Civil Code, shall be liable to the tenant or lessee for reasonable attorneys' fees and costs of the suit, in an amount to be fixed by the court.

CHAPTER 110

An act to amend Sections 488.455 and 700.140 of the Code of Civil Procedure, relating to garnishment.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 488.455 of the Code of Civil Procedure is amended to read:

488.455. (a) Subject to Section 488.465, to attach a deposit account, the levying officer shall personally serve a copy of the writ of attachment and a notice of attachment on the financial institution with which the deposit account is maintained, or shall personally serve the writ of attachment and notice of attachment on a centralized location within the county designated by the financial institution. If the writ of attachment is received at the designated central location, it shall apply to all deposit accounts held by the financial institution regardless of the location of that property. The attachment lien reaches only amounts in the deposit account at the time of service on the financial institution, including any item in the deposit account that is in the process of being collected, unless the item is returned unpaid to the financial institution. This section does not require a financial institution to designate a central location for personal service of the writ and notice of attachment.

(b) At the time of levy or promptly thereafter, the levying officer shall serve a copy of the writ of attachment and a notice of attachment on any third person in whose name the deposit account stands.

(c) During the time the attachment lien is in effect, the financial institution shall not honor a check or other order for the payment of money drawn against, and shall not pay a withdrawal from, the deposit account that would reduce the deposit account to an amount that is less than the amount attached. For the purposes of this subdivision, in determining the amount of the deposit account, the financial institution shall not include the amount of items deposited to the credit of the deposit account that are in the process of being collected.

(d) During the time the attachment lien is in effect, the financial institution is not liable to any person for any of the following:

(1) Performance of the duties of a garnishee under the attachment.
(2) Nonpayment of a check or other order for the payment of money drawn or presented against the deposit account if the nonpayment is pursuant to the requirements of subdivision (c).

(3) Refusal to pay a withdrawal from the deposit account if the refusal is pursuant to the requirements of subdivision (c).

(e) When the amount attached pursuant to this section is paid to the levying officer, the attachment lien on the attached deposit account terminates.

(f) For the purposes of this section, neither of the following is a third person in whose name the deposit account stands:

(1) A person who is only a person named as the beneficiary of a Totten trust account.

(2) A person who is only a payee designated in a pay-on-death provision in an account pursuant to Section 18318.5 of the Financial Code or Section 5140 of the Probate Code, or other similar provision.

(g) When a deposit account has been attached, as an alternative to paying the amount of the deposit account that is attached to the levying officer as required by Section 488.600, the financial institution may continue to hold the deposit account until the deposit account is levied upon after judgment in the action or is earlier released, the deposit account to be held in one of the following manners:

(1) If the entire deposit account is attached, the financial institution may hold the deposit account on the terms applicable before the attachment, subject to the requirements of subdivision (c).

(2) If less than the entire deposit account is attached:

(A) With the consent of the defendant, and any third person in whose name the deposit account stands, the financial institution may hold in the deposit account on the same terms an amount larger than the attached amount as necessary to avoid a penalty or a reduction of the rate of interest.

(B) If the defendant, and any third person in whose name the deposit account stands, do not consent as provided in subparagraph (A), the financial institution may hold the attached amount on the same terms affecting the deposit account before the attachment, subject to the requirements of subdivision (c).

(3) The financial institution may hold the attached deposit account in any other manner agreed upon by the plaintiff, the defendant, and any third person in whose name the deposit account stands.

(h) Subdivision (g) does not prevent a financial institution that is holding an attached deposit account as provided in subdivision (g) from paying the attached amount to the levying officer before the time the financial institution otherwise is required to pay the amount under subdivision (g).

SEC. 2. Section 700.140 of the Code of Civil Procedure is amended to read:

700.140. (a) Subject to Section 700.160, to levy upon a deposit account, the levying officer shall personally serve a copy of the writ of execution and a notice of levy on the financial institution with which the deposit account is maintained, or shall personally serve the writ of execution and notice of levy to a centralized location within the county designated by the financial institution. If the writ of execution is received at the designated central location, it shall apply to all deposit accounts held by the financial institution regardless of the location of that property. The execution lien reaches only amounts in the deposit account at the time of service on the financial institution, including any item in the deposit account that is in the process of being collected, unless the item is returned unpaid to the financial institution. This section does not require a financial institution to designate a central location for personal service of the writ of execution and notice of levy.

(b) At the time of levy or promptly thereafter, the levying officer shall serve a copy of the writ of execution and a notice of levy on any third person in whose name the deposit account stands. Service shall be made personally or by mail.

(c) During the time the execution lien is in effect, the financial institution shall not honor a check or other order for the payment of money drawn against, and shall not pay a withdrawal from, the deposit account that would reduce the deposit account to an amount that is less than the amount levied upon. For the purposes of this subdivision, in determining the amount of the deposit account, the financial institution shall not include the amount of items deposited to the credit of the deposit account that are in the process of being collected.

(d) During the time the execution lien is in effect, the financial institution is not liable to any person for any of the following:

(1) Performance of the duties of a garnishee under the levy.

(2) Nonpayment of a check or other order for the payment of money drawn or presented against the deposit account if the nonpayment is pursuant to the requirements of subdivision (c).

(3) Refusal to pay a withdrawal from the deposit account if the refusal is pursuant to the requirements of subdivision (c).

(e) When the amount levied upon pursuant to this section is paid to the levying officer, the execution lien on the deposit account levied upon terminates.

(f) For the purposes of this section, neither of the following is a third person in whose name the deposit account stands:

(1) A person who is only a person named as the beneficiary of a Totten trust account.

(2) A person who is only a payee designated in a pay-on-death provision in an account pursuant to Section 18318.5 of the Financial Code or Section 5140 of the Probate Code, or other similar provision.

CHAPTER 111

An act to add Section 61600.3 to the Government Code, relating to community services districts.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 61600.3 is added to the Government Code, to read:

61600.3. (a) The Los Osos Community Services District may, consistent with Section 61613, borrow money from public or private lenders and loan those funds to property owners within the district to pay for the costs of decommissioning septic systems and constructing lateral connections on private property to facilitate the connection of those properties to the district's wastewater treatment system. The district shall lend money for this purpose at rates not to exceed its cost of borrowing and the district's costs of making the loans. The district may require that the borrower pay the district's reasonable attorney's fees and administrative costs in the event the district is required to take legal action to enforce the provisions of the contract or note securing the loan.

(b) The district may elect to have the debt payments or any delinquency collected on the tax roll pursuant to the procedures in Section 61621.2.

To secure the loan as a lien on real property, the district shall follow the procedures for the creation and recordation of special tax liens in Section 53328.3 of this code and Section 3114.5 of the Streets and Highways Code.

SEC. 2. The Legislature finds and declares that many low-income property owners in the Los Osos Community Services District cannot afford to make the necessary connections to the wastewater system without the financial assistance that this act will enable the district to provide. The Legislature further finds and declares that this need is not common to all districts formed under the Community Services District Law. It is therefore declared that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the Constitution, and that enactment of this act as a special law is necessary for the solution of problems existing in the Los Osos Community Services District.

CHAPTER 112

An act to add Sections 14132.94 and 14598 to the Welfare and Institutions Code, relating to health care.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 14132.94 is added to the Welfare and Institutions Code, to read:

14132.94. (a) Subject to approval by the Centers for Medicare and Medicaid Services of a medicaid state plan amendment electing the Programs of All-Inclusive Care for the Elderly (PACE) as a state medicaid option, as provided for by Subtitle I (commencing with Section 4801) of Title IV of the Balanced Budget Act of 1997 (Public Law 105-33) and Part 460 (commencing with Section 460.2) of Subchapter E of Title 42 of the Code of Federal Regulations, PACE program services shall become a covered benefit of the Medi-Cal program, subject to utilization controls and eligibility criteria that require that the beneficiary be certifiable for nursing facility services based on Medi-Cal criteria.

(b) Covered services under the PACE benefit of the Medi-Cal program include those set forth in 42 C.F.R. 460.92.

SEC. 2. Section 14598 is added to the Welfare and Institutions Code, to read:

14598. (a) The Legislature finds and declares both of the following:

(1) The demonstration projects authorized by this article have proven to be successful at providing comprehensive, community-based services to frail elderly individuals at no greater cost than for providing nursing home care.

(2) Based upon that success, California now desires to provide community-based, risk-based, and capitated long-term care services under the Programs of All-Inclusive Care for the Elderly (PACE) as optional services under California's medicaid state plan and under contracts, entered into between the federal Centers for Medicare and Medicaid Services, the department, as the single state medicaid agency, and PACE organizations, meeting the requirements of the Balanced Budget Act of 1997 (Public Law 105-33) and Part 460 (commencing with Section 460.2) of Subchapter E of Title 42 of the Code of Federal Regulations.

(b) The department may enter into the contracts specified in subdivision (a) for implementation of the PACE program, and also may enter into separate contracts with the PACE organizations contracting under subdivision (a), to fully implement the single state agency responsibilities assumed by the department in those contracts, the provisions of Section 14132.94, and any other state requirement found necessary by the department to provide comprehensive community-based, risk-based, and capitated long-term care services to California's frail elderly. The department may enter into separate contracts specified in subdivision (a) with up to 10 PACE organizations. The department may not enter into any contracts specified in subdivision (a) unless a medicaid state plan amendment, electing PACE as a state medicaid option as provided for in Section 14132.94, has been approved by the federal Centers for Medicare and Medicaid Services.

(c) Notwithstanding subdivisions (a) and (b), any demonstration project contract entered into under this article prior to January 1, 2004, shall remain in full force and effect under its own terms, but shall not be renewed or amended beyond the termination date in effect on that date.

(d) For purposes of this section, "PACE organizations" means those entities as defined in 42 C.F.R. 460.6.

CHAPTER 113

An act to add Section 423.5 to the Government Code, relating to state emblems.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. (a) In 1983, the Assembly adopted with the Senate concurring, Assembly Concurrent Resolution No. 69, relative to the tall ship Californian, and designating the Californian as the official tall ship ambassador of California.

(b) For the last 20 years, the Californian has served as the official tall ship ambassador of California and the Californian represented the State of California during the 1984 Olympics held in Los Angeles and at OP-Sail 86 which celebrated the centennial of the Statue of Liberty in New York Harbor and the Californian has also represented the state numerous times in locations such as Hawaii, Canada, Mexico and most recently during the California Sesquicentennial in 1999 and the Tall Ships Challenge California 2002.

(c) The Legislature commended the Nautical Heritage Museum located in Orange County for the construction of the Californian, a full-scale recreation of the 1848 vintage Revenue Cutter Lawrence. The Lawrence sailed from Washington D.C. in November 1848 for California, tasked with the responsibility of bringing law and order to America's newest and wealthiest maritime acquisition. The Lawrence arrived in San Francisco on October 31, 1849, nearly a year after her departure.

(d) For two years, Lawrence operated along the California coastline between the cities of San Diego and San Francisco, enforcing customs regulations, assisting in the rescue of some ships and the quelling of mutiny in others, imposing the peacemaking authority of her company and her cannon on a frequently turbulent and riotous San Francisco, and, in general, exerting the authority of the United States government.

(e) En route to San Francisco from a patrol of southern California ports, on November 25, 1851, the Lawrence wrecked off Point Lobos, ending the career of the first ship to lend substance to the notion of California's statehood by being the only expression of United States government authority.

(f) The Californian was built from the ground up in 1984 at Spanish Landing in San Diego Bay. Since its launching in 1984 the Californian has served as an educational tool for Californians of all ages in the distinguished tradition of California tall ships.

(g) The Californian was recently acquired by the San Diego Maritime Museum, which also maintains and operates the iron sailing ship Star of India, the oldest active ship of any kind in existence and maintains the historic steam ferry Berkeley as well as other precious and historic maritime assets. The Star of India and the Berkeley are each designated national and state historic landmarks. The preservation of California's precious maritime heritage is the primary goal of the San Diego

Maritime Museum and the museum is to be commended for its plans for refurbishing the Californian.

(h) Nowhere in the world today does there exist a replica of these early Revenue Cutters that once protected America's coastlines. The building of the Californian restored to California's shores the grace, beauty, and indomitable spirit of the single coast guard cutter that maintained law and order during the frenzy of California's Gold Rush.

(i) The Californian carries a carved figurehead of Queen Calafia, namesake of California, and the ship's transom ornamented by two California golden grizzly bears on either side of a flowing ribbon in which her name is carved.

(j) The educational and cultural potential of the Californian as an embodiment of California's role in the great age of sail is thereby enhanced through its membership in one of the world's great institutional collections of historic ships. The San Diego Maritime Museum will operate the Californian as an educational vessel and historic asset to promote and encourage an appreciation of the maritime heritage and coastal resources of the State of California.

(k) The San Diego Maritime Museum will make the Californian available to the state for official functions and to represent the state at tall ship events, and sail the Californian along the California coast to visit other ports and nautical museums so that all Californians can learn about the proud nautical heritage of California.

(l) Other states such as Massachusetts, Maryland, New Jersey, Pennsylvania, and Rhode Island have designated official tall ships for their states.

(m) The State of California has adopted numerous state emblems, and with passage of this measure, the Legislature declares the Californian to be California's official tall ship.

SEC. 2. Section 423.5 is added to the Government Code, to read:
423.5. "The Californian" is the official state tall ship.

CHAPTER 114

An act relating to parks.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. (a) Notwithstanding any other provision of law, San Joaquin County may convert, for the purpose of road usage, a portion of

Oak Grove Regional Park that was acquired and developed with state grant funds, if the following conditions are met:

(1) The conversion of park land is carried out in accordance with the requirements of the Public Park Preservation Act (Chapter 2.5 (commencing with Section 5400) of Division 5 of the Public Resources Code).

(2) San Joaquin County submits to the Department of Parks and Recreation a copy of the recorded deed and title policy for the replacement land.

(b) For purposes of subdivision (a), "a portion of Oak Grove Regional Park" means a portion of Section 6, Township 2 North, Range 6 East, and a portion of Section 1, Township 2 North, Range 5 East, Mount Diablo Base and Meridian, more particularly described as follows:

Commencing at the northeast corner of the northwest one-quarter of said Section 6; thence South $4^{\circ}21'19''$ East along the East line of said northwest one-quarter, a distance of 38.69 feet to the South right-of-way line of Eight Mile Road, and being the TRUE POINT OF THE BEGINNING; thence along said South right-of-way line the following four (4) courses: (1) westerly along a curve to the right from a tangent that bears North $88^{\circ}37'16''$ West, said curve having a radius of 21,525.90 feet (the long chord of which bears North $88^{\circ}16'40''$ West, 257.98 feet), an arc distance of 257.98 feet, (2) North $87^{\circ}56'04''$ West, 2,147.83 feet, (3) westerly along a curve to the left having a radius of 10,703.00 feet (the long chord of which bears North $89^{\circ}16'09''$ West, 498.61 feet), an arc distance of 498.66 feet to a point designated Point "A" for the purpose of this description, and (4) South $80^{\circ}47'50''$ West, 167.20 feet to the easterly right-of-way line of Interstate Highway Route No. 5; thence South $89^{\circ}54'38''$ East, 165.33 feet to a point that is 27.00 feet southerly of (measured radially) from Point "A", thence parallel with said South right-of-way line of Eight Mile Road the following three (3) courses: (1) easterly along a curve to the right from a tangent that bears North $89^{\circ}23'46''$ East, said curve having a radius of 10,676.00 feet (the long chord of which bears South $89^{\circ}16'09''$ East, 497.36 feet), an arc distance of 497.40 feet, (2) South $87^{\circ}56'04''$ East, 2,147.83 feet, and (3) easterly along a curve to the left having a radius of 21,552.90 feet (the long chord of which bears South $87^{\circ}16'53''$ East, 261.02 feet) an arc distance of 261.02 feet to aforesaid East line of the northwest one-quarter of Section 6; thence North $04^{\circ}21'19''$ West along said East line, 27.14 feet to the true point of beginning containing 1.852 acres, more or less.

SEC. 2. The Legislature finds and declares that, because of the unique circumstances applicable only to San Joaquin County, a statute of general applicability cannot be enacted within the meaning of

subdivision (b) of Section 16 of Article IV of the California Constitution. Therefore, this special statute is necessary.

CHAPTER 115

An act to add Section 10110.3 to the Insurance Code, relating to life insurance.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 10110.3 is added to the Insurance Code, to read:

10110.3. (a) An insurer may not issue an individual life insurance policy to an applicant that insures the life of the applicant's spouse unless the applicant's spouse has signed the policy application or has otherwise been notified in advance of the issuance of the policy.

(b) This section shall apply to policies of individual life insurance with face amounts exceeding fifty thousand dollars (\$50,000) that are issued on or after July 1, 2004.

CHAPTER 116

An act to amend Section 1749.5 of, and to add Section 1749.45 to, the Civil Code, and to amend Section 1520.5 of the Code of Civil Procedure, relating to gift certificates.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1749.45 is added, immediately preceding Section 1749.5, to Title 1.4A (commencing with Section 1749.5) of Part 4 of Division 3 of the Civil Code, to read:

1749.45. (a) As used in this title, "gift certificate" includes gift cards, but does not include any gift card usable with multiple sellers of goods or services, provided the expiration date, if any, is printed on the card. This exemption does not apply to a gift card usable only with affiliated sellers of goods or services.

(b) Nothing in this title prohibits those fees or practices expressly permitted by Section 17538.9 of the Business and Professions Code with respect to a prepaid calling card, as defined in that section, that is issued solely to provide an access number and authorization code for prepaid calling services.

SEC. 2. Section 1749.5 of the Civil Code is amended to read:

1749.5. (a) It is unlawful for any person or entity to sell a gift certificate to a purchaser that contains any of the following:

(1) An expiration date.

(2) A service fee, including, but not limited to, a service fee for dormancy, except as provided in subdivision (e).

(b) Any gift certificate sold after January 1, 1997, is redeemable in cash for its cash value, or subject to replacement with a new gift certificate at no cost to the purchaser or holder.

(c) A gift certificate sold without an expiration date is valid until redeemed or replaced.

(d) This section does not apply to any of the following gift certificates issued on or after January 1, 1998, provided the expiration date appears in capital letters in at least 10-point font on the front of the gift certificate:

(1) Gift certificates that are distributed by the issuer to a consumer pursuant to an awards, loyalty, or promotional program without any money or other thing of value being given in exchange for the gift certificate by the consumer.

(2) Gift certificates that are sold below face value at a volume discount to employers or to nonprofit and charitable organizations for fundraising purposes if the expiration date on those gift certificates is not more than 30 days after the date of sale.

(3) Gift certificates that are issued for a food product.

(e) Paragraph (2) of subdivision (a) does not apply to a dormancy fee on a gift card that meets all of the following criteria:

(1) The remaining value of the gift card is five dollars (\$5) or less each time the fee is assessed.

(2) The fee does not exceed one dollar (\$1) per month.

(3) There has been no activity on the gift card for 24 consecutive months, including, but not limited to, purchases, the adding of value, or balance inquiries.

(4) The holder may reload or add value to the gift card.

(5) A statement is printed on the gift card in at least 10-point font stating the amount of the fee, how often the fee will occur, that the fee is triggered by inactivity of the gift card, and at what point the fee will be charged. The statement may appear on the front or back of the gift card, but shall appear in a location where it is visible to any purchaser prior to the purchase thereof.

(f) Nothing in paragraph (1) of subdivision (a) prevents an issuer of gift certificates from including on any gift certificate a provision that entitles the purchaser to a full refund of the amount that he or she paid for that gift certificate upon the occurrence of the following circumstances:

(1) The gift certificate is purchased as a gift for another person.

(2) The time in which the gift certificate may be redeemed is disclosed on the gift certificate.

(3) The holder of the gift certificate does not redeem the gift certificate within the time described in paragraph (2).

(g) The changes made to this section by the act adding this subdivision shall apply only to gift certificates issued on or after January 1, 2004.

SEC. 3. Section 1520.5 of the Code of Civil Procedure is amended to read:

1520.5. Section 1520 does not apply to gift certificates subject to Title 1.4A (commencing with Section 1749.45) of Part 4 of Division 3 of the Civil Code. However, Section 1520 applies to any gift certificate that has an expiration date and that is given in exchange for money or any other thing of value.

SEC. 4. The enactment of this act creates no inference with respect to the validity or invalidity of any service fee imposed prior to the effective date of this act.

SEC. 5. The provisions of this act are severable. If any provision 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 provision or application.

CHAPTER 117

An act to amend Sections 5093.54 and 5093.545 of the Public Resources Code, relating to rivers.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) It is the policy of the State of California that certain rivers that possess extraordinary scenic, recreational, fishery, or wildlife values, be preserved in their free-flowing state for the benefit and enjoyment of the people of the state.

(b) The Albion River is a place of outstanding natural values, containing a highly productive estuarine ecosystem of major importance. The Albion River supports 30 species of fish, including the threatened coho salmon, steelhead trout, and others of commercial and sport values. These organisms utilize the estuary as a nursery area and in turn provide a food supply for species of birds as grebes, loons, mergansers, belted kingfishers, great blue herons, and osprey. The Albion River salt marsh is one of the best still remaining in Mendocino County and its productivity makes it a prime habitat for migrating shorebirds.

(c) The Gualala River is a unique and valued natural resource. The Gualala River enters the Pacific Ocean approximately 110 miles north of San Francisco, marking the border of Mendocino and Sonoma Counties. The Gualala River and its estuary system is an important nature treasure for all the people of the state. The river contains critical fish and wildlife habitat. The river is a breeding ground for the threatened coho salmon and steelhead trout, as well as other local fish. Ospreys, spotted owls, and river otters are among the local inhabitants of the Gualala River.

SEC. 2. Section 5093.54 of the Public Resources Code is amended to read:

5093.54. The following rivers and segments thereof are designated as components of the system:

(a) Klamath River. The main stem from 100 yards below Iron Gate Dam to the Pacific Ocean; the Scott River from the mouth of Shackelford Creek west of Fort Jones to the river mouth near Hamburg; the Salmon River from Cecilville Bridge to the river mouth near Somesbar; the North Fork of the Salmon River from the intersection of the river with the south boundary of the Marble Mountain Wilderness Area to the river mouth; Wooley Creek from the western boundary of the Marble Mountain Wilderness Area to its confluence with the Salmon River.

(b) Trinity River. The main stem from 100 yards below Lewiston Dam to the river mouth at Weitchpec; the North Fork of the Trinity from the intersection of the river with the southern boundary of the Salmon-Trinity Primitive Area downstream to the river mouth at Helena; New River from the intersection of the river with the southern boundary of the Salmon-Trinity Primitive Area downstream to the river mouth near Burnt Ranch; South Fork of the Trinity from the junction of the river with State Highway Route 36 to the river mouth near Salver.

(c) Smith River. The main stem from the confluence of the Middle and South Forks to its mouth at the Pacific Ocean; the Middle Fork from its source about three miles south of Sanger Lake as depicted on 1956 USGS 15' "Preston Peak" topographic map to the middle of Section 7 T17N R5E; the Middle Fork from the middle of Section 7 T17N R5E to

the middle of Section 6 T17N R5E; the Middle Fork from the middle of Section 6 T17N R5E to one-half mile upstream from the confluence with Knopki Creek; the Middle Fork from one-half mile upstream from the confluence with Knopki Creek to the confluence with the South Fork; Myrtle Creek from its source in Section 9 T17N R1E as depicted on 1952 USGS 15' "Crescent City" topographic map to the middle of Section 28 T17N R1E; Myrtle Creek, from the middle of Section 28 T17N R1E to the confluence with the Middle Fork; Shelly Creek from its source in Section 1 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Patrick Creek; Kelly Creek from its source in Section 32 T17N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the Middle Fork; Packsaddle Creek from its source about 0.8 miles southwest of Broken Rib Mountain as depicted on 1956 USGS 15' "Preston Peak" topographic map to the eastern boundary of Section 3 T17N R1E; Packsaddle Creek from the eastern boundary of Section 3 T17N R4E to the northern boundary of Section 3 T17N R4E; Packsaddle Creek from the northern boundary of Section 3 T17N R4E to the confluence with the Middle Fork; East Fork Patrick Creek from its source in Section 10 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with West Fork Patrick Creek; West Fork Patrick Creek from its source in Section 18 T18N R3E as depicted on 1951 15' "Gasquet" topographic map to the confluence with East Fork Patrick Creek; Griffin Creek from its source about 0.2 miles southwest of Hazel View Summit as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the Middle Fork; Knopki Creek from its source about 0.4 miles west of Sanger Peak as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with Middle Fork; Monkey Creek from its source in the northeast quadrant of Section 12 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the northern boundary of Section 26 T18N R3E; Monkey Creek from the northern boundary of Section 26 T18N R3E to the confluence with the Middle Fork; Patrick Creek from the junction of the East and West Forks of Patrick Creek to the confluence with Middle Fork; the North Fork from the California-Oregon boundary to the confluence with an unnamed tributary in the northern quarter Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map; the North Fork from the confluence with an unnamed tributary in northern quarter of Section 5 T18N R2E to the southernmost intersection of eastern boundary Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map; the North Fork from the southern-most intersection of the eastern boundary Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Stony Creek; the North Fork from the confluence with Stony Creek to

the confluence with the Middle Fork; Diamond Creek from the California-Oregon state boundary to the confluence with High Plateau Creek; Diamond Creek from the confluence with High Plateau Creek to the confluence with the North Fork; Bear Creek from its source in Section 24 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Diamond Creek; Still Creek from its source in Section 11 T18N R1E as depicted on 1952 USGS 15' "Crescent City" topographic map to the confluence with the North Fork Smith River; North Fork Diamond Creek from the California-Oregon state boundary to the confluence with Diamond Creek; High Plateau Creek from its source in Section 26 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to northern boundary Section 23 T18N R2E; High Plateau Creek from the northern boundary Section 23 T18N R2E to the confluence with Diamond Creek; the Siskiyou Fork from its source about 0.7 miles southeast of Broken Rib Mountain as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the South Siskiyou Fork; the Siskiyou Fork from its confluence with the South Siskiyou Fork to the confluence with the Middle Fork; the South Siskiyou Fork from its source about 0.6 miles southwest of Buck Lake as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the Siskiyou Fork; the South Fork from its source about 0.5 miles southwest of Bear Mountain as depicted on 1956 USGS 15' "Preston Peak" topographic map to Blackhawk Bar; the South Fork from Blackhawk Bar to the confluence with the Middle Fork; Williams Creek from its source in Section 31 T14N R4E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with Eight Mile Creek; Eight Mile Creek from its source in Section 29 T14N R4E as depicted on 1955 USGS 15' "Dillon Mountain" topographic map to the confluence with the South Fork; the Prescott Fork from its source about 0.5 miles southeast of Island Lake as depicted on 1955 USGS 15' "Dillon Mountain" topographic map to the confluence with the South Fork; Quartz Creek from its source in Section 31 T16N R4E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with the South Fork; Jones Creek from its source in Section 36 T16N R3E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the middle of Section 5 T15N R3E; Jones Creek from the middle of Section 5 T15N R3E to the confluence with the South Fork; Hurdygurdy Creek from its source about 0.4 miles southwest of Bear Basin Butte as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the South Fork; Gordon Creek from its source in Section 18 T16N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the South Fork; Coon Creek from the junction of the two-source tributaries in the southwest quadrant

of Section 31 T17N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the western boundary Section 14 T16N R2E; Coon Creek from the western boundary Section 14 T16N R2E to the confluence with the South Fork; Craigs Creek from its source in Section 36 T17N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the South Fork; Buck Creek from its source at Cedar Camp Spring as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with the South Fork; Muzzleloader Creek from its source in Section 2 T15N R3E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with Jones Creek; Canthook Creek from its source in Section 2 T15N R2E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with South Fork.

(d) Eel River. The main stem from 100 yards below Van Arsdale Dam to the Pacific Ocean; the South Fork of the Eel from the mouth of Section Four Creek near Branscomb to the river mouth below Weott; Middle Fork of the Eel from the intersection of the river with the southern boundary of the Middle Eel-Yolla Bolly Wilderness Area to the river mouth at Dos Rios; North Fork of the Eel from the Old Gilman Ranch downstream to the river mouth near Ramsey; Van Duzen River from Dinsmores Bridge downstream to the river mouth near Fortuna.

(e) American River. The North Fork from its source to the Iowa Hill Bridge; the Lower American from Nimbus Dam to its junction with the Sacramento River.

(f) (1) West Walker River. The main stem from its source to the confluence with Rock Creek near the town of Walker; Leavitt Creek from Leavitt Falls to the confluence with the main stem of the West Walker River.

(2) Carson River. The East Fork from the Hangman's Bridge crossing of State Highway Route 89 to the California-Nevada border.

(3) The Legislature finds and declares that, because the East Fork Carson River and West Walker River are interstate streams, and a source of agricultural water and domestic water for communities within the counties of Alpine and Mono where they originate, it is necessary that the following special provisions apply:

(A) Nothing in this subdivision shall be construed to prohibit the replacement of diversions or changes in the purpose of use, place of use, or point of diversion under existing water rights, except that (i) no replacement or change shall operate to increase the adverse effect, if any, of the preexisting diversion facility or place or purpose of use, upon the free-flowing condition and natural character of the stream, and (ii) after January 1, 1990, no new diversion shall be constructed unless and until the secretary determines that the facility is needed to supply domestic water to the residents of any county through which the river or segment

flows and that the facility will not adversely affect the free-flowing condition and natural character of the stream.

(B) Nothing in this chapter shall be construed as quantifying or otherwise affecting any equitable apportionment, or as establishing any upper limit, between the State of California and the State of Nevada of the waters of these streams.

(g) (1) The South Yuba River: From Lang Crossing to its confluence with Kentucky Creek below Bridgeport.

(2) Nothing in this subdivision shall prejudice, alter, delay, interfere with, or affect in any way, the existing rights of the Placer County Water Agency, the implementation of those rights; any historic water use practices; the replacement, maintenance, repair, operation, or future expansion of existing diversions, storage, powerhouses, or conveyance facilities or other works by the Placer County Water Agency; or changes in the purpose of use, places of use, points of diversion, or ownership of those existing water rights; nor shall anything in this subdivision preclude the issuance of any governmental authorization needed for utilization of those rights, except that no changes shall operate to increase the adverse effect, if any, of the preexisting facilities or places, or the purposes of use upon the free-flowing and natural character of the river segment designated herein.

(3) This subdivision shall become operative on January 1, 2001.

(h) Albion River. The Albion River from one-fourth mile upstream of its confluence with Deadman Gulch downstream to its mouth at the Pacific Ocean.

(i) Gualala River. The main stem Gualala River from the confluence of the North and South Forks to the Pacific Ocean.

(j) Other rivers which qualify for inclusion in the system may be recommended to the Legislature by the secretary.

SEC. 3. Section 5093.545 of the Public Resources Code is amended to read:

5093.545. The classifications heretofore established by the secretary for the rivers or segments of rivers included in the system are revised and adopted as follows:

	Rivers	Classification
(a)	Klamath River: The Klamath River from the FERC Project 2082 downstream boundary in Section 17 T47N R5W as shown on Exhibit K-7 sheet 1 dated May 25, 1962, to the river mouth at the Pacific Ocean	Recreational
(b)	Scott River:	

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| (1) | The Scott River from Shackelford Creek to McCarthy Creek | Recreational |
| (2) | The Scott River from McCarthy Creek to Scott Bar | Scenic |
| (3) | The Scott River from Scott Bar to the confluence with the Klamath River | Recreational |
| (c) | Salmon River: | |
| (1) | The Salmon River from the Forks of Salmon to the Lewis Creek confluence | Recreational |
| (2) | The Salmon River from the Lewis Creek confluence to the Wooley Creek confluence | Scenic |
| (3) | The Salmon River from the Wooley Creek confluence to the confluence with the Klamath River | Recreational |
| (4) | The South Fork of the Salmon River from Cecilville to St. Claire Creek confluence | Recreational |
| (5) | The South Fork from St. Claire Creek confluence to the Matthews Creek confluence | Scenic |
| (6) | The South Fork from Matthews Creek confluence to the Forks of Salmon | Recreational |
| (7) | The North Fork of the Salmon River from Marble Mountain Wilderness boundary to Mule Bridge Campground in Section 35 T12N R11W and Section 12 T11N R11W | Wild |
| (8) | The North Fork from Mule Bridge Campground to the Forks of Salmon | Recreational |
| (9) | Wooley Creek from the Marble Mountain Wilderness Area boundary to 1/2 mile upstream of the confluence with Salmon River | Wild |
| (10) | Wooley Creek downstream 1/2 mile above the confluence with the Salmon River | Recreational |
| (d) | Trinity River: | |
| (1) | The Trinity River from 100 yards below Lewiston Dam to Cedar Flat Creek confluence | Recreational |
| (2) | The Trinity River from Cedar Flat Creek confluence to Gray Falls | Scenic |

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|------|---|--------------|
| (3) | The Trinity River from Gray Falls to the west boundary of Section 2 T8N R4E | Recreational |
| (4) | The Trinity River from the west boundary of Section 2 T8N R4E to the confluence with the Klamath River at Weitchpec | Scenic |
| (5) | The North Fork of the Trinity River from the Trinity Alps Primitive Area boundary to north boundary Section 20 T34N R11W | Wild |
| (6) | The North Fork from the north boundary Section 20 T34N R11W to mouth | Recreational |
| (7) | The South Fork Trinity River from Forest Glen to Hidden Valley Ranch | Wild |
| (8) | The South Fork from Hidden Valley Ranch to the Naufus Creek confluence in Section 8 T1N R7E | Scenic |
| (9) | The South Fork from the Naufus Creek confluence in Section 8 T1N R7E to Johnson Creek confluence near the boundary of Sections 13 and 14 T2N R6E | Wild |
| (10) | The South Fork from Johnson Creek confluence near the boundary of Sections 13 and 14 T2N R6E to the boundary of Sections 25 and 36 T2N R6E | Scenic |
| (11) | The South Fork from the boundary of Sections 25 and 36 T2N R6E to the footbridge near the mouth of Underwood Creek in Section 17 T4N R6E Humboldt Base and Meridian | Recreational |
| (12) | The South Fork from the footbridge near the mouth of Underwood Creek in Section 17 T4N R6E to Todd Ranch in Section 18 T5N R5E | Wild |
| (13) | The South Fork from Todd Ranch in Section 18 T5N R5E to the confluence with Main Trinity | Scenic |
| (14) | New River from the Salmon Trinity Primitive Area boundary to the junction with the East Fork New River in Section 23 T7N R7E | Wild |

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| (15) | New River from the junction with the East Fork New River in Section 23 T7N R7E to 100 yards below Panther Creek Campground in Section 18 T6N R7E | Recreational |
| (16) | New River from 100 yards below Panther Creek Campground in Section 18 T6N R7E to Dyer Creek confluence in Section 25 T26N R6E | Scenic |
| (17) | New River from Dyer Creek confluence in Section 25 T26N R6E to the confluence with Trinity River | Wild |
| (e) | Smith River: | |
| (1) | Smith River from the confluence of the Middle and South Forks to its mouth at the Pacific Ocean | Recreational |
| (2) | Middle Fork Smith River from its source about 3 miles south of Sanger Lake as depicted on 1956 USGS 15' "Preston Peak" topographic map to the middle of Section 7 T17N R5E | Wild |
| (3) | Middle Fork Smith River from the middle of Section 7 T17N R5E to the middle of Section 6 T17N R5E | Scenic |
| (4) | Middle Fork Smith River from middle of Section 6 T17N R5E to one-half mile upstream from the confluence with Knopki Creek | Wild |
| (5) | Middle Fork Smith River from one-half mile upstream from the confluence with Knopki Creek to the confluence with South Fork Smith River | Recreational |
| (6) | Myrtle Creek from its source in Section 9 T17N R1E as depicted on 1952 USGS 15' "Crescent City" topographic map to the middle of Section 28 T17N R1E | Recreational |
| (7) | Myrtle Creek from the middle of Section 28 T17N R1E to the confluence with the Middle Fork Smith River | Recreational |

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| (8) | Shelly Creek from its source in Section 1 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Patrick Creek | Recreational |
| (9) | Kelly Creek from its source in Section 32 T17N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the Middle Fork Smith River | Recreational |
| (10) | Packsaddle Creek from its source about 0.8 miles southwest of Broken Rib Mountain as depicted on 1956 USGS 15' "Preston Peak" topographic map to the eastern boundary of Section 3 T17N R1E | Recreational |
| (11) | Packsaddle Creek from the eastern boundary of Section 3 T17N R4E to the northern boundary of Section 3 T17N R4E | Recreational |
| (12) | Packsaddle Creek from the northern boundary of Section 3 T17N R4E to the confluence with the Middle Fork of Smith River | Recreational |
| (13) | East Fork Patrick Creek from its source in Section 10 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the West Fork Patrick Creek | Recreational |
| (14) | West Fork Patrick Creek from its source in Section 18 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the East Fork Patrick Creek | Recreational |
| (15) | Griffin Creek from its source about 0.2 miles southwest of Hazel View Summit as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the Middle Fork Smith River | Recreational |

- (16) Knopki Creek from its source about 0.4 miles west of Sanger Peak as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the Middle Fork Smith River
Recreational
- (17) Monkey Creek from its source in the northeast quadrant of Section 12 T18N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the northern boundary of Section 26 T18N R3E
Recreational
- (18) Monkey Creek from the northern boundary of Section 26 T18N R3E to the confluence with the Middle Fork of Smith River
Recreational
- (19) Patrick Creek from the junction of East and West Forks of Patrick Creek to the confluence with the Middle Fork Smith River
Recreational
- (20) North Fork Smith River from the California–Oregon boundary to the confluence with an unnamed tributary in the northern quarter Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map
Wild
- (21) North Fork Smith River from the confluence with an unnamed tributary in the northern quarter of Section 5 T18N R2E to the southern–most intersection of the eastern boundary of Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map
Scenic
- (22) North Fork Smith River from the southern most intersection of the eastern boundary Section 5 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Stony Creek
Wild
- (23) North Fork Smith River from the confluence with Stony Creek to the confluence with the Middle Fork of the Smith River
Recreational

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| (24) | Diamond Creek from the California–Oregon state boundary to the confluence with High Plateau Creek | Recreational |
| (25) | Diamond Creek from the confluence with High Plateau Creek to the confluence with the North Fork Smith River | Recreational |
| (26) | Bear Creek from its source in Section 24 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with Diamond Creek | Recreational |
| (27) | Still Creek from its source in Section 11 T18N R1E as depicted on 1952 USGS 15' "Crescent City" topographic map to the confluence with the North Fork Smith River | Recreational |
| (28) | North Fork Diamond Creek from the California–Oregon state boundary to the confluence with Diamond Creek | Recreational |
| (29) | High Plateau Creek from its source in Section 26 T18N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the northern boundary Section 23 T18N R2E | Recreational |
| (30) | High Plateau Creek from the northern boundary Section 23 T18N R2E to the confluence with Diamond Creek | Recreational |
| (31) | Siskiyou Fork of Smith River from its source about 0.7 miles southeast of Broken Rib Mountain as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the South Siskiyou Fork of the Smith River | Wild |
| (32) | Siskiyou Fork of the Smith River from the confluence with the South Siskiyou Fork of the Smith River to the confluence with the Middle Fork of the Smith River | Recreational |

- (33) South Siskiyou Fork of the Smith River from its source about 0.6 miles southwest of Buck Lake as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the Siskiyou Fork of the Smith River Wild
- (34) South Fork Smith River from its source about 0.5 miles southwest of Bear Mountain as depicted on 1956 USGS 15' "Preston Peak" topographic map to Blackhawk Bar Wild
- (35) South Fork Smith River from Blackhawk Bar to the confluence with the Middle Fork Smith River Recreational
- (36) Williams Creek from its source in Section 31 T14N R4E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with Eight Mile Creek Recreational
- (37) Eight Mile Creek from its source in Section 29 T14N R4E as depicted on 1955 USGS 15' "Dillon Mtn." topographic map to the confluence with the South Fork Smith River Recreational
- (38) Prescott Fork of the Smith River from its source about 0.5 miles southeast of Island Lake as depicted on 1955 USGS 15' "Dillon Mtn." topographic map to the confluence with the South Fork Smith River Recreational
- (39) Quartz Creek from its source in Section 31 T16N R4E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with the South Fork Smith River Recreational
- (40) Jones Creek from its source in Section 36 T16N R3E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the middle of Section 5 T15N R3E Recreational
- (41) Jones Creek from the middle of Section 5 T15N R3E to the confluence with the South Fork of the Smith River Recreational

- (42) Hurdygurdy Creek from its source about 0.4 miles southwest of Bear Basin Butte as depicted on 1956 USGS 15' "Preston Peak" topographic map to the confluence with the South Fork Smith River Recreational
- (43) Gordon Creek from its source in Section 18 T16N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the South Fork Smith River Recreational
- (44) Coon Creek from the junction of the two source tributaries in the southwest quadrant of Section 31 T17N R3E as depicted on 1951 USGS 15' "Gasquet" topographic map to the western boundary of Section 14 T16N R2E Recreational
- (45) Coon Creek from the western boundary of Section 14 T16N R2E to the confluence with the South Fork Smith River Recreational
- (46) Craigs Creek from its source in Section 36 T17N R2E as depicted on 1951 USGS 15' "Gasquet" topographic map to the confluence with the South Fork Smith River Recreational
- (47) Buck Creek from its source at Cedar Camp Spring as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with the South Fork Smith River Recreational
- (48) Muzzleloader Creek from its source in Section 2 T15N R3E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with Jones Creek Recreational
- (49) Canthook Creek from its source in Section 2 T15N R2E as depicted on 1952 USGS 15' "Ship Mountain" topographic map to the confluence with the South Fork Smith River Recreational
- (f) Eel River:
- (1) The Eel River from 100 yards below Van Arsdale Dam to the confluence with Tomki Creek Recreational

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| (2) | The Eel River from the confluence with Tomki Creek to the middle of Section 22 T19N R12W | Scenic |
| (3) | The Eel River from the middle of Section 22 T19N R12W to the boundary between Sections 7 and 8 T19N R12W | Recreational |
| (4) | The Eel River from the boundary between Sections 7 and 8 T19N R12W to the confluence with Outlet Creek | Wild |
| (5) | The Eel River from the confluence with Outlet Creek to the mouth at the Pacific Ocean | Recreational |
| (6) | The South Fork of the Eel River from the mouth of Section Four Creek near Branscomb | Recreational |
| (7) | The South Fork of the Eel River from Horseshoe Bend to the middle of Section 29 T23N R16W | Wild |
| (8) | The South Fork of the Eel River from the middle of Section 29 T23N R16W to the confluence with the main Eel near Weott | Recreational |
| (9) | Middle Fork of the Eel River from the intersection of the river with the southern boundary of the Middle Eel–Yolla Bolly Wilderness Area to the Eel River Ranger Station | Wild |
| (10) | The Middle Fork of the Eel River from Eel River Ranger Station to Williams Creek | Recreational |
| (11) | The Middle Fork of the Eel River from Williams Creek to the southern boundary of the northern quarter of Section 25 T22N R12W | Scenic |
| (12) | The Middle Fork of the Eel River from the southern boundary of the northern quarter of Section 25 T22N R12W to the boundary between Sections 4 and 5 T21N R13W | Wild |
| (13) | The Middle Fork of the Eel River from the boundary between Sections 4 and 5 T21N R13W to the confluence with main Eel at Dos Rios | Recreational |

- (14) The North Fork of the Eel River from the Old Gilman Ranch to the middle of Section 8 T24N R13W Wild
- (15) The North Fork of the Eel River from the middle of Section 8 T24N R13W to the boundary between Sections 12 and 13 T24N R14W Recreational
- (16) The North Fork of the Eel River from the boundary between Sections 12 and 13 T24N R14W to the confluence with main Eel Wild
- (g) Van Duzen River:
 - (1) The Van Duzen River from the Dinsmore Bridge to the powerline crossing above Little Larrabee Creek Scenic
 - (2) The Van Duzen River from the powerline crossing above Little Larrabee Creek to the confluence with Eel River Recreational
- (h) Lower American River: The Lower American River from Nimbus Dam to its junction with the Sacramento River Recreational
- (i) North Fork American River:
 - (1) The North Fork from the source of the North Fork American River to two and one-half miles above the Forest Hill–Soda Springs Road Wild
 - (2) The North Fork from two and one-half miles above the Forest Hill–Soda Springs Road to one-half mile below the Forest Hill–Soda Springs Road Scenic
 - (3) The North Fork from one-half mile below the Forest Hill–Soda Springs Road to one-quarter mile above the Iowa Hill Bridge Wild
 - (4) The North Fork from one-quarter mile above the Iowa Hill Bridge to the Iowa Hill Bridge Scenic
- (j) West Walker River:
 - (1) West Walker River from Tower Lake to northern boundary of Section 10 (T5N, R22E) Wild

- (2) West Walker River From northern boundary of Section 10 (T5N, R22E) to the eastern boundary of Section 23 (T6N, R22E) Scenic
- (3) West Walker River from the eastern boundary of Section 23 (T6N, R22E) to the eastern boundary of Section 24 (T6N, R22E) Recreational
- (4) West Walker River from the eastern boundary of Section 24 (T6N, R22E) to the confluence with Little Walker River Scenic
- (5) West Walker River from the confluence with Little Walker River to the confluence with Rock Creek Recreational
- (6) Leavitt Creek from Leavitt Falls to the confluence with West Walker River Scenic
- (k) East Fork Carson River: East Fork Carson River from Hangman's Bridge crossing of state Highway 89 to the California–Nevada border Scenic
- (l) (1) The South Yuba River:
 - (A) The South Yuba River from Lang Crossing to the confluence with Fall Creek Scenic
 - (B) The South Yuba River from the confluence with Fall Creek to the confluence with Jefferson Creek below the Town of Washington Recreational
 - (C) The South Yuba River from the confluence with Jefferson Creek to Edwards Crossing Scenic
 - (D) The South Yuba River from Edwards Crossing to its confluence with Kentucky Creek below Bridgeport Scenic
- (2) This subdivision shall become operative January 1, 2001.
- (m) Albion River: The Albion River from one-fourth mile upstream of its confluence with Deadman Gulch downstream to its mouth at the Pacific Ocean. Recreational

- (n) Gualala River: The main stem Gualala River from the confluence of the North and South Forks to the Pacific Ocean. Recreational

CHAPTER 118

An act to add Section 7029.6 to the Business and Professions Code, relating to contractors.

[Approved by Governor July 23, 2003. Filed with Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 7029.6 is added to the Business and Professions Code, to read:

7029.6. Except for contractors identified in Section 7029.5, every contractor licensed under this chapter shall have displayed, in or on each motor vehicle used in his or her construction business, for which a commercial vehicle registration fee has been paid pursuant to Article 3 (commencing with Section 9400) of Chapter 6 of Division 3 of the Vehicle Code, his or her business name and contractors' license number in a clearly visible location in print type of at least 72-point font or three-quarters of an inch in height and width.

CHAPTER 119

An act to amend Section 3008 of the Elections Code, relating to absent voter ballots.

[Approved by Governor July 23, 2003. Filed with Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 3008 of the Elections Code is amended to read:

3008. (a) Any individual, organization, or group that distributes applications for absent voter ballots and receives completed application forms shall return the forms to the appropriate elections official within 72 hours of receiving the completed forms, or before the deadline for application, whichever is sooner. The name, address, and telephone

number of any organization that authorizes the distribution of the applications shall be included on the application.

(b) Any application for an absent voter's ballot that is sent by an individual, group, or organization to a voter shall be nonforwardable. Any absent voter's ballot that is returned to an elections official as undeliverable shall not be forwarded by the elections official.

(c) A person may not submit an absentee ballot application electronically for another registered voter.

CHAPTER 120

An act to repeal Section 26134 of the Water Code, relating to irrigation districts.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 26134 of the Water Code is repealed.

CHAPTER 121

An act to add Section 11752.9 to the Insurance Code, relating to workers' compensation insurance.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 11752.9 is added to the Insurance Code, to read:

11752.9. Notwithstanding subdivision (d) of Section 11750.3, a rating organization shall provide a policyholder with written notification if it imposes a change in the classification assignment of the policyholder. The written notification shall be provided to the policyholder at the same time that it is provided to the insurer. A rating organization may satisfy this requirement by furnishing the policyholder

with a copy of the notice that it provides to the insurer regarding the change in classification assignment.

CHAPTER 122

An act to amend Section 11165.7 of the Penal Code, relating to mandated reporters.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 11165.7 of the Penal Code is amended to read:
11165.7. (a) As used in this article, "mandated reporter" is defined as any of the following:

- (1) A teacher.
- (2) An instructional aide.
- (3) A teacher's aide or teacher's assistant employed by any public or private school.
- (4) A classified employee of any public school.
- (5) An administrative officer or supervisor of child welfare and attendance, or a certificated pupil personnel employee of any public or private school.
- (6) An administrator of a public or private day camp.
- (7) An administrator or employee of a public or private youth center, youth recreation program, or youth organization.
- (8) An administrator or employee of a public or private organization whose duties require direct contact and supervision of children.
- (9) Any employee of a county office of education or the California Department of Education, whose duties bring the employee into contact with children on a regular basis.
- (10) A licensee, an administrator, or an employee of a licensed community care or child day care facility.
- (11) A headstart teacher.
- (12) A licensing worker or licensing evaluator employed by a licensing agency as defined in Section 11165.11.
- (13) A public assistance worker.
- (14) An employee of a child care institution, including, but not limited to, foster parents, group home personnel, and personnel of residential care facilities.
- (15) A social worker, probation officer, or parole officer.
- (16) An employee of a school district police or security department.

(17) Any person who is an administrator or presenter of, or a counselor in, a child abuse prevention program in any public or private school.

(18) A district attorney investigator, inspector, or local child support agency caseworker unless the investigator, inspector, or caseworker is working with an attorney appointed pursuant to Section 317 of the Welfare and Institutions Code to represent a minor.

(19) A peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2, who is not otherwise described in this section.

(20) A firefighter, except for volunteer firefighters.

(21) A physician, surgeon, psychiatrist, psychologist, dentist, resident, intern, podiatrist, chiropractor, licensed nurse, dental hygienist, optometrist, marriage, family and child counselor, clinical social worker, or any other person who is currently licensed under Division 2 (commencing with Section 500) of the Business and Professions Code.

(22) Any emergency medical technician I or II, paramedic, or other person certified pursuant to Division 2.5 (commencing with Section 1797) of the Health and Safety Code.

(23) A psychological assistant registered pursuant to Section 2913 of the Business and Professions Code.

(24) A marriage, family and child therapist trainee, as defined in subdivision (c) of Section 4980.03 of the Business and Professions Code.

(25) An unlicensed marriage, family, and child therapist intern registered under Section 4980.44 of the Business and Professions Code.

(26) A state or county public health employee who treats a minor for venereal disease or any other condition.

(27) A coroner.

(28) A medical examiner, or any other person who performs autopsies.

(29) A commercial film and photographic print processor, as specified in subdivision (e) of Section 11166. As used in this article, "commercial film and photographic print processor" means any person who develops exposed photographic film into negatives, slides, or prints, or who makes prints from negatives or slides, for compensation. The term includes any employee of such a person; it does not include a person who develops film or makes prints for a public agency.

(30) A child visitation monitor. As used in this article, "child visitation monitor" means any person who, for financial compensation, acts as monitor of a visit between a child and any other person when the monitoring of that visit has been ordered by a court of law.

(31) An animal control officer or humane society officer. For the purposes of this article, the following terms have the following meanings:

(A) "Animal control officer" means any person employed by a city, county, or city and county for the purpose of enforcing animal control laws or regulations.

(B) "Humane society officer" means any person appointed or employed by a public or private entity as a humane officer who is qualified pursuant to Section 14502 or 14503 of the Corporations Code.

(32) A clergy member, as specified in subdivision (c) of Section 11166. As used in this article, "clergy member" means a priest, minister, rabbi, religious practitioner, or similar functionary of a church, temple, or recognized denomination or organization.

(33) Any custodian of records of a clergy member, as specified in this section and subdivision (c) of Section 11166.

(34) Any employee of any police department, county sheriff's department, county probation department, or county welfare department.

(35) An employee or volunteer of a Court Appointed Special Advocate program, as defined in Rule 1424 of the Rules of Court.

(36) A custodial officer as defined in Section 831.5.

(b) Volunteers of public or private organizations whose duties require direct contact and supervision of children are encouraged to obtain training in the identification and reporting of child abuse.

(c) Training in the duties imposed by this article shall include training in child abuse identification and training in child abuse reporting. As part of that training, school districts shall provide to all employees being trained a written copy of the reporting requirements and a written disclosure of the employees' confidentiality rights.

(d) School districts that do not train their employees specified in subdivision (a) in the duties of mandated reporters under the child abuse reporting laws shall report to the State Department of Education the reasons why this training is not provided.

(e) The absence of training shall not excuse a mandated reporter from the duties imposed by this article.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because in that regard 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.

However, notwithstanding Section 17610 of the Government Code, if the Commission on State Mandates determines that this act contains other 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.

CHAPTER 123

An act to amend Section 56857 of the Government Code, relating to local agency reorganization.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 56857 of the Government Code is amended to read:

56857. (a) Upon receipt by the commission of a proposed change of organization or reorganization that includes the annexation of territory to any district, if the proposal is not filed by the district to which annexation of territory is proposed, the executive officer shall place the proposal on the agenda for the next commission meeting for information purposes only and shall transmit a copy of the proposal to any district to which an annexation of territory is requested.

(b) No later than 60 days after the date that the proposal is on the commission's meeting agenda in accordance with subdivision (a), any district to which annexation of territory is proposed may adopt and transmit to the commission a resolution requesting termination of the proceedings. The resolution requesting termination of the proceedings shall be based upon written findings supported by substantial evidence in the record that the request is justified by a financial or service related concern. Prior to the commission's termination of proceedings pursuant to subdivision (c), the resolution is subject to judicial review.

(c) If any district to which annexation of territory is proposed has adopted and transmitted to the commission a resolution requesting termination of proceedings within the time period prescribed by, and in accordance with, subdivision (b), and if the commission has not been served with notice that judicial review of that resolution is being sought pursuant to subdivision (b), then the commission shall terminate the

proceedings no sooner than 30 days from receipt of the resolution from the district.

(d) For purposes of an annexation to a district pursuant to this section or Section 56668.3:

(1) “Financial concerns” means that the proposed uses within the territory proposed to be annexed do not have the capacity to provide sufficient taxes, fees, and charges, including connection fees, if any, to pay for the full cost of providing services, including capital costs. Cost allocation shall be based on generally accepted accounting principles and shall be subject to all constitutional and statutory limitations on the amount of the tax, fee, or charge.

(2) “Service concerns” means that a district will not have the ability to provide the services that are the subject of the application to the territory proposed to be annexed without imposing level of service reductions on existing and planned future uses in the district’s current service area. “Service concerns” does not include a situation when a district has the ability to provide the services or the services will be available prior to the time that services will be required.

(3) A district may make findings regarding financial or service concerns based on information provided in the application and any additional information provided to the district by the commission or the applicant that is relevant to determining the adequacy of existing and planned future services to meet the probable future needs of the territory. Findings related to service or financial concerns may be based on an urban water management plan, capital improvement plan, financial statement, comprehensive annual financial report, integrated resource management plan, or other information related to the ability of a district to provide services.

(4) Nothing in this section shall be construed to create a right or entitlement to water service or any specific level of water service.

(5) Nothing in this section is intended to change existing law concerning a district’s obligation to provide water service to its existing customers or to any potential future customers.

(e) This section shall not apply if all districts to which annexation of territory is proposed have adopted and transmitted to the commission a resolution supporting the proposed change of organization or reorganization.

CHAPTER 124

An act to amend Section 11105.3 of the Penal Code, and to amend Section 828 of, and to repeal Sections 204 and 725.1 of, the Welfare and Institutions Code, relating to criminal history.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 11105.3 of the Penal Code is amended to read:
11105.3. (a) Notwithstanding any other law, a human resource agency or an employer may request from the Department of Justice records of all convictions or any arrest pending adjudication involving the offenses specified in subdivision (a) of Section 15660 of the Welfare and Institutions Code of a person who applies for a license, employment, or volunteer position, in which he or she would have supervisory or disciplinary power over a minor or any person under his or her care. The department shall furnish the information to the requesting employer and shall also send a copy of the information to the applicant.

(b) Any request for records under subdivision (a) shall include the applicant's fingerprints, which may be taken by the requester, and any other data specified by the department. The request shall be on a form approved by the department, and the department may charge a fee to be paid by the employer, human resource agency, or applicant for the actual cost of processing the request. However, no fee shall be charged to a nonprofit organization. Requests received by the department for federal level criminal offender record information shall be forwarded to the Federal Bureau of Investigation by the department to be searched for any record of arrests or convictions. The provisions of Section 50.12 of Title 28 of the Code of Federal Regulations are to be followed in processing federal criminal history information.

(c) (1) Where a request pursuant to this section reveals that a prospective employee or volunteer has been convicted of a violation or attempted violation of Section 220, 261.5, 262, 273a, 273d, or 273.5, or any sex offense listed in Section 290, except for the offense specified in subdivision (d) of Section 243.4, and where the agency or employer hires the prospective employee or volunteer, the agency or employer shall notify the parents or guardians of any minor who will be supervised or disciplined by the employee or volunteer. A conviction for a violation or attempted violation of an offense committed outside the State of California shall be included in this notice if the offense would have been a crime specified in this subdivision if committed in California. The notice shall be given to the parents or guardians with whom the child

resides, and shall be given at least 10 days prior to the day that the employee or volunteer begins his or her duties or tasks. Notwithstanding any other provision of law, any person who conveys or receives information in good faith and in conformity with this section is exempt from prosecution under Section 11142 or 11143 for that conveying or receiving of information. Notwithstanding subdivision (d), the notification requirements of this subdivision shall apply as an additional requirement of any other provision of law requiring criminal record access or dissemination of criminal history information.

(2) The notification requirement pursuant to paragraph (1) shall not apply to a misdemeanor conviction for violating Section 261.5 or to a conviction for violating Section 262 or 273.5. Nothing in this paragraph shall preclude an employer from requesting records of convictions for violating Section 261.5, 262, or 273.5 from the Department of Justice pursuant to this section.

(d) Nothing in this section supersedes any law requiring criminal record access or dissemination of criminal history information. In any conflict with another statute, dissemination of criminal history information shall be pursuant to the mandatory statute. This subdivision applies to, but is not limited to, requirements pursuant to Article 1 (commencing with Section 1500) of Chapter 3 of, and Chapter 3.2 (commencing with Section 1569) and Chapter 3.4 (commencing with Section 1596.70) of, Division 2 of, and Section 1522 of, the Health and Safety Code, and Sections 8712, 8811, and 8908 of the Family Code.

(e) The department may adopt regulations to implement the provisions of this section as necessary.

(f) As used in this section, "employer" means any nonprofit corporation or other organization specified by the Attorney General which employs or uses the services of volunteers in positions in which the volunteer or employee has supervisory or disciplinary power over a child or children.

(g) As used in this section, "human resource agency" means a public or private entity, excluding any agency responsible for licensing of facilities pursuant to the California Community Care Facilities Act (Chapter 3 (commencing with Section 1500)), the California Residential Care Facilities for the Elderly Act (Chapter 3.2 (commencing with Section 1569)), Chapter 3.01 (commencing with Section 1568.01), and the California Child Day Care Facilities Act (Chapter 3.4 (commencing with Section 1596.70)) of Division 2 of the Health and Safety Code, responsible for determining the character and fitness of a person who is:

(1) Applying for a license, employment, or as a volunteer within the human services field that involves the care and security of children, the elderly, the handicapped, or the mentally impaired.

(2) Applying to be a volunteer who transports individuals impaired by drugs or alcohol.

(3) Applying to adopt a child or to be a foster parent.

(h) Except as provided in subdivision (c), any criminal history information obtained pursuant to this section is confidential and no recipient shall disclose its contents other than for the purpose for which it was acquired.

SEC. 2. Section 204 of the Welfare and Institutions Code is repealed.

SEC. 3. Section 725.1 of the Welfare and Institutions Code is repealed.

SEC. 4. Section 828 of the Welfare and Institutions Code is amended to read:

828. (a) Except as provided in Sections 389, 781, and 827.9 of this code or Section 1203.45 of the Penal Code, any information gathered by a law enforcement agency, including the Department of Justice, relating to the taking of a minor into custody may be disclosed to another law enforcement agency, including a school district police or security department, or to any person or agency which has a legitimate need for the information for purposes of official disposition of a case. When the disposition of a taking into custody is available, it shall be included with any information disclosed.

A court shall consider any information relating to the taking of a minor into custody, if the information is not contained in a record which has been sealed, for purposes of determining whether adjudications of commission of crimes as a juvenile warrant a finding that there are circumstances in aggravation pursuant to Section 1170 of the Penal Code or to deny probation.

(b) When a law enforcement agency has been notified pursuant to Section 1155 that a minor has escaped from a secure detention facility, the law enforcement agency shall release the name of, and any descriptive information about, the minor to a person who specifically requests this information. The law enforcement agency may release the information on the minor without a request to do so if it finds that release of the information would be necessary to assist in recapturing the minor or that it would be necessary to protect the public from substantial physical harm.

CHAPTER 125

An act to amend Sections 186.2 and 186.8 of the Penal Code, relating to organized crime.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 186.2 of the Penal Code is amended to read:
186.2. For purposes of this chapter, the following definitions apply:

(a) "Criminal profiteering activity" means any act committed or attempted or any threat made for financial gain or advantage, which act or threat may be charged as a crime under any of the following sections:

- (1) Arson, as defined in Section 451.
- (2) Bribery, as defined in Sections 67, 67.5, and 68.
- (3) Child pornography or exploitation, as defined in subdivision (b) of Section 311.2, or Section 311.3 or 311.4, which may be prosecuted as a felony.
- (4) Felonious assault, as defined in Section 245.
- (5) Embezzlement, as defined in Sections 424 and 503.
- (6) Extortion, as defined in Section 518.
- (7) Forgery, as defined in Section 470.
- (8) Gambling, as defined in Sections 337a to 337f, inclusive, and Section 337i, except the activities of a person who participates solely as an individual bettor.
- (9) Kidnapping, as defined in Section 207.
- (10) Mayhem, as defined in Section 203.
- (11) Murder, as defined in Section 187.
- (12) Pimping and pandering, as defined in Section 266.
- (13) Receiving stolen property, as defined in Section 496.
- (14) Robbery, as defined in Section 211.
- (15) Solicitation of crimes, as defined in Section 653f.
- (16) Grand theft, as defined in Section 487.
- (17) Trafficking in controlled substances, as defined in Sections 11351, 11352, and 11353 of the Health and Safety Code.
- (18) Violation of the laws governing corporate securities, as defined in Section 25541 of the Corporations Code.
- (19) Any of the offenses contained in Chapter 7.5 (commencing with Section 311) of Title 9, relating to obscene matter, or in Chapter 7.6 (commencing with Section 313) of Title 9, relating to harmful matter that may be prosecuted as a felony.
- (20) Presentation of a false or fraudulent claim, as defined in Section 550.
- (21) False or fraudulent activities, schemes, or artifices, as described in Section 14107 of the Welfare and Institutions Code.
- (22) Money laundering, as defined in Section 186.10.

(23) Offenses relating to the counterfeit of a registered mark, as specified in Section 350.

(24) Offenses relating to the unauthorized access to computers, computer systems, and computer data, as specified in Section 502.

(25) Conspiracy to commit any of the crimes listed above, as defined in Section 182.

(26) Subdivision (a) of Section 186.22, or a felony subject to enhancement as specified in subdivision (b) of Section 186.22.

(27) Any offenses related to fraud or theft against the state's beverage container recycling program, including, but not limited to, those offenses specified in this subdivision and those criminal offenses specified in the California Beverage Container Recycling and Litter Reduction Act, commencing at Section 14500 of the Public Resources Code.

(b) "Pattern of criminal profiteering activity" means engaging in at least two incidents of criminal profiteering, as defined by this act, that meet the following requirements:

(1) Have the same or a similar purpose, result, principals, victims, or methods of commission, or are otherwise interrelated by distinguishing characteristics.

(2) Are not isolated events.

(3) Were committed as a criminal activity of organized crime.

Acts that would constitute a "pattern of criminal profiteering activity" may not be used by a prosecuting agency to seek the remedies provided by this chapter unless the underlying offense occurred after the effective date of this chapter and the prior act occurred within 10 years, excluding any period of imprisonment, of the commission of the underlying offense. A prior act may not be used by a prosecuting agency to seek remedies provided by this chapter if a prosecution for that act resulted in an acquittal.

(c) "Prosecuting agency" means the Attorney General or the district attorney of any county.

(d) "Organized crime" means crime that is of a conspiratorial nature and that is either of an organized nature and seeks to supply illegal goods and services such as narcotics, prostitution, loan sharking, gambling, and pornography, or that, through planning and coordination of individual efforts, seeks to conduct the illegal activities of arson for profit, hijacking, insurance fraud, smuggling, operating vehicle theft rings, fraud against the beverage container recycling program, or systematically encumbering the assets of a business for the purpose of defrauding creditors. "Organized crime" also means crime committed by a criminal street gang, as defined in subdivision (f) of Section 186.22. "Organized crime" also means false or fraudulent activities, schemes,

or artifices, as described in Section 14107 of the Welfare and Institutions Code.

(e) "Underlying offense" means an offense enumerated in subdivision (a) for which the defendant is being prosecuted.

SEC. 2. Section 186.8 of the Penal Code is amended to read:

186.8. Notwithstanding that no response or claim has been filed pursuant to Section 186.5, in all cases where property is forfeited pursuant to this chapter and, where necessary, sold by the Department of General Services or local governmental entity, the money forfeited or the proceeds of sale shall be distributed by the state or local governmental entity as follows:

(a) To the bona fide or innocent purchaser, conditional sales vendor, or holder of a valid lien, mortgage or security interest, if any, up to the amount of his or her interest in the property or proceeds, when the court declaring the forfeiture orders a distribution to that person. The court shall endeavor to discover all such lienholders and protect their interests and may, at its discretion, order the proceeds placed in escrow for up to an additional 60 days to ensure that all valid claims are received and processed.

(b) To the Department of General Services or local governmental entity for all expenditures made or incurred by it in connection with the sale of the property, including expenditures for any necessary repairs, storage, or transportation of any property seized under this chapter.

(c) To the general fund of the state or local governmental entity, whichever prosecutes.

(d) In any case involving a violation of subdivision (b) of Section 311.2, or Section 311.3 or 311.4, in lieu of the distribution of the proceeds provided for by subdivisions (b) and (c), the proceeds shall be deposited in the county children's trust fund, established pursuant to Section 18966 of the Welfare and Institutions Code, of the county which filed the petition of forfeiture. If the county does not have a children's trust fund, the funds shall be deposited in the State Children's Trust Fund, established pursuant to Section 18969 of the Welfare and Institutions Code.

(e) In any case involving crimes against the states beverage container recycling program, in lieu of the distribution of proceeds provided for by subdivision (c), the proceeds shall be deposited in the penalty account established pursuant to subdivision (d) of Section 14580 of the Public Resources Code, except that a portion of the proceeds equivalent to the cost of prosecution in the case shall be distributed to the local prosecuting entity that filed the petition of forfeiture.

SEC. 3. 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.

CHAPTER 126

An act to amend Section 12463 of the Government Code, relating to the Controller.

[Approved by Governor July 23, 2003. Filed with
Secretary of State July 24, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 12463 of the Government Code is amended to read:

12463. (a) The Controller shall compile and publish reports of the financial transactions of each county, city, and special district, respectively, within this state, together with any other matter he or she deems of public interest. The reports shall include the appropriations limits and the total annual appropriations subject to limitation of the counties, cities, and special districts. The reports to the Controller shall be made in the time, form, and manner prescribed by the Controller.

(b) Effective January 1, 2005, the Controller shall compile and publish reports of the financial transactions of each county, city, and special district pursuant to subdivision (a) on or before August 1, September 1, and October 1 respectively, of each year following the end of the annual reporting period. The Controller shall make data collected pursuant to this subdivision available upon request to the Legislature and its agents, on or before April 1 of each year.

(c) The Controller shall annually publish reports of the financial transactions of each school district within this state, together with any other matter he or she deems of public interest. The reports shall include the appropriations limit and the total annual appropriations subject to limitation of the school district. The reports to the Controller shall be made in the time, form, and manner prescribed by the Controller.

(d) As used in this section, the following terms have the following meanings:

(1) "School district" means a school district as defined in Section 80 of the Education Code.

(2) "Special district" means any of the following:

(A) A special district as defined in Section 95 of the Revenue and Taxation Code.

(B) A commission provided for by a joint powers agreement pursuant to Chapter 5 (commencing with 6500) of Division 7 of Title 1.

(C) A nonprofit corporation that is any of the following:

(i) Was formed in accordance with the provisions of a joint powers agreement to carry out functions specified in the agreement.

(ii) Issued bonds, the interest on which is exempt from federal income taxes, for the purpose of purchasing land as a site for, or purchasing or constructing, a building, stadium, or other facility, that is subject to a lease or agreement with a local public entity.

(iii) Is wholly owned by a public agency.

CHAPTER 127

An act to amend Section 1810.5 of the Vehicle Code, relating to Department of Motor Vehicle records.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1810.5 of the Vehicle Code is amended to read:

1810.5. The Attorney General, district attorneys, law enforcement agencies, city attorneys prosecuting misdemeanor actions under Section 41803.5 of the Government Code, public defenders, and public defender investigators shall have access, including, but not limited to, telephone access, to the records of the department. For purposes of obtaining a governmental entity requester code from the department, the office of a city attorney engaged in the prosecution of criminal actions shall be deemed a law enforcement entity.

CHAPTER 128

An act to amend Section 415.20 of, and to add Section 415.95 to, the Code of Civil Procedure, relating to civil actions.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 415.20 of the Code of Civil Procedure is amended to read:

415.20. (a) In lieu of personal delivery of a copy of the summons and complaint to the person to be served as specified in Section 416.10, 416.20, 416.30, 416.40, or 416.50, a summons may be served by leaving a copy of the summons and complaint during usual office hours in his or her office or, if no physical address is known, at his or her usual mailing address, other than a United States Postal Service post office box, with the person who is apparently in charge thereof, and by thereafter mailing a copy of the summons and complaint by first-class mail, postage prepaid to the person to be served at the place where a copy of the summons and complaint were left. When service is effected by leaving a copy of the summons and complaint at a mailing address, it shall be left with a person at least 18 years of age, who shall be informed of the contents thereof. Service of a summons in this manner is deemed complete on the 10th day after the mailing.

(b) If a copy of the summons and complaint cannot with reasonable diligence be personally delivered to the person to be served, as specified in Section 416.60, 416.70, 416.80, or 416.90, a summons may be served by leaving a copy of the summons and complaint at the person's dwelling house, usual place of abode, usual place of business, or usual mailing address other than a United States Postal Service post office box, in the presence of a competent member of the household or a person apparently in charge of his or her office, place of business, or usual mailing address other than a United States Postal Service post office box, at least 18 years of age, who shall be informed of the contents thereof, and by thereafter mailing a copy of the summons and of the complaint by first-class mail, postage prepaid to the person to be served at the place where a copy of the summons and complaint were left. Service of a summons in this manner is deemed complete on the 10th day after the mailing.

SEC. 2. Section 415.95 is added to the Code of Civil Procedure, to read:

415.95. (a) A summons may be served on a business organization, form unknown, by leaving a copy of the summons and complaint during usual office hours with the person who is apparently in charge of the office of that business organization, and by thereafter mailing a copy of the summons and complaint by first-class mail, postage prepaid, to the person to be served at the place where a copy of the summons and complaint was left. Service of a summons in this manner is deemed complete on the 10th day after the mailing.

(b) Service of a summons pursuant to this section is not valid for a corporation with a registered agent for service of process listed with the Secretary of State.

CHAPTER 129

An act to amend Sections 180201 and 180204 of the Public Utilities Code, relating to transportation.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 180201 of the Public Utilities Code is amended to read:

180201. A retail transactions and use tax ordinance applicable in the incorporated and unincorporated territory of a county may be imposed by the authority in accordance with this chapter and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, if the tax ordinance is adopted by a two-thirds vote of the authority and imposition of the tax is subsequently approved by a majority of the electors voting on the measure, or by any otherwise applicable voter approval requirement, at a special election called for that purpose by the board of supervisors, at the request of the authority, and a county transportation expenditure plan is adopted pursuant to Section 180206.

A retail transactions and use tax approved by the electors shall remain in effect for the period of time specified in the tax ordinance. The tax may be continued in effect, or reimposed, by a tax ordinance adopted by a two-thirds vote of the authority and the reimposition of the tax is approved by any applicable majority of the electors.

SEC. 2. Section 180204 of the Public Utilities Code is amended to read:

180204. (a) Any transactions and use tax ordinance adopted pursuant to this chapter shall be operative on the first day of the first calendar quarter commencing more than 110 days after adoption of the ordinance.

(b) Prior to the operative date of the ordinance, the authority shall contract with the State Board of Equalization to perform all functions incidental to the administration and operation of the ordinance.

CHAPTER 130

An act to add Article 3.5 (commencing with Section 51430) to Chapter 3 of Part 28 of the Education Code, relating to public schools.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Article 3.5 (commencing with Section 51430) is added to Chapter 3 of Part 28 of the Education Code, to read:

Article 3.5. High School Diplomas for World War II Internees

51430. Notwithstanding any other provision of law to the contrary, a high school district, unified school district, or county office of education, may retroactively grant a high school diploma to a person who has not received a high school diploma if he or she was interned by order of the federal government during World War II and was enrolled in a high school operated by the school district or under the jurisdiction of the county office of education immediately preceding his or her internment and did not receive a high school diploma because the pupil's education was interrupted due to his or her internment during World War II.

CHAPTER 131

An act to amend Section 8555 of the Public Resources Code, relating to grazing lands.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 8555 of the Public Resources Code is amended to read:

8555. All moneys received by the State of California from the government of the United States pursuant to the act referred to in Section 8551, or pursuant to any other act of Congress providing for the distribution and payment to states and territories of a fixed and definite percentage of the moneys received by the government of the United States from grazing lands or districts acquired or established therein by

the government of the United States or by any officer or instrumentality thereof, shall, on order of the Controller, be deposited in the United States Grazing Fees Fund, which is hereby established in the State Treasury. That money shall be disposed of, in accordance with the terms of that act of Congress, by the payment of that money to the counties in which those grazing lands or districts are situated. The payments made to each county from the receipts of any given parcel of grazing lands or of any grazing district shall be allocated in accordance with a payment schedule that distributes the payments in the same manner and basis upon which the fees were collected, as officially established by the Secretary of the Interior or other authorized official of the government of the United States.

CHAPTER 132

An act to amend Section 798.21 of the Civil Code, relating to mobilehomes.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 798.21 of the Civil Code is amended to read:
798.21. (a) Notwithstanding Section 798.17, if a mobilehome space within a mobilehome park is not the principal residence of the homeowner and the homeowner has not rented the mobilehome to another party, it shall be exempt from any ordinance, rule, regulation, or initiative measure adopted by any city, county, or city and county, which establishes a maximum amount that the landlord may charge a tenant for rent.

(b) Nothing in this section is intended to require any homeowner to disclose information concerning his or her personal finances. Nothing in this section shall be construed to authorize management to gain access to any records which would otherwise be confidential or privileged.

(c) For purposes of this section, a mobilehome shall be deemed to be the principal residence of the homeowner, unless a review of state or county records demonstrates that the homeowner is receiving a homeowner's exemption for another property or mobilehome in this state, or unless a review of public records reasonably demonstrates that the principal residence of the homeowner is out of state.

(d) Before modifying the rent or other terms of tenancy as a result of a review of records, as described in subdivision (c), the management

shall notify the homeowner, in writing, of the proposed changes and provide the homeowner with a copy of the documents upon which management relied.

(e) The homeowner shall have 90 days from the date the notice described in subdivision (d) is mailed to review and respond to the notice. Management may not modify the rent or other terms of tenancy prior to the expiration of the 90-day period or prior to responding, in writing, to information provided by the homeowner. Management may not modify the rent or other terms of tenancy if the homeowner provides documentation reasonably establishing that the information provided by management is incorrect or that the homeowner is not the same person identified in the documents. However, nothing in this subdivision shall be construed to authorize the homeowner to change the homeowner's exemption status of the other property or mobilehome owned by the homeowner.

(f) This section does not apply under any of the following conditions:

(1) The homeowner is unable to rent or lease the mobilehome because the owner or management of the mobilehome park in which the mobilehome is located does not permit, or the rental agreement limits or prohibits, the assignment of the mobilehome or the subletting of the park space.

(2) The mobilehome is being actively held available for sale by the homeowner, or pursuant to a listing agreement with a real estate broker licensed pursuant to Chapter 3 (commencing with Section 10130) of Part 1 of Division 4 of the Business and Professions Code, or a mobilehome dealer, as defined in Section 18002.6 of the Health and Safety Code. A homeowner, real estate broker, or mobilehome dealer attempting to sell a mobilehome shall actively market and advertise the mobilehome for sale in good faith to bona fide purchasers for value in order to remain exempt pursuant to this subdivision.

(3) The legal owner has taken possession or ownership, or both, of the mobilehome from a registered owner through either a surrender of ownership interest by the registered owner or a foreclosure proceeding.

CHAPTER 133

An act to amend Sections 1050 and 1050.5 of the Penal Code, relating to criminal procedure.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1050 of the Penal Code is amended to read:

1050. (a) The welfare of the people of the State of California requires that all proceedings in criminal cases shall be set for trial and heard and determined at the earliest possible time. To this end, the Legislature finds that the criminal courts are becoming increasingly congested with resulting adverse consequences to the welfare of the people and the defendant. Excessive continuances contribute substantially to this congestion and cause substantial hardship to victims and other witnesses. Continuances also lead to longer periods of presentence confinement for those defendants in custody and the concomitant overcrowding and increased expenses of local jails. It is therefore recognized that the people, the defendant, and the victims and other witnesses have the right to an expeditious disposition, and to that end it shall be the duty of all courts and judicial officers and of all counsel, both for the prosecution and the defense, to expedite these proceedings to the greatest degree that is consistent with the ends of justice. In accordance with this policy, criminal cases shall be given precedence over, and set for trial and heard without regard to the pendency of, any civil matters or proceedings. In further accordance with this policy, death penalty cases in which both the prosecution and the defense have informed the court that they are prepared to proceed to trial shall be given precedence over, and set for trial and heard without regard to the pendency of, other criminal cases and any civil matters or proceedings, unless the court finds in the interest of justice that it is not appropriate.

(b) To continue any hearing in a criminal proceeding, including the trial, (1) a written notice shall be filed and served on all parties to the proceeding at least two court days before the hearing sought to be continued, together with affidavits or declarations detailing specific facts showing that a continuance is necessary and (2) within two court days of learning that he or she has a conflict in the scheduling of any court hearing, including a trial, an attorney shall notify the calendar clerk of each court involved, in writing, indicating which hearing was set first. A party shall not be deemed to have been served within the meaning of this section until that party actually has received a copy of the documents to be served, unless the party, after receiving actual notice of the request for continuance, waives the right to have the documents served in a timely manner. Regardless of the proponent of the motion, the prosecuting attorney shall notify the people's witnesses and the defense attorney shall notify the defense's witnesses of the notice of motion, the date of the hearing, and the witnesses' right to be heard by the court.

(c) Notwithstanding subdivision (b), a party may make a motion for a continuance without complying with the requirements of that subdivision. However, unless the moving party shows good cause for the failure to comply with those requirements, the court may impose sanctions as provided in Section 1050.5.

(d) When a party makes a motion for a continuance without complying with the requirements of subdivision (b), the court shall hold a hearing on whether there is good cause for the failure to comply with those requirements. At the conclusion of the hearing, the court shall make a finding whether good cause has been shown and, if it finds that there is good cause, shall state on the record the facts proved that justify its finding. A statement of the finding and a statement of facts proved shall be entered in the minutes. If the moving party is unable to show good cause for the failure to give notice, the motion for continuance shall not be granted.

(e) Continuances shall be granted only upon a showing of good cause. Neither the convenience of the parties nor a stipulation of the parties is in and of itself good cause.

(f) At the conclusion of the motion for continuance, the court shall make a finding whether good cause has been shown and, if it finds that there is good cause, shall state on the record the facts proved that justify its finding. A statement of facts proved shall be entered in the minutes.

(g) (1) When deciding whether or not good cause for a continuance has been shown, the court shall consider the general convenience and prior commitments of all witnesses, including peace officers. Both the general convenience and prior commitments of each witness also shall be considered in selecting a continuance date if the motion is granted. The facts as to inconvenience or prior commitments may be offered by the witness or by a party to the case.

(2) For purposes of this section, "good cause" includes, but is not limited to, those cases involving murder, as defined in subdivision (a) of Section 187, allegations that stalking, as defined in Section 646.9, a violation of one or more of the sections specified in subdivision (a) of Section 11165.1 or Section 11165.6, or domestic violence as defined in Section 13700, or a case being handled in the Career Criminal Prosecution Program pursuant to Sections 999b through 999h, or a hate crime, as defined in Title 11.6 (commencing with Section 422.6) of Part 1, has occurred and the prosecuting attorney assigned to the case has another trial, preliminary hearing, or motion to suppress in progress in that court or another court. A continuance under this paragraph shall be limited to a maximum of 10 additional court days.

(3) Only one continuance per case may be granted to the people under this subdivision for cases involving stalking, hate crimes, or cases handled under the Career Criminal Prosecution Program. Any

continuance granted to the people in a case involving stalking or handled under the Career Criminal Prosecution Program shall be for the shortest time possible, not to exceed 10 court days.

(h) Upon a showing that the attorney of record at the time of the defendant's first appearance in the superior court on an indictment or information is a Member of the Legislature of this state and that the Legislature is in session or that a legislative interim committee of which the attorney is a duly appointed member is meeting or is to meet within the next seven days, the defendant shall be entitled to a reasonable continuance not to exceed 30 days.

(i) A continuance shall be granted only for that period of time shown to be necessary by the evidence considered at the hearing on the motion. Whenever any continuance is granted, the court shall state on the record the facts proved that justify the length of the continuance, and those facts shall be entered in the minutes.

(j) Whenever it shall appear that any court may be required, because of the condition of its calendar, to dismiss an action pursuant to Section 1382, the court must immediately notify the Chair of the Judicial Council.

(k) This section shall not apply when the preliminary examination is set on a date less than 10 court days from the date of the defendant's arraignment on the complaint, and the prosecution or the defendant moves to continue the preliminary examination to a date not more than 10 court days from the date of the defendant's arraignment on the complaint.

(l) This section is directory only and does not mandate dismissal of an action by its terms.

SEC. 2. Section 1050.5 of the Penal Code is amended to read:

1050.5. (a) When, pursuant to subdivision (c) of Section 1050, the court imposes sanctions for failure to comply with the provisions of subdivision (b) of Section 1050, the court may impose one or both of the following sanctions when the moving party is the prosecuting or defense attorney:

(1) A fine not exceeding one thousand dollars (\$1,000) upon counsel for the moving party.

(2) The filing of a report with an appropriate disciplinary committee.

(b) The authority to impose sanctions provided for by this section shall be in addition to any other authority or power available to the court, except that the court or magistrate shall not dismiss the case.

CHAPTER 134

An act to amend Sections 6401 and 6402 of the Family Code, relating to foreign protection orders.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 6401 of the Family Code is amended to read: 6401. In this part:

(1) "Foreign protection order" means a protection order issued by a tribunal of another state.

(2) "Issuing state" means the state whose tribunal issues a protection order.

(3) "Mutual foreign protection order" means a foreign protection order that includes provisions in favor of both the protected individual seeking enforcement of the order and the respondent.

(4) "Protected individual" means an individual protected by a protection order.

(5) "Protection order" means an injunction or other order, issued by a tribunal under the domestic violence, family violence, or antistalking laws of the issuing state, to prevent an individual from engaging in violent or threatening acts against, harassment of, contact or communication with, or physical proximity to, another individual.

(6) "Respondent" means the individual against whom enforcement of a protection order is sought.

(7) "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 includes an Indian tribe or band, or any branch of the United States military, that has jurisdiction to issue protection orders.

(8) "Tribunal" means a court, agency, or other entity authorized by law to issue or modify a protection order.

SEC. 2. Section 6402 of the Family Code is amended to read:

6402. (a) A person authorized by the law of this state to seek enforcement of a protection order may seek enforcement of a valid foreign protection order in a tribunal of this state. The tribunal shall enforce the terms of the order, including terms that provide relief that a tribunal of this state would lack power to provide but for this section. The tribunal shall enforce the order, whether the order was obtained by independent action or in another proceeding, if it is an order issued in response to a complaint, petition, or motion filed by or on behalf of an individual seeking protection. In a proceeding to enforce a foreign

protection order, the tribunal shall follow the procedures of this state for the enforcement of protection orders.

(b) A tribunal of this state may not enforce a foreign protection order issued by a tribunal of a state that does not recognize the standing of a protected individual to seek enforcement of the order.

(c) A tribunal of this state shall enforce the provisions of a valid foreign protection order which govern custody and visitation, if the order was issued in accordance with the jurisdictional requirements governing the issuance of custody and visitation orders in the issuing state.

(d) A foreign protection order is valid if it meets all of the following criteria:

(1) Identifies the protected individual and the respondent.

(2) Is currently in effect.

(3) Was issued by a tribunal that had jurisdiction over the parties and subject matter under the law of the issuing state.

(4) Was issued after the respondent was given reasonable notice and had an opportunity to be heard before the tribunal issued the order or, in the case of an order ex parte, the respondent was given notice and has had or will have an opportunity to be heard within a reasonable time after the order was issued, in a manner consistent with the rights of the respondent to due process.

(e) A foreign protection order valid on its face is prima facie evidence of its validity.

(f) Absence of any of the criteria for validity of a foreign protection order is an affirmative defense in an action seeking enforcement of the order.

(g) A tribunal of this state may enforce provisions of a mutual foreign protection order which favor a respondent only if both of the following are true:

(1) The respondent filed a written pleading seeking a protection order from the tribunal of the issuing state.

(2) The tribunal of the issuing state made specific findings in favor of the respondent.

SEC. 3. The Legislature finds and declares that the changes made by this act that delete the current subdivision (d) of Section 6402 of the Family Code are not intended to make a change in, but are declaratory of, existing law. Under existing law, support orders are enforced pursuant to the Uniform Interstate Family Support Act (Chapter 6 (commencing with Section 4900) of Part 5 of Division 9 of the Family Code). Because Section 6402 of the Family Code relates to protection orders, the Legislature further finds and declares that the reference to support orders in subdivision (d) of that provision is inappropriate and does not comport with the intent of the Legislature.

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.

CHAPTER 135

An act to amend Section 38025 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 38025 of the Vehicle Code is amended to read:
38025. In accordance with subdivision (c) of Section 4000, a motor vehicle issued a plate or device pursuant to Section 38160 may be operated or driven upon a highway but only as follows:

(a) On a two-lane highway, only to cross the highway at an angle of approximately 90 degrees to the direction of the roadway and at a place where a quick and safe crossing may be made, or only when the roadway is not maintained by snow removal equipment and is closed to motor vehicles that are subject to registration pursuant to Division 3 (commencing with Section 4000), or only to cross a highway in the manner specified in subdivision (b).

(b) With respect to the crossing of a highway having more than two lanes, or a highway having limited access, a motor vehicle may cross a highway but only at a place designated by the Department of Transportation or local authorities with respect to a highway under their respective jurisdictions as a place where a motor vehicle, or specified types of motor vehicle, may cross a highway, and a vehicle shall cross the highway only at that designated place and only in a quick and safe manner.

(c) The Department of Transportation and local authorities with respect to a highway under their respective jurisdictions may designate, by the erection of an appropriate sign of a type approved by the Department of Transportation, a place where a motor vehicle, or

specified type of motor vehicle, may cross a highway having more than two lanes or having limited access.

(d) A motor vehicle identified pursuant to Section 38010 may be towed upon a highway, but not driven, if the vehicle displays a plate or device issued pursuant to Section 38160.

(e) A motorcycle identified pursuant to Section 38010 may be pushed upon a highway, but not ridden, if the motorcycle has displayed upon it a plate or device issued pursuant to Section 38160.

(f) A peace officer, as defined in Chapter 4.5 (commencing with Section 830) of Title 3 of Part 2 of the Penal Code, may operate or drive an off-highway vehicle identified pursuant to Section 38010 upon a highway in an emergency response situation.

CHAPTER 136

An act to amend Section 1473.5 of the Penal Code, relating to battered women's syndrome.

[Approved by Governor July 27, 2003. Filed with
Secretary of State July 28, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1473.5 of the Penal Code is amended to read:
1473.5. (a) A writ of habeas corpus also may be prosecuted on the basis that evidence relating to battered women's syndrome, within the meaning of Section 1107 of the Evidence Code, based on abuse committed on the perpetrator of a homicide by the victim of that homicide, was not introduced at the trial relating to the prisoner's incarceration, and is of such substance that, had it been introduced, there is a reasonable probability, sufficient to undermine confidence in the judgment of conviction, that the result of the proceedings would have been different. Sections 1260 to 1262, inclusive, apply to the prosecution of a writ of habeas corpus pursuant to this section.

(b) This section is limited to judgments of conviction for a violation of Section 187 resulting from a plea entered, or a trial commenced, before January 1, 1992.

(c) If a petitioner for habeas corpus under this section filed a petition for writ of habeas corpus prior to the effective date of this section, it is grounds for denial of the new petition if a court determined on the merits in the prior petition that the omission of evidence relating to battered woman's syndrome at trial was not prejudicial and did not entitle the petitioner to the writ of habeas corpus.

(d) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

CHAPTER 137

An act to amend Section 1524 of the Penal Code, relating to search warrants.

[Approved by Governor July 30, 2003. Filed with
Secretary of State July 30, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1524 of the Penal Code is amended to read:
1524. (a) A search warrant may be issued upon any of the following grounds:

- (1) When the property was stolen or embezzled.
- (2) When the property or things were used as the means of committing a felony.
- (3) When the property or things are in the possession of any person with the intent to use them as a means of committing a public offense, or in the possession of another to whom he or she may have delivered them for the purpose of concealing them or preventing their being discovered.
- (4) When the property or things to be seized consist of any item or constitute any evidence that tends to show a felony has been committed, or tends to show that a particular person has committed a felony.
- (5) When the property or things to be seized consist of evidence that tends to show that sexual exploitation of a child, in violation of Section 311.3, or possession of matter depicting sexual conduct of a person under the age of 18 years, in violation of Section 311.11, has occurred or is occurring.
- (6) When there is a warrant to arrest a person.
- (7) When a provider of electronic communication service or remote computing service has records or evidence, as specified in Section 1524.3, showing that property was stolen or embezzled constituting a misdemeanor, or that property or things are in the possession of any person with the intent to use them as a means of committing a misdemeanor public offense, or in the possession of another to whom he or she may have delivered them for the purpose of concealing them or preventing their discovery.

(b) The property or things or person or persons described in subdivision (a) may be taken on the warrant from any place, or from any person in whose possession the property or things may be.

(c) Notwithstanding subdivision (a) or (b), no search warrant shall issue for any documentary evidence in the possession or under the control of any person, who is a lawyer as defined in Section 950 of the Evidence Code, a physician as defined in Section 990 of the Evidence Code, a psychotherapist as defined in Section 1010 of the Evidence Code, or a clergyman as defined in Section 1030 of the Evidence Code, and who is not reasonably suspected of engaging or having engaged in criminal activity related to the documentary evidence for which a warrant is requested unless the following procedure has been complied with:

(1) At the time of the issuance of the warrant the court shall appoint a special master in accordance with subdivision (d) to accompany the person who will serve the warrant. Upon service of the warrant, the special master shall inform the party served of the specific items being sought and that the party shall have the opportunity to provide the items requested. If the party, in the judgment of the special master, fails to provide the items requested, the special master shall conduct a search for the items in the areas indicated in the search warrant.

(2) If the party who has been served states that an item or items should not be disclosed, they shall be sealed by the special master and taken to court for a hearing.

At the hearing, the party searched shall be entitled to raise any issues that may be raised pursuant to Section 1538.5 as well as a claim that the item or items are privileged, as provided by law. The hearing shall be held in the superior court. The court shall provide sufficient time for the parties to obtain counsel and make any motions or present any evidence. The hearing shall be held within three days of the service of the warrant unless the court makes a finding that the expedited hearing is impracticable. In that case the matter shall be heard at the earliest possible time.

If an item or items are taken to court for a hearing, any limitations of time prescribed in Chapter 2 (commencing with Section 797) of Title 3 of Part 2 shall be tolled from the time of the seizure until the final conclusion of the hearing, including any associated writ or appellate proceedings.

(3) The warrant shall, whenever practicable, be served during normal business hours. In addition, the warrant shall be served upon a party who appears to have possession or control of the items sought. If, after reasonable efforts, the party serving the warrant is unable to locate the person, the special master shall seal and return to the court, for

determination by the court, any item that appears to be privileged as provided by law.

(d) As used in this section, a “special master” is an attorney who is a member in good standing of the California State Bar and who has been selected from a list of qualified attorneys that is maintained by the State Bar particularly for the purposes of conducting the searches described in this section. These attorneys shall serve without compensation. A special master shall be considered a public employee, and the governmental entity that caused the search warrant to be issued shall be considered the employer of the special master and the applicable public entity, for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, relating to claims and actions against public entities and public employees. In selecting the special master, the court shall make every reasonable effort to ensure that the person selected has no relationship with any of the parties involved in the pending matter. Any information obtained by the special master shall be confidential and shall not be divulged except in direct response to inquiry by the court.

In any case in which the magistrate determines that, after reasonable efforts have been made to obtain a special master, a special master is not available and would not be available within a reasonable period of time, the magistrate may direct the party seeking the order to conduct the search in the manner described in this section in lieu of the special master.

(e) Any search conducted pursuant to this section by a special master may be conducted in a manner that permits the party serving the warrant or his or her designee to accompany the special master as he or she conducts his or her search. However, that party or his or her designee shall not participate in the search nor shall he or she examine any of the items being searched by the special master except upon agreement of the party upon whom the warrant has been served.

(f) As used in this section, “documentary evidence” includes, but is not limited to, writings, documents, blueprints, drawings, photographs, computer printouts, microfilms, X-rays, files, diagrams, ledgers, books, tapes, audio and video recordings, films or papers of any type or description.

(g) No warrant shall issue for any item or items described in Section 1070 of the Evidence Code.

(h) Notwithstanding any other law, no claim of attorney work product as described in Section 2018 of the Code of Civil Procedure shall be sustained where there is probable cause to believe that the lawyer is engaging or has engaged in criminal activity related to the documentary evidence for which a warrant is requested unless it is established at the hearing with respect to the documentary evidence seized under the

warrant that the services of the lawyer were not sought or obtained to enable or aid anyone to commit or plan to commit a crime or a fraud.

(i) Nothing in this section is intended to limit an attorney's ability to request an in camera hearing pursuant to the holding of the Supreme Court of California in *People v. Superior Court (Laff)* (2001) 25 Cal.4th 703.

(j) In addition to any other circumstance permitting a magistrate to issue a warrant for a person or property in another county, when the property or things to be seized consist of any item or constitute any evidence that tends to show a violation of Section 530.5, the magistrate may issue a warrant to search a person or property located in another county if the person whose identifying information was taken or used resides in the same county as the issuing court.

CHAPTER 138

An act to add Sections 241.8 and 243.10 to the Penal Code, relating to crime.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 241.8 is added to the Penal Code, to read:

241.8. (a) Any person who commits an assault against a member of the United States Armed Forces because of the victim's service in the United States Armed Forces shall be punished by a fine not exceeding two thousand dollars (\$2,000), by imprisonment in a county jail for a period not exceeding one year, or by both that fine and imprisonment.

(b) "Because of" means that the bias motivation must be a cause in fact of the assault, whether or not other causes exist. When multiple concurrent motives exist, the prohibited bias must be a substantial factor in bringing about the assault.

SEC. 2. Section 243.10 is added to the Penal Code, to read:

243.10. (a) Any person who commits a battery against a member of the United States Armed Forces because of the victim's service in the United States Armed Forces shall be punished by a fine not exceeding two thousand dollars (\$2,000), by imprisonment in a county jail for a period not exceeding one year, or by both that fine and imprisonment.

(b) "Because of" means that the bias motivation must be a cause in fact of the battery, whether or not other causes exist. When multiple

concurrent motives exist, the prohibited bias must be a substantial factor in bringing about the battery.

SEC. 3. 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.

CHAPTER 139

An act to add Section 12693.515 to the Insurance Code, relating to the Healthy Families Program.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 12693.515 is added to the Insurance Code, to read:

12693.515. (a) Effective July 1, 2004, any subscriber who affirmatively selects, or is assigned by default to, a federally qualified health center, as defined by Section 1396(d)(l)(2) of Title 42 of the United States Code, a rural health clinic, as defined by Section 1396(d)(l)(1) of Title 42 of the United States Code, or a primary care clinic that is licensed under Section 1204 of the Health and Safety Code, or is exempt from licensure under subdivision (h) of Section 1206 of the Health and Safety Code, shall be deemed to have been assigned directly to the federally qualified health center, the rural health clinic, or the primary care clinic, and not to any individual provider who performs services on behalf of the federally qualified health center, the rural health clinic, or the primary care clinic.

(b) (1) When a subscriber is assigned, from any source, to a physician who is an employee of a federally qualified health center, a rural health clinic, or a primary care clinic, the assignment shall constitute an assignment to that federally qualified health center, rural health clinic, or primary care clinic for purposes of the subscriber's health care coverage.

(2) When a subscriber is assigned, from any source, to a dentist who is an employee of a federally qualified health center, a rural health clinic,

or a primary care clinic, the assignment shall constitute an assignment to that federally qualified health center, rural health clinic, or primary care clinic for purposes of the subscriber's dental coverage.

(3) When a subscriber is assigned, from any source, to an optometrist who is an employee of a federally qualified health center, a rural health clinic, or a primary care clinic, the assignment shall constitute an assignment to that federally qualified health center, rural health clinic, or primary care clinic for purposes of the subscriber's vision coverage.

(c) This section shall not limit any rights a subscriber may have to select an available primary care physician within a health care service plan's service area pursuant to Section 1373.3 of the Health and Safety Code.

CHAPTER 140

An act to amend Section 104322 of the Health and Safety Code, relating to cancer.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 104322 of the Health and Safety Code is amended to read:

104322. (a) (1) The State Department of Health Services shall develop, expand, and ensure quality prostate cancer treatment for low-income and uninsured men.

(2) The department shall award one or more contracts to provide prostate cancer treatment through private or public nonprofit organizations, including, but not limited to, community-based organizations, local health care providers, the University of California medical centers, and the Charles R. Drew University of Medicine and Science, an affiliate of the David Geffen School of Medicine at the University of California at Los Angeles.

(3) The contracts described in paragraph (2) shall not be subject to Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

(b) Treatment provided under this chapter shall be provided to uninsured and underinsured men with incomes at or below 200 percent of the federal poverty level.

(c) The department shall contract for prostate cancer treatment services only at the level of funding budgeted from state and other

sources during a fiscal year in which the Legislature has appropriated funds to the department for this purpose.

(d) Notwithstanding subdivision (a) of Section 2.00 of the Budget Act of 2003 and any other provision of law, commencing with the 2003–04 fiscal year and for each fiscal year thereafter, any amount appropriated to the department for the prostate cancer treatment program implemented pursuant to this chapter shall be made available, for purposes of that program, for encumbrance for one fiscal year beyond the year of appropriation and for expenditure for two fiscal years beyond the year of encumbrance.

CHAPTER 141

An act to add Section 99163 to the Public Utilities Code, relating to transportation.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 99163 is added to the Public Utilities Code, to read:

99163. On and after January 1, 2005, whenever a transit operator improves or replaces a ticket vending machine at a public transit station to include video instructions, the transit operator shall also equip the ticket vending machine with audio instructions that will enable visually impaired persons to follow the visual prompts. State funds made available to the operator through the State Transportation Assistance Program under Section 99312 shall be available for the purposes of this section.

CHAPTER 142

An act to add Section 11106.7 to the Health and Safety Code, relating to controlled substances.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 11106.7 is added to the Health and Safety Code, to read:

11106.7. (a) The Department of Justice may establish, by regulation, a system for the issuance to a permittee of a citation which may contain an order of abatement or an order to pay an administrative fine assessed by the Department of Justice, if the permittee is in violation of any provision of this chapter or any regulation adopted by the Department of Justice pursuant to this chapter.

(b) The system shall contain the following provisions:

(1) Citations shall be in writing and shall describe with particularity the nature of the violation, including specific reference to the provision of law or regulation of the department determined to have been violated.

(2) Whenever appropriate, the citation shall contain an order of abatement fixing a reasonable time for abatement of the violation.

(3) In no event shall the administrative fine assessed by the department exceed two thousand five hundred dollars (\$2,500) for each violation. In assessing a fine, due consideration shall be given to the appropriateness of the amount of the fine with respect to such factors as the gravity of the violation, the good faith of the permittee, and the history of previous violations.

(4) An order of abatement or a fine assessment issued pursuant to a citation shall inform the permittee that if the permittee desires a hearing to contest the finding of a violation, that hearing shall be requested by written notice to the department within 30 days of the date of issuance of the citation or assessment. Hearings shall be held pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(5) In addition to requesting a hearing, the permittee may, within 10 days after service of the citation, request in writing an opportunity for an informal conference with the department regarding the citation. At the conclusion of the informal conference, the department may affirm, modify, or dismiss the citation, including any fine levied or order of abatement issued. The decision shall be deemed to be a final order with regard to the citation issued, including the fine levied and the order of abatement. However, the permittee does not waive its right to request a hearing to contest a citation by requesting an informal conference. If the citation is dismissed after the informal conference, the request for a hearing on the matter of the citation shall be deemed to be withdrawn. If the citation, including any fine levied or order of abatement, is modified, the citation originally issued shall be considered withdrawn and a new citation issued. If a hearing is requested for a subsequent

citation, it shall be requested within 30 days of service of that subsequent citation.

(6) Failure of a permittee to pay a fine within 30 days of the date of assessment or comply with an order of abatement within the fixed time, unless the citation is being appealed, may result in disciplinary action being taken by the department. If a citation is not contested and a fine is not paid, the full amount of the assessed fine shall be added to the renewal of the permit. A permit shall not be renewed without payment of the renewal fee and fine.

(c) The system may contain the following provisions:

(1) A citation may be issued without the assessment of an administrative fine.

(2) Assessment of administrative fines may be limited to only particular violations of the law or department regulations.

(d) Notwithstanding any other provision of law, if a fine is paid to satisfy an assessment based on the finding of a violation, payment of the fine shall be represented as satisfactory resolution of the matter for purposes of public disclosure.

(e) Administrative fines collected pursuant to this section shall be deposited in the General Fund.

(f) The sanctions authorized under this section shall be separate from, and in addition to, any other administrative, civil, or criminal remedies; however, a criminal action may not be initiated for a specific offense if a citation has been issued pursuant to this section for that offense, and a citation may not be issued pursuant to this section for a specific offense if a criminal action for that offense has been filed.

(g) Nothing in this section shall be deemed to prevent the department from serving and prosecuting an accusation to suspend or revoke a permit if grounds for that suspension or revocation exist.

CHAPTER 143

An act to add Section 591.5 to the Penal Code, relating to wireless telephones.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 591.5 is added to the Penal Code, to read:

591.5. A person who unlawfully and maliciously removes, injures, destroys, or damages any wireless communication device with the intent

to prevent the use of the device to summon assistance or notify law enforcement or any public safety agency of a crime is guilty of a misdemeanor.

SEC. 2. 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.

CHAPTER 144

An act to amend Section 10089.5 of the Insurance Code, relating to earthquake insurance.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 10089.5 of the Insurance Code is amended to read:

10089.5. As used in this chapter:

(a) "Authority" means the California Earthquake Authority.

(b) "Available capital" means the sum of all moneys and invested assets actually held in the California Earthquake Authority Fund, less loss reserves and loss adjustment expense reserves under all of the authority's policies of residential earthquake insurance, and less the unearned premium reserve. "Available capital" includes all interest or other income from the investment of money held in the California Earthquake Authority Fund. "Available capital" does not include unearned premium, the proceeds of contracts of reinsurance procured by or in the name of the authority pursuant to subdivision (a) of Section 10089.10, any funds realized on capital market contracts authorized by subdivision (b) of Section 10089.10, or the proceeds of bonds issued by or in the name of the authority.

(c) "Basic residential earthquake insurance" means that policy of residential earthquake insurance described in Section 10089 except as follows:

(1) (A) If one year after the authority commences operation the authority has available capital equal to or exceeding seven hundred

million dollars (\$700,000,000), any policy issued or renewed on or after that date shall provide, less any applicable deductible, not less than two thousand five hundred dollars (\$2,500) in coverage for additional living expenses.

(B) If the authority met the available capital requirements of subparagraph (A) and two years after the authority commences operation the authority has available capital equal to or exceeding seven hundred million dollars (\$700,000,000), any policy issued or renewed on or after that date shall provide, less any applicable deductible, not less than three thousand dollars (\$3,000) in coverage for additional living expenses.

(2) (A) If the authority did not meet the available capital requirement of subparagraph (A) of paragraph (1) but, two years after the authority commences operation the authority has available capital equal to or exceeding seven hundred million dollars (\$700,000,000), any policy issued or renewed on or after that date shall provide, less any applicable deductible, not less than two thousand five hundred dollars (\$2,500) in coverage for additional living expenses.

(B) If the authority met the available capital requirements as provided by subparagraph (A) and three years after the authority commences operation the authority has available capital equal to or exceeding seven hundred million dollars (\$700,000,000), any policy issued or renewed on or after that date shall provide, less any applicable deductible, not less than three thousand dollars (\$3,000) in coverage for additional living expenses.

(d) "Board" means the governing board of the authority.

(e) "Bonds" means bonds, notes, commercial paper, variable rate and variable maturity securities, and any other evidence of indebtedness.

(f) "Capital market contract" means an agreement between the authority and a purchaser pursuant to which the purchaser agrees to purchase bonds of the authority.

(g) "Nonparticipating insurer" means an insurer that elects not to transfer or place any residential earthquake policies in the authority.

(h) "Panel" means the advisory panel of the authority.

(i) "Participating insurer" means an insurer that has elected to join the authority.

(j) "Policy of residential property insurance" means those policies described in Section 10087.

(k) "Private capital market" means one or more purchasers of bonds of the authority pursuant to a capital market contract.

(l) "Qualifying residential property" includes all those residential dwellings set forth in Section 10087.

(m) "Residential earthquake insurance market share" means an individual insurer's total direct premium received for (1) residential earthquake policies and endorsements written or renewed by the insurer

in California and (2) residential earthquake policies written or renewed by the authority for which the insurer has written or renewed an underlying policy of residential property insurance, divided by the total gross premiums received by all admitted insurers and the authority for their basic residential earthquake insurance in California.

(n) "Residential property insurance market share" means an individual insurer's total gross premiums received for residential property insurance policies written or renewed by the insurer, divided by the total gross premiums received by all admitted insurers for residential property insurance in California.

(o) "Revenue" means all income and receipts of the authority, including, but not limited to, income and receipts derived from premiums, bond purchase agreements, capital contributions by insurers, assessments levied on insurers, surcharges applied to authority earthquake policyholders, and all interest or other income from investment of money in any fund or account of the authority established for the payment of principal or interest, or premiums on bonds, including reserve funds.

(p) "Unearned premium reserve" means an amount equal to the unearned portion of premiums due to, or received by, the authority on all of its policies of residential earthquake insurance, without deduction on account of reinsurance ceded. The unearned premium reserve shall be charged as a reserve liability in determining the authority's financial condition. Because the unearned premium reserve is established and maintained to protect the interests of authority policyholders in their unexpired authority policies, authority assets in an amount equal to the unearned premium reserve shall not be subject to encumbrance by, or distribution to, creditors of or claimants against the authority unless and until the authority has paid in full all policyholder claims and policyholder liabilities.

CHAPTER 145

An act to add Section 54451.5 to, and to amend Sections 54452 and 54453 of, the Food and Agricultural Code, relating to cooperative associations.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 54451.5 is added to the Food and Agricultural Code, to read:

54451.5. The advisory committee established pursuant to Section 54442 shall recommend to the department a conciliation service to be appointed by the department in the event that the parties cannot agree on a conciliator.

SEC. 2. Section 54452 of the Food and Agricultural Code is amended to read:

54452. The following procedure shall be used upon receipt by the department of a request for conciliation:

(a) The request from one of the parties to the negotiation, referred to as the requesting party, shall be presented on a form prescribed by the department.

(b) The requesting party shall submit, along with the request, the last offer made to the other party, referred to as the responding party, reasons for rejection of the responding party's last offer, and an indication as to what the requesting party believes would be required to reach an agreement. A copy of the request, as well as any information required pursuant to this subdivision, shall be express mailed to the responding party on the same day that the request is submitted to the department.

(c) On the next business day after receiving the request for conciliation, the department shall notify the responding party that a request for conciliation has been received. The responding party shall be required to respond to the department within three business days after receipt of notification that conciliation has been requested. The response from the responding party shall include the last offer made to the requesting party, reasons for rejection of the requesting party's last offer, and an indication as to what the responding party believes would be required to reach an agreement. The responding party's response shall be made on a form prescribed by the department. A copy of the response, as well as any information required pursuant to this subdivision, shall be express mailed to the requesting party on the same day that the response is submitted to the department.

(d) On the same day that the responding party is notified by the department that a request for conciliation has been made, the department shall notify the conciliation service designated by the department pursuant to Section 54451.5 that conciliation may be ordered.

(e) On the date that the department notifies the responding party that a conciliation has been requested, the department may also request additional information from either party and the department shall notify both parties of their right to use a conciliator agreed upon by the parties

if the parties notify the department of their agreement before conciliation is ordered.

(f) Both parties have three business days after the date of the request made pursuant to subdivision (e) in which to respond to the request for additional information.

(g) Within three business days after final receipt from the parties of all information requested by the department, the department shall determine whether conciliation shall be conducted.

SEC. 2. Section 54453 of the Food and Agricultural Code is amended to read:

54453. (a) If conciliation is ordered, the department shall, on the day the department determines that conciliation shall be conducted, notify both parties that the conciliation will take place and direct the conciliator agreed to by the parties to commence the conciliation process in accordance with its commercial mediation rules. If the parties have not agreed upon a conciliator, the department shall appoint the conciliation service designated by the department pursuant to Section 54451.5, and direct that conciliation service to commence the conciliation process in accordance with its commercial mediation rules. However, this article prevails if there is any conflict between those rules and this article.

(b) Confidential information disclosed to a conciliator by the parties or by any other person in the course of the conciliation shall not be divulged by the conciliator. All statements, oral or written, records, reports, or other documents received or made by a conciliator while serving in that capacity, or by any other person, shall be confidential. The conciliator shall not be compelled to divulge the information or to testify in regard to the conciliation in any proceeding or judicial forum. The parties shall maintain the confidentiality of the conciliation, and shall not rely on, or introduce as evidence in any proceeding or forum, any of the following:

(1) Views expressed or suggestions made by any party in the course of conciliation proceedings with respect to a possible settlement of the dispute.

(2) Admissions by any party in the course of conciliation proceedings.

(3) Proposals made or views expressed by the conciliator.

(4) The fact that any party in the course of conciliation proceedings had or had not indicated willingness to accept a proposal for settlement made by the conciliator or other party.

CHAPTER 146

An act to amend Sections 1786.20 and 1786.50 of the Civil Code, relating to investigative consumer reports.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1786.20 of the Civil Code is amended to read:
1786.20. (a) An investigative consumer reporting agency shall maintain reasonable procedures designed to avoid violations of Section 1786.18 and to limit furnishing of investigative consumer reports for the purposes listed under Section 1786.12. These procedures shall require that prospective users of the information identify themselves, certify the purposes for which the information is sought and that the information will be used for no other purposes, and make the certifications described in paragraph (4) of subdivision (a) of Section 1786.16. From the effective date of this title, the investigative consumer reporting agency shall keep a record of the purposes for which information is sought, as stated by the user. The investigative consumer reporting agency may assume that the purpose for which a user seeks information remains the same as that which a user has previously stated. The investigative consumer reporting agency shall inform the user that the user is obligated to notify the agency of any change in the purpose for which information will be used. An investigative consumer reporting agency shall make a reasonable effort to verify the identity of a new prospective user and the uses certified by the prospective user prior to furnishing the user any investigative consumer reports. An investigative consumer reporting agency may not furnish an investigative consumer report to a person unless it has a written agreement that the investigative consumer reports will be used by that person only for purposes listed in Section 1786.12.

(b) Whenever an investigative consumer reporting agency prepares an investigative consumer report, it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates. An investigative consumer reporting agency shall retain the investigative consumer report for two years after the report is provided.

(c) An investigative consumer reporting agency may not make an inquiry for the purpose of preparing an investigative consumer report on a consumer for employment purposes if the making of the inquiry by an employer or prospective employer of the consumer would violate

applicable federal or state equal employment opportunity law or regulation.

SEC. 2. Section 1786.50 of the Civil Code is amended to read:

1786.50. (a) An investigative consumer reporting agency or user of information that fails to comply with any requirement under this title with respect to an investigative consumer report is liable to the consumer who is the subject of the report in an amount equal to the sum of all the following:

(1) Any actual damages sustained by the consumer as a result of the failure or, except in the case of class actions, ten thousand dollars (\$10,000), whichever sum is greater.

(2) In the case of any successful action to enforce any liability under this chapter, the costs of the action together with reasonable attorney's fees as determined by the court.

(b) If the court determines that the violation was grossly negligent or willful, the court may, in addition, assess, and the consumer may recover, punitive damages.

(c) Notwithstanding subdivision (a), an investigative consumer reporting agency or user of information that fails to comply with any requirement under this title with respect to an investigative consumer report shall not be liable to a consumer who is the subject of the report where the failure to comply results in a more favorable investigative consumer report than if there had not been a failure to comply.

CHAPTER 147

An act to amend Sections 11500, 11502, and 11504 of, and to add Section 11502.5 to, the Business and Professions Code, and to amend Section 1363.5 of the Civil Code, relating to common interest development managers, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 11500 of the Business and Professions Code is amended to read:

11500. For purposes of this chapter, the following definitions apply:

(a) "Common interest development" means a residential development identified in subdivision (c) of Section 1351 of the Civil Code.

(b) “Community association” means a nonprofit corporation or unincorporated association created for the purpose of managing a common interest development. A community association is an “association” as defined in subdivision (a) of Section 1351 of the Civil Code.

(c) “Financial services” means an act performed or offered to be performed, for compensation, for a community association including, but not limited to, the preparation of internal unaudited financial statements, internal accounting and bookkeeping functions, billing of assessments, and related services.

(d) “Management services” means an act performed or offered to be performed in an advisory capacity for a community association including, but not limited to, the following:

(1) Administering or supervising the financial or common area assets of a community association or common interest development, at the direction of the community association’s governing body.

(2) Implementing resolutions and directives of the board of directors of the community association elected to oversee the operation of a common interest development.

(3) Implementing provisions of governing documents, as defined in Section 1351 of the Civil Code, which govern the operation of the community association or common interest development.

(4) Administering a community association’s contracts, including insurance contracts, within the scope of the community association’s duties or with other common interest development managers, vendors, contractors, and other third-party providers of goods and services to a community association or common interest development.

(e) “Professional association for common interest development managers” means an organization that meets all of the following:

(1) Has at least 200 members or certificants who are common interest development managers in California.

(2) Has been in existence for at least five years.

(3) Operates pursuant to Section 501(c) of the Internal Revenue Code.

(4) Certifies that a common interest development manager has met the criteria set forth in Section 11502 without requiring membership in the association.

(5) Requires adherence to a code of professional ethics and standards of practice for certified common interest development managers.

SEC. 2. Section 11502 of the Business and Professions Code is amended to read:

11502. In order to be called a “certified common interest development manager,” the person shall meet one of the following requirements:

(a) Prior to July 1, 2003, has passed a knowledge, skills, and aptitude examination as specified in Section 11502.5 or has been granted a certification or a designation by a professional association for common interest development managers, and who has, within five years prior to July 1, 2004, received instruction in California law pursuant to paragraph (1) of subdivision (b).

(b) On or after July 1, 2003, has successfully completed an educational curriculum that shall be no less than a combined 30 hours in coursework described in this subdivision and passed an examination or examinations that test competence in common interest development management in the following areas:

(1) Instruction in California law that is related to the management of common interest developments, including, but not limited to, the following courses of study:

(A) The topics covered by the Davis-Stirling Common Interest Development Act, contained in Sections 1350 to 1376, inclusive, of the Civil Code, including, but not limited to, the types of California common interest developments, disclosure requirements pertaining to common interest developments, meeting requirements for community association boards of directors and members, financial disclosure and reporting requirements, and access to community association records.

(B) Personnel issues, including, but not limited to, general matters related to independent contractor or employee status, issues related to types of harassment, the Unruh Civil Rights Act, fair employment laws, and the Americans with Disabilities Act.

(C) Risk management as it pertains to common interest development, including, but not limited to, required insurance coverage and preventative maintenance programs.

(D) Property protection, including, but not limited to, general matters relating to hazardous materials such as asbestos, radon, and lead, the Vehicle Code, local and municipal regulations, family day care homes, energy conservation, Federal Communications Commission rules and regulations, and solar energy systems.

(E) The business affairs of community associations, including, but not limited to, necessary compliance with all required local, state, and federal laws and treatises.

(F) Basic understanding of governing documents, codes, and regulations relating to the activities and affairs of community associations and common interest developments.

(2) Instruction in general management that is related to the managerial and business skills needed for management of a common interest development, including, but not limited to, the following:

(A) Finance issues, including, but not limited to, budget preparation, management, and administration of community association financial affairs, bankruptcy laws, and assessment collection activities.

(B) Contract negotiation and administration.

(C) Supervision of common interest development employees and staff.

(D) Management of common interest development maintenance programs.

(E) Management and administration of rules, regulations, parliamentary procedures, and architectural standards pertaining to community associations and common interest developments.

(F) Management and administration of common interest development recreational programs and facilities.

(G) Management and administration of owner and resident communications.

(H) Training and strategic planning for the community association's board of directors and committees, and other activities of residents in a common interest development.

(I) Risk management as it pertains to common interest development properties, activities, and emergency preparedness.

(J) Implementation of community association policies and procedures.

(K) Ethics for common interest development managers.

(L) Professional conduct and standards of practice for common interest development managers.

(M) Current issues relating to common interest developments.

SEC. 3. Section 11502.5 is added to the Business and Professions Code, to read:

11502.5. The course related competency examination or examinations and education provided to a certified common interest development manager pursuant to Section 11502 by any professional association for common interest development managers, or any postsecondary educational institution, shall be developed and administered in a manner consistent with standards and requirements set forth by the American Educational Research Association's "Standards for Educational and Psychological Testing," and the Equal Employment Opportunity Commission's "Uniform Guidelines for Employee Selection Procedures," the Civil Rights Act of 1991, and the Americans with Disabilities Act of 1990, or the course or courses that have been approved as a continuing education course or an equivalent course of study pursuant to the regulations of the Real Estate Commissioner.

SEC. 4. Section 11504 of the Business and Professions Code is amended to read:

11504. On or before September 1, 2003, and on an annual basis thereafter, a person who either provides or contemplates providing the services of a common interest development manager to a community association shall disclose to the board of directors of the community association the following information:

(a) Whether or not the common interest development manager has met the requirements of Section 11502 so he or she may be called a certified common interest development manager.

(b) The name, address, and telephone number of the professional association that certified the common interest development manager, the date the manager was certified, and the status of the certification.

(c) The location of his or her primary office.

(d) Prior to entering into or renewing a contract with a community association, the common interest development manager shall disclose to the governing board of the community association whether the fidelity insurance of the community manager or his or her employer covers the operating and reserve funds of the community association. This requirement may not be construed to compel or require a community association or common interest development manager to require fidelity insurance.

(e) Possession of an active real estate license, if applicable.

This section may not preclude a common interest development manager from disclosing information as required in Section 1363.1 of the Civil Code.

SEC. 5. Section 1363.5 of the Civil Code is amended to read:

1363.5. (a) The articles of incorporation of a common interest development association filed with the Secretary of State on or after January 1, 1995, shall include a statement, which shall be in addition to the statement of purposes of the corporation, that does all of the following:

(1) Identifies the corporation as an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act.

(2) States the business or corporate office of the association, if any, and, if the office is not on the site of the common interest development, states the nine-digit ZIP Code, front street, and nearest cross street for the physical location of the common interest development.

(3) States the name and address of the association's managing agent, as defined in Section 1363.1, if any.

(b) The statement of principal business activity contained in the annual statement filed by an incorporated association with the Secretary of State pursuant to Section 1502 of the Corporations Code shall also contain the statement specified in subdivision (a).

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 revise the requirements for a certified common interest development manager as soon as possible in order to better protect the public, it is necessary that this act go into immediate effect.

CHAPTER 148

An act to amend Sections 2071, 2074.7, 2074.8, 5093, and 6010 of, and to add Section 677.4 to, the Insurance Code, relating to property insurance.

[Approved by Governor July 31, 2003. Filed with Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 677.4 is added to the Insurance Code, to read: 677.4. A notice of cancellation with respect to a policy covered under Section 675 shall be delivered at least 20 calendar days prior to the effective date of the cancellation, except that in the case of a cancellation for nonpayment of premiums, or for fraud, the notice shall be given at least 10 calendar days prior to the effective date of the cancellation. Subdivision (a) of Section 1013 of the Code of Civil Procedure is applicable if the notice is mailed.

SEC. 2. Section 2071 of the Insurance Code is amended to read: 2071. (a) The following is adopted as the standard form of fire insurance policy for this state:

California Standard Form Fire Insurance Policy

No.

[Space for insertion of name of company or companies issuing the policy and other matter permitted to be stated at the head of the policy.]

[Space for listing amounts of insurance, rates and premiums for the basic coverages insured under the standard form of policy and for additional coverages or perils insured under endorsements attached.]

In consideration of the provisions and stipulations herein or added hereto and of ____ dollars premium this company, for the term of

from the _____ day of _____, 20____ } At 12:01 a.m.,
to the _____ day of _____, 20____ } standard time,

at location of property involved, to an amount not exceeding _____ dollars, does insure _____ and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after the loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described hereinafter while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with any other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

IN WITNESS WHEREOF, this company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized agent of this company at

Secretary. President.
Countersigned this _____ day of _____, 20____
_____ Agent

Concealment, fraud

This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

Uninsurable and excepted property

This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included

This company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that the fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this company be liable for loss by theft.

Other insurance

Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance

Unless otherwise provided in writing added hereto this company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of 60 consecutive days; or (c) as a result of explosion or riot, unless fire ensues, and in that event for loss by fire only.

Other perils or subjects

Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

Added provisions

The extent of the application of insurance under this policy and of the contribution to be made by this company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy or by statute is subject to change.

Waiver provisions

No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this company relating to appraisal or to any examination provided for herein.

Cancellation of policy

This policy shall be canceled at any time at the request of the insured, in which case this company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be canceled at any time by this company by giving to the insured a 20 days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand. If the reason for cancellation is nonpayment of premium, this policy may be canceled by this company by giving to the insured a 10 days' written notice of cancellation.

Mortgagee interests and obligations

If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, the interest in this policy may be canceled by giving to the mortgagee a 10 days' written notice of cancellation.

If the insured fails to render proof of loss the mortgagee, upon notice, shall render proof of loss in the form herein specified within 60 days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the

mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of the mortgagee may be added hereto by agreement in writing.

Pro rata liability

This company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case loss occurs

The insured shall give written notice to this company of any loss without unnecessary delay, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within 60 days after the loss, unless the time is extended in writing by this company, the insured shall render to this company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required and obtainable, verified plans and specifications of any building, fixtures or machinery destroyed or damaged.

The insured, as often as may be reasonably required and subject to the provisions of Section 2071.1, shall exhibit to any person designated by this company all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same; and, as often as may be reasonably required, shall produce for examinations all books of account, bills, invoices, and other vouchers, or certified copies thereof if the originals be lost, at any reasonable time and place as may be designated by this

company or its representative, and shall permit extracts and copies thereof to be made. The insurer shall inform the insured that tax returns are privileged against disclosure under applicable law but may be necessary to process or determine the claim.

The insurer shall notify every claimant that they may obtain, upon request, copies of claim-related documents. For purposes of this section, "claim-related documents" means all documents that relate to the evaluation of damages, including, but not limited to, repair and replacement estimates and bids, appraisals, scopes of loss, drawings, plans, reports, third party findings on the amount of loss, covered damages, and cost of repairs, and all other valuation, measurement, and loss adjustment calculations of the amount of loss, covered damage, and cost of repairs. However, attorney work product and attorney-client privileged documents, and documents that indicate fraud by the insured or that contain medically privileged information, are excluded from the documents an insurer is required to provide pursuant to this section to a claimant. Within 15 calendar days after receiving a request from an insured for claim-related documents, the insurer shall provide the insured with copies of all claim-related documents, except those excluded by this section. Nothing in this section shall be construed to affect existing litigation discovery rights.

Appraisal

In case the insured and this company shall fail to agree as to the actual cash value or the amount of loss, then, on the written request of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of the request. Where the request is accepted, the appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon the umpire, then, on request of the insured or this company, the umpire shall be selected by a judge of a court of record in the state in which the property covered is located. Appraisal proceedings are informal unless the insured and this company mutually agree otherwise. For purposes of this section, "informal" means that no formal discovery shall be conducted, including depositions, interrogatories, requests for admission, or other forms of formal civil discovery, no formal rules of evidence shall be applied, and no court reporter shall be used for the proceedings. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him or her and the expenses of appraisal and umpire shall be paid by the

parties equally. In the event of a government-declared disaster, as defined in the Government Code, appraisal may be requested by either the insured or this company but shall not be compelled.

Adjusters

If, within a six-month period, the company assigns a third or subsequent adjuster to be primarily responsible for a claim, the insurer, in a timely manner, shall provide the insured with a written status report. For purposes of this section, a written status report shall include a summary of any decisions or actions that are substantially related to the disposition of a claim, including, but not limited to, the amount of losses to structures or contents, the retention or consultation of design or construction professionals, the amount of coverage for losses to structures or contents and all items of dispute.

Company's options

It shall be optional with this company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within 30 days after the receipt of the proof of loss herein required.

Abandonment

There can be no abandonment to this company of any property.

When loss payable

The amount of loss for which this company may be liable shall be payable 60 days after proof of loss, as herein provided, is received by this company and ascertainment of the loss is made either by agreement between the insured and this company expressed in writing or by the filing with this company of an award as herein provided.

Suit

No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within 12 months next after inception of the loss.

Subrogation

This company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this company.

(b) Any amendments to this section by the enactment of Senate Bill 658 of the 2001–02 Regular Session shall govern a policy utilizing the form provided in subdivision (a) when that policy is originated or renewed on and after January 1, 2002.

(c) The amendments to this section made by the act adding this subdivision shall govern a policy utilizing the form provided in subdivision (a) when that policy is originated or renewed on and after January 1, 2004.

SEC. 3. Section 2074.7 of the Insurance Code is amended to read:

2074.7. Notwithstanding the provisions of Section 2071 granting the right to both insured and insurer to cancel a policy of insurance, or the provisions of any policy conforming to that section, the right of the insurer, but not that of the insured, to so cancel shall be subject to modification by written general order or orders of the commissioner, if: (1) the property insured is in the State of California; (2) the insurance policy contains any “basic property insurance” as that term is defined in Chapter 9 (commencing with Section 10090) of Part 1, Division 2 of this code; and (3) the property insured is, on the date of the order or orders of the commissioner, within any geographic area to which any “Fair Plan” approved by the commissioner pursuant to that chapter is applicable.

The commissioner’s order or orders may deny to insurers the right to cancel those policies on less than 60 days’ notice, or on a lesser number of days of notice that the commissioner may designate, except that the number of days of notice may not be less than 20. The commissioner’s order or orders shall apply uniformly to all insurers having those policies outstanding in all or any designated portions of such a geographic area.

This section, and any order of the commissioner, shall not be effective as to any policy unless the property insured therein is then within a geographic area to which a “Fair Plan” is applicable.

The orders of the commissioner may contain generally applicable exceptions of certain types of properties, certain types of policies, policies solicited in a particular manner, or policies obtained upon particular representations of the insured. The orders shall except policies upon which premiums or premium installments have not been paid in accordance with the agreement of the insured, whether payable directly to the insurer or its agent, or indirectly under any premium finance plan or plans for the extension of credit.

No order shall be adopted by the commissioner pursuant to this section unless he or she has determined that the order is reasonably necessary to carry out the provisions of a "Fair Plan".

SEC. 4. Section 2074.8 of the Insurance Code is amended to read:

2074.8. Notwithstanding any of the other provisions of Sections 2071 and 6010, those paragraphs in Sections 2071 and 6010 captioned "Cancellation of policy" may, in any policy subject to Chapter 11 (commencing with Section 675) of Part 1 of Division 1, have that paragraph in the text of the policy stricken or changed by endorsement and the following paragraph substituted therefor:

"This policy shall be canceled at any time at the request of the insured, in which case this company shall, upon demand and surrender of the policy, refund the excess of paid premiums above the customary short rate for the expired time. This policy may be canceled by this company by written notice mailed or delivered to the named insured at the address shown in the policy, with or without tender of the excess of paid premiums above the pro rata premiums for the expired time, stating when, not less than 20 days after that mailing or delivery, cancellation shall be effective. Notice of cancellation shall state that the excess premiums, if not tendered, will be refunded on demand, and contain those matters that are required to comply with Chapter 11 (commencing with Section 675) of Part 1 of Division 1."

SEC. 5. Section 5093 of the Insurance Code is amended to read:

5093. The insurer may cancel any policy by giving the insured 20 days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that the excess premium (if not tendered) will be refunded on demand. The notice may be served in person or by mail, addressed either to the member's last post office address or, if this is not known, to the address given upon the application which is part of the policy.

SEC. 6. Section 6010 of the Insurance Code is amended to read:

6010. (a) The following is adopted as the standard form of county mutual fire insurer's policy for this state:

CALIFORNIA STANDARD FORM OF COUNTY FIRE INSURANCE POLICY

No.

(Space for insertion of name of company or companies issuing the policy and other matter permitted to be stated at the head of the policy.)

(Space for listing amounts of insurance, rates and premiums for the basic coverages insured under the standard form of policy and for additional coverages or perils insured under endorsements attached.)

In consideration of the provisions and stipulations herein or added hereto, of the obligations herein and in the application, and of _____ dollars premium this company, for the term of _____ from the _____ day of _____, 20____ } at 12:01 a.m., to the _____ day of _____, 20____ } standard time, at location of property involved, to an amount not exceeding _____ dollars, does accept as a member and insure _____ and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described hereinafter while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

For a more particular description, and as forming a part of this policy, reference is had to application No. ____ on file in the office of this company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

The charter and bylaws of this company are to be resorted to and used to explain the rights and obligations of the parties hereto in all cases not herein otherwise specially provided for, and are hereby made a part of this policy. This policy is made and accepted upon the above expressed condition.

IN WITNESS WHEREOF, this company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized secretary of this company at _____.

_____	_____
Secretary.	President.
Countersigned this _____ day of _____, 20____.	
	_____ Secretary.

Concealment, fraud

This entire policy shall be void if, whether before or after a loss, the insured has willfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto.

Uninsurable and excepted property

This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included

This company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire; provided, that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this company be liable for loss by theft.

Other insurance

Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance

Unless otherwise provided in writing added hereto this company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or (b) while a described building, whether intended for occupancy by owner or tenant, is vacant or unoccupied beyond a period of 60 consecutive days; or (c) as a result of explosion or riot, unless fire ensue, and in that event for loss by fire only.

Other perils or subjects

Any other peril to be insured against or subject of insurance to be covered in this policy shall be by endorsement in writing hereon or added hereto.

Added provisions

The extent of the application of insurance under this policy and of the contribution to be made by this company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy or by statute is subject to change.

Waiver provisions

No permission affecting this insurance shall exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this company relating to appraisal or to any examination provided for herein.

Cancellation of policy

This policy may be canceled and the insured as a member of this company may withdraw therefrom by the insured surrendering his policy for cancellation at any time during the life of the policy and while the company continues the business for which it was organized, by giving notice in writing to the company and by paying such obligations as may have accrued against him on the day of cancellation. This policy may be canceled at any time by this company by giving to the insured 20 days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand. If the reason for cancellation is nonpayment of premium, this policy may be canceled by this company by giving to the insured a 10 days' written notice of cancellation.

Assignment

This company may give its consent in writing allowing the assignment of this policy upon the bona fide sale of the property insured herein;

provided, within 30 days from the transfer of the title to the within property and upon the assignment thereof such purchaser or his agent signs an agreement becoming a member and accepting the conditions of the within policy; otherwise this policy to be null and void, except as to holders of a mortgage or deed of trust.

Mortgagee interests and obligations

If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be canceled by giving to such mortgagee a 10 days' written notice of cancellation.

If the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within 60 days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing.

Pro rata liability

This company shall not be liable for a greater proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not.

Requirements in case loss occurs

The insured shall give written notice to this company of any loss without unnecessary delay, protect the property from further damage, forthwith separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within 60 days after the loss, unless such time is extended in writing by this company, the insured shall render to this company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: The time and origin of the loss, the interest of the insured and of all others in the property, the actual cash

value of each item thereof and the amount of loss thereto, all encumbrances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required and obtainable, verified plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this company all that remains of any property herein described, and submit to examinations under oath by any person named by this company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by this company or its representative, and shall permit extracts and copies thereof to be made.

Appraisal

In case the insured and this company shall fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within 20 days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for 15 days to agree upon such umpire, then, on request of the insured or this company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

Company's options

It shall be optional with this company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and

quality within a reasonable time, on giving notice of its intention so to do within 30 days after the receipt of the proof of loss herein required.

Abandonment

There can be no abandonment to this company of any property.

When loss payable

Except where assessment is required as hereinafter provided, the amount of loss for which this company may be liable shall be payable 60 days after proof of loss, as herein provided, is received by this company and ascertainment of the loss is made either by agreement between the insured and this company expressed in writing or by the filing with this company of an award as herein provided.

Assessment for deficiency

When the amount of any loss shall have been ascertained, which exceeds in amount the cash funds of the company, the president shall convene the directors of this company, who shall proceed in the manner provided by Article 8 of Chapter 5 of Part 1 of Division 2 of the Insurance Code of the State of California.

Notice of assessment

It shall be the duty of the secretary, whenever assessment shall have been made, to immediately notify every person holding a risk in this company, personally, by an agent, or by letter directed to his usual post office address, of the amount of such loss, and the sum due from him, as his share thereof, and of the time and to whom such payment is made; but such time shall not be less than 30 days, nor more than 90 days from date of such notice. No assessment or assessments can be levied under this policy in excess of three times the premium named herein.

Action for neglect or refusal to pay assessments

An action may be brought against the member whose property is insured herein and this policy is automatically suspended if the insured shall not have paid, before it is delinquent, his portion of any assessment levied or other liability due this company for a period in excess of 90 days. The directors of this company who shall willfully refuse or neglect to perform the duties imposed upon them by law or the bylaws of the company, shall be liable in their individual capacity to the person

sustaining such loss. An action may also be brought and maintained against this company by members thereof for losses sustained if payment is withheld after the amount of such losses have been determined and is due by the terms of the policy.

Suit

No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within 12 months next after inception of the loss.

Subrogation

This company may require from the insured an assignment of all right of recovery against any party for loss to the extent that payment therefor is made by this company.

(b) The amendments to this section made by the act adding this subdivision shall govern a policy utilizing the form provided in subdivision (a) when that policy is originated or renewed on and after January 1, 2004.

CHAPTER 149

An act to amend Sections 73c, 73d, 90, 116.250, 116.310, 196, 208, 431.30, and 575.1 of the Code of Civil Procedure, to amend Section 16603 of the Election Code, to amend Section 1811 of the Family Code, to amend Section 17647 of the Financial Code, to amend Section 12157 of the Fish and Game Code, to amend Section 21856 of the Food and Agricultural Code, to amend Sections 20437, 24151, 24250.1, 40230, 68079, 68100, 68108, 68620, 69841, 71601, and 71622 of, to repeal Sections 68112, 68112.5, 68114, 68114.5, 68114.6, 68114.9, 69595.5, 69741, 69742, 69743, 69744, 69744.5, 69745, 69745.5, 69746, 69746.5, 69747, 69748, 69748.1, 69749, 69749.2, 69749.3, 69749.4, 69751.5, 69752, 69891, 69893, 69894.2, 69902.5, 71081, 73648, and 74748 of, to repeal Article 6 (commencing with Section 69790) of Chapter 5 of, Article 9 (commencing with Section 71340) of Chapter 6 of, and Article 36 (commencing with Section 74920) of Chapter 10 of, to repeal and add Section 69740 of, and to repeal and add Article 4 (commencing with Section 69640) of Chapter 5 of, Title 8 of, the Government Code, to amend Section 4042 of the Harbors and

Navigation Code, to amend Sections 825, 830.1, 853.6a, 896, 900, 904, 908, 908.1, 908.2, 1269b, 1463.28, and 3075 of, and to repeal Section 903 of, the Penal Code, to amend Section 7814 of the Public Utilities Code, to amend Section 30865 of the Streets and Highways Code, to amend Sections 1816, 13105, 13352, 13352.3, 13355, 23520, 23521, and 40502 of the Vehicle Code, and to amend Sections 258 and 654.1 of, and to repeal Section 247 of, the Welfare and Institutions Code, relating to courts.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 73c of the Code of Civil Procedure is amended to read:

73c. Notwithstanding anything to the contrary contained in any other law of this state, the judges of the superior court of the county in which is located the principal office in this state of any savings and loan association of whose business, property and assets possession shall have been taken by the Commissioner of Financial Institutions, may, in their discretion, whenever those judges deem it necessary or advisable, hold hearings relating to the sale, exchange or other disposition of any parcel of real property or any item of personal property of the association, regardless of the location of the property, at the county seat of any county in this state or at the places in the county in which the principal office in this state of the association is located at which sessions of the superior court are held.

SEC. 2. Section 73d of the Code of Civil Procedure is amended to read:

73d. Whenever, under Section 73c, it becomes necessary for a judge, clerk, deputy clerk, court reporter or bailiff of or sitting in the superior court of the county in this state in which is located the principal office of any savings and loan association whose business, property and assets are in the possession of the Commissioner of Financial Institutions, to travel to another county, there temporarily to attend hearings relating to the sale, exchange or other disposition of real or personal property of the association, each judge, clerk, deputy clerk, court reporter or bailiff shall be allowed the necessary expenses in going to, returning from and attending upon the business of the court. The expenses shall, upon order of the court, be a charge against the funds of the association and paid out of those funds by the Commissioner of Financial Institutions.

SEC. 3. Section 90 of the Code of Civil Procedure is amended to read:

90. Except where changed by the provisions of this article, all provisions of law applicable to civil actions generally apply to actions subject to this article.

SEC. 4. Section 116.250 of the Code of Civil Procedure is amended to read:

116.250. (a) Sessions of the small claims court may be scheduled at any time and on any day, including Saturdays, but excluding other judicial holidays.

(b) Each small claims division of a superior court with seven or more judicial officers shall conduct at least one night session or Saturday session each month for the purpose of hearing small claims cases other than small claims appeals. The term "session" includes, but is not limited to, a proceeding conducted by a member of the State Bar acting as a mediator or referee.

SEC. 5. Section 116.310 of the Code of Civil Procedure is amended to read:

116.310. (a) No formal pleading, other than the claim described in Section 116.320 or 116.360, is necessary to initiate a small claims action.

(b) The pretrial discovery procedures described in subdivision (a) of Section 2019 are not permitted in small claims actions.

SEC. 6. Section 196 of the Code of Civil Procedure is amended to read:

196. (a) The jury commissioner or the court shall inquire as to the qualifications of persons on the master list or source list who are or may be summoned for jury service. The commissioner or the court may require any person to answer, under oath, orally or in written form, all questions as may be addressed to that person, regarding the person's qualifications and ability to serve as a prospective trial juror. The commissioner and his or her assistants shall have power to administer oaths and shall be allowed actual traveling expenses incurred in the performance of their duties.

(b) Response to the jury commissioner or the court concerning an inquiry or summons may be made by any person having knowledge that the prospective juror is unable to respond to such inquiry or summons.

(c) Any person who fails to respond to jury commissioner or court inquiry as instructed, may be summoned to appear before the jury commissioner or the court to answer the inquiry, or may be deemed to be qualified for jury service in the absence of a response to the inquiry. Any information thus acquired by the court or jury commissioner shall be noted in jury commissioner or court records.

SEC. 7. Section 208 of the Code of Civil Procedure is amended to read:

208. The jury commissioner shall estimate the number of prospective jurors that may be required to serve the needs of the court,

and shall summon prospective jurors for service. Prospective jurors shall be summoned by mailing a summons by first-class mail or by personal service or, in urgency situations, as elsewhere provided by law. The summons, when served by mail, shall be mailed at least 10 days prior to the date of required appearance. Once a prospective juror has been summoned, the date, time, or place of appearance may be modified or further specified by the jury commissioner, by means of written, telegraphic, telephonic, or direct oral communication with the prospective juror.

SEC. 8. Section 431.30 of the Code of Civil Procedure is amended to read:

431.30. (a) As used in this section:

(1) "Complaint" includes a cross-complaint.

(2) "Defendant" includes a person filing an answer to a cross-complaint.

(b) The answer to a complaint shall contain:

(1) The general or specific denial of the material allegations of the complaint controverted by the defendant.

(2) A statement of any new matter constituting a defense.

(c) Affirmative relief may not be claimed in the answer.

(d) If the complaint is subject to Article 2 (commencing with Section 90) of Chapter 5.1 of Title 1 of Part 1 or is not verified, a general denial is sufficient but only puts in issue the material allegations of the complaint. If the complaint is verified, unless the complaint is subject to Article 2 (commencing with Section 90) of Chapter 5.1 of Title 1 of Part 1, the denial of the allegations shall be made positively or according to the information and belief of the defendant. However, if the cause of action is a claim assigned to a third party for collection and the complaint is verified, the denial of the allegations shall be made positively or according to the information and belief of the defendant, even if the complaint is subject to Article 2 (commencing with Section 90) of Chapter 5.1 of Title 1 of Part 1.

(e) If the defendant has no information or belief upon the subject sufficient to enable him or her to answer an allegation of the complaint, he or she may so state in his or her answer and place his or her denial on that ground.

(f) The denials of the allegations controverted may be stated by reference to specific paragraphs or parts of the complaint; or by express admission of certain allegations of the complaint with a general denial of all of the allegations not so admitted; or by denial of certain allegations upon information and belief, or for lack of sufficient information or belief, with a general denial of all allegations not so denied or expressly admitted.

(g) The defenses shall be separately stated, and the several defenses shall refer to the causes of action which they are intended to answer, in a manner by which they may be intelligibly distinguished.

SEC. 9. Section 575.1 of the Code of Civil Procedure is amended to read:

575.1. (a) The presiding judge of each superior court may prepare, with the assistance of appropriate committees of the court, proposed local rules designed to expedite and facilitate the business of the court. The rules need not be limited to those actions on the civil active list, but may provide for the supervision and judicial management of actions from the date they are filed. Rules prepared pursuant to this section shall be submitted for consideration to the judges of the court and, upon approval by a majority of the judges, the judges shall have the proposed rules published and submitted to the local bar and others, as specified by the Judicial Council, for consideration and recommendations.

(b) After a majority of the judges have officially adopted the rules, they shall be filed with the Judicial Council as required by Section 68071 of the Government Code and as specified in rules adopted by the Judicial Council. The Judicial Council shall prescribe rules to ensure that a complete current set of local rules and amendments, for each county in the state, is made available for public examination in each county. The local rules shall also be published for general distribution in accordance with rules adopted by the Judicial Council. Each court shall make its local rules available for inspection and copying in every location of the court that generally accepts filing of papers. The court may impose a reasonable charge for copying the rules and may impose a reasonable page limit on copying. The rules shall be accompanied by a notice indicating where a full set of the rules may be purchased.

(c) If a judge of a court adopts a rule that applies solely to cases in that judge's courtroom, or a particular branch or district of a court adopts a rule that applies solely to cases in that particular branch or district of a court, the court shall publish these rules as part of the general publication of rules required by the California Rules of Court. The court shall organize the rules so that rules on a common subject, whether individual, branch, district, or courtwide appear sequentially. Individual judges' rules and branch and district rules are local rules of court for purposes of this section and for purposes of the adoption, publication, comment, and filing requirements set forth in the Judicial Council rules applicable to local court rules.

SEC. 10. Section 16603 of the Elections Code is amended to read:

16603. The court shall continue in session to hear and determine all issues arising in contested elections. After hearing the proofs and allegations of the parties and within 10 days after the submission thereof, the court shall file its findings of fact and conclusions of law, and

immediately thereafter shall pronounce judgment in the premises, either confirming or annulling and setting aside the election. The judgment shall be entered immediately thereafter.

SEC. 11. Section 1811 of the Family Code is amended to read:

1811. The presiding judge of the superior court shall annually, in the month of January, designate at least one judge to hear all cases under this part.

SEC. 12. Section 17647 of the Financial Code is amended to read:

17647. Regardless of any law of this state, the judges of the superior court of the county in this state in which the principal office of the licensee is located may, whenever the judges deem it necessary or advisable, hold hearings relating to the sale, exchange, or other disposition of any real property or any personal property of the licensee regardless of the location of the property. The hearings shall be held at the county seat of any county in this state or at the places in the home county of the superior court at which sessions are held.

SEC. 13. Section 12157 of the Fish and Game Code is amended to read:

12157. (a) Except as provided in subdivision (b), the judge before whom any person is tried for a violation of any provision of this code, or regulation adopted pursuant thereto, may, upon the conviction of the person tried, order the forfeiture of any device or apparatus that is designed to be, or is capable of being, used to take birds, mammals, fish, reptiles, or amphibia and that was used in committing the offense charged.

(b) The judge shall, if the offense is punishable under Section 12008 of this code or under subdivision (c) of Section 597 of the Penal Code, order the forfeiture of any device or apparatus that is used in committing the offense, including, but not limited to, any vehicle that is used or intended for use in delivering, importing, or exporting any unlawfully taken, imported, or purchased species.

(c) (1) The judge may, for conviction of a violation of either of the following offenses, order forfeiture of any device or apparatus that is used in committing the offense, including, but not limited to, any vehicle used or intended for use in committing the offense:

(A) Section 2000 relating to deer, elk, antelope, feral pigs, European wild boars, black bears, and brown or cinnamon bears.

(B) Any offense that involves the sale, purchase, or possession of abalone for commercial purposes.

(2) In considering an order of forfeiture under this subdivision, the court shall take into consideration the nature, circumstances, extent, and gravity of the prohibited act committed, the degree of culpability of the violator, the property proposed for forfeiture, and other criminal or civil penalties imposed on the violator under other provisions of law for that

offense. The court shall impose lesser forfeiture penalties under this subdivision for those acts that have little significant effect upon natural resources or the property of another and greater forfeiture penalties for those acts that may cause serious injury to natural resources or the property of another, as determined by the court. In determining whether or not to order forfeiture of a vehicle, the court shall, in addition to any other relevant factor, consider whether the defendant is the owner of the vehicle and whether the owner of the vehicle had knowledge of the violation.

(3) It is the intent of the Legislature that forfeiture not be ordered pursuant to this subdivision for minor or inadvertent violations of Section 2000, as determined by the court.

(d) Any device or apparatus ordered forfeited shall be sold, used, or destroyed by the department.

(e) (1) The proceeds from all sales under this section, after payment of any valid liens on the forfeited property, shall be paid into the Fish and Game Preservation Fund.

(2) A lien in which the lienholder is a conspirator is not a valid lien for purposes of this subdivision.

(f) The provisions in this section authorizing or requiring a judge to order the forfeiture of a device or apparatus also apply to the judge, referee, or juvenile hearing officer in a juvenile court action brought under Section 258 of the Welfare and Institutions Code.

(g) For purposes of this section, a plea of nolo contendere or no contest, or forfeiture of bail, constitutes a conviction.

(h) Neither the disposition of the criminal action other than by conviction nor the discretionary refusal of the judge to order forfeiture upon conviction impairs the right of the department to commence proceedings to order the forfeiture of fish nets or traps pursuant to Section 8630.

SEC. 14. Section 21856 of the Food and Agricultural Code is amended to read:

21856. (a) The judge before whom any person is tried for the wrongful taking, possessing, killing, or slaughter of cattle without the consent of the owner or the person lawfully in possession of those cattle may, upon the conviction of the person tried, order the forfeiture of any device or apparatus that is designed to be, or is capable of being, used to commit the offense charged, and which was used in committing the offense charged. "Device or apparatus" includes, but is not limited to, any vehicle that is used or intended for use in taking, possessing, harboring, or transporting the cattle.

(b) Any device or apparatus ordered forfeited shall be sold, used, or destroyed by the department.

(c) The provisions in this section authorizing a judge to order the forfeiture of a device or apparatus are also applicable to the judge, referee, or juvenile hearing officer in a juvenile court action brought under Section 258 of the Welfare and Institutions Code.

(d) For purposes of this section, a plea of nolo contendere or no contest, or forfeiture of bail, constitutes a conviction.

(e) Neither the disposition of the criminal action other than by conviction nor the discretionary refusal of the judge to order forfeiture upon conviction impairs the right of the department to commence proceedings to order the forfeiture of property pursuant to any other provision of law.

SEC. 15. Section 20437 of the Government Code is amended to read:

20437. (a) "County peace officer" shall also include the constable and each regularly employed deputy constable and the marshal and each regularly employed deputy marshal who serves the superior court. He or she shall receive credit for service as a peace officer for any time he or she served as constable or deputy constable of a township or justice court or marshal or deputy marshal of a municipal court in the same county.

(b) The provisions of this section do not apply to the employees of a contracting agency nor to the agency, unless and until the contracting agency elects to be subject to this section by amendment to its contract with the board, made as provided in Section 20474, or by express provision in its contract with the board.

(c) "County peace officer" does not include any officer or employee who is a local sheriff, as defined in Section 20432.5.

SEC. 16. Section 24151 of the Government Code is amended to read:

24151. Prior to the primary election immediately preceding the election of county officers the judges of the superior court shall prescribe the amount in which each member of the board of supervisors shall execute an official bond, before entering upon the discharge of the duties of the office.

SEC. 17. Section 24250.1 of the Government Code is amended to read:

24250.1. Sheriffs shall also have offices in each city in which they perform court-related services and a facility of the superior court is located.

SEC. 18. Section 40230 of the Government Code is amended to read:

40230. For the purpose of determining where county offices shall be established, a city legislative body may establish the population of the city pursuant to this article.

SEC. 19. Section 68079 of the Government Code is amended to read:

68079. A court for which the necessary seal has not been provided, or the judges of that court, shall provide it. The expense shall be an item of court operations.

SEC. 20. Section 68100 of the Government Code is amended to read:

68100. When the court is held at a place appointed, pursuant to Section 68115, every person held to appear at the court shall appear at the place so appointed.

SEC. 21. Section 68108 of the Government Code is amended to read:

68108. (a) To the extent that a memorandum of understanding for trial court employees designates certain days as unpaid furlough days for employees assigned to regular positions in the superior court, the court may not be in session on those days except as ordered by the presiding judge. On these furlough days, if the court clerk's office is not open to the public, each court shall permit documents to be filed at a drop box pursuant to subdivision (b). If the court is not in session on a furlough day, an appropriate judicial officer shall be available to conduct arraignments and examinations as required pursuant to Section 825 of the Penal Code, and to sign any necessary documents on an emergency basis.

(b) A drop box shall provide for an automated, official time and date stamping mechanism or other means of determining the actual date on which a document was deposited in the drop box.

SEC. 22. Section 68112 of the Government Code is repealed.

SEC. 23. Section 68112.5 of the Government Code is repealed.

SEC. 24. Section 68114 of the Government Code is repealed.

SEC. 25. Section 68114.5 of the Government Code is repealed.

SEC. 26. Section 68114.6 of the Government Code is repealed.

SEC. 27. Section 68114.9 of the Government Code is repealed.

SEC. 28. Section 68620 of the Government Code is amended to read:

68620. (a) Each superior court shall establish a delay reduction program for limited civil cases in consultation with the local bar that is consistent with the provisions of this article. In its discretion, the Judicial Council may assist in the development of, or may develop and adopt, any or all procedures, standards, or policies for a delay reduction program for limited civil cases in superior courts on a statewide basis which are consistent with the provisions of the Trial Court Delay Reduction Act.

(b) Actions and proceedings subject to the provisions of Chapter 5.5 (commencing with Section 116.110) of Title 1 of Part 1 of the Code of Civil Procedure or provisions of Chapter 4 (commencing with Section

1159) of Title 3 of Part 3 of the Code of Civil Procedure may not be assigned to or governed by the provisions of any delay reduction program established pursuant to this section.

(c) It is the intent of the Legislature that the civil discovery in actions and proceedings subject to a program established pursuant to Article 2 (commencing with Section 90) of Chapter 5.1 of Title 1 of Part 1 of the Code of Civil Procedure shall be governed by the times and procedures specified in that article. Civil discovery in these actions and proceedings is not affected by the provisions of any delay reduction program adopted pursuant to this section.

SEC. 29. Section 69595.5 of the Government Code is repealed.

SEC. 30. Article 4 (commencing with Section 69640) of Chapter 5 of Title 8 of the Government Code is repealed.

SEC. 31. Article 4 (commencing with Section 69640) is added to Chapter 5 of Title 8 of the Government Code, to read:

Article 4. Superior Court Districts in Los Angeles County

69640. (a) The superior court in Los Angeles County may by local rule establish superior court districts within which one or more sessions of the court shall be held.

(b) The superior court districts established by county ordinance and in effect as of January 1, 2003, shall continue to be recognized as the superior court districts until the court enacts a local rule as provided in subdivision (a).

SEC. 32. Section 69740 of the Government Code is repealed.

SEC. 33. Section 69740 is added to the Government Code, to read:

69740. (a) Notwithstanding any other provision of law, each trial court shall determine the number and location of sessions of the court necessary for the prompt disposition of the business before the court. In making this determination, the court shall consider, among other factors, the impact of this provision on court employees pursuant to Section 71634, the availability and adequacy of facilities for holding the court session at the specific location, the efficiency and cost of holding the session at the specific location, any applicable security issues, and the convenience to the parties and the public served by the court. Nothing in this section precludes a session from being held in a building other than a courthouse.

(b) In appropriate circumstances, upon agreement of the presiding judges of the courts, and in the discretion of the court, the location of a session may be outside the county, except that the consent of the parties shall be necessary to the holding of a criminal jury trial outside the county. The venue of a case for which session is held outside the county pursuant to this section shall be deemed to be the home county of the

court in which the matter was filed. Nothing in this section shall provide a party with the right to seek a change of venue unless otherwise provided by statute. No party shall have any right to request the court to exercise its discretion under this section.

(c) The Judicial Council may adopt rules to address an appropriate mechanism for sharing of expenses and resources between the court holding the session and the court hosting the session.

SEC. 34. Section 69741 of the Government Code is repealed.

SEC. 35. Section 69742 of the Government Code is repealed.

SEC. 36. Section 69743 of the Government Code is repealed.

SEC. 37. Section 69744 of the Government Code is repealed.

SEC. 38. Section 69744.5 of the Government Code is repealed.

SEC. 39. Section 69745 of the Government Code is repealed.

SEC. 40. Section 69745.5 of the Government Code is repealed.

SEC. 41. Section 69746 of the Government Code is repealed.

SEC. 42. Section 69746.5 of the Government Code is repealed.

SEC. 43. Section 69747 of the Government Code is repealed.

SEC. 44. Section 69748 of the Government Code is repealed.

SEC. 45. Section 69748.1 of the Government Code is repealed.

SEC. 46. Section 69749 of the Government Code is repealed.

SEC. 47. Section 69749.2 of the Government Code is repealed.

SEC. 48. Section 69749.3 of the Government Code is repealed.

SEC. 49. Section 69749.4 of the Government Code is repealed.

SEC. 50. Section 69751.5 of the Government Code is repealed.

SEC. 51. Section 69752 of the Government Code is repealed.

SEC. 52. Article 6 (commencing with Section 69790) of Chapter 5 of Title 8 of the Government Code is repealed.

SEC. 53. Section 69841 of the Government Code is amended to read:

69841. The clerk of the superior court shall attend each session of the superior court in the county and upon the judges of the court in chambers when required.

SEC. 54. Section 69891 of the Government Code is repealed.

SEC. 55. Section 69893 of the Government Code is repealed.

SEC. 56. Section 69894.2 of the Government Code is repealed.

SEC. 57. Section 69902.5 of the Government Code is repealed.

SEC. 58. Section 71081 of the Government Code is repealed.

SEC. 59. Article 9 (commencing with Section 71340) of Chapter 6 of Title 8 of the Government Code is repealed.

SEC. 60. Section 71601 of the Government Code is amended to read:

71601. For purposes of this chapter, the following definitions shall apply:

(a) "Appointment" means the offer to and acceptance by a person of a position in the trial court in accordance with this chapter and the trial court's personnel policies, procedures, and plans.

(b) "Employee organization" means any organization that includes trial court employees and has as one of its primary purposes representing those employees in their relations with the trial court.

(c) "Hiring" means appointment as defined in subdivision (a).

(d) "Mediation" means effort by an impartial third party to assist in reconciling a dispute regarding wages, hours, and other terms and conditions of employment between representatives of the trial court and the recognized employee organization or recognized employee organizations through interpretation, suggestion, and advice.

(e) "Meet and confer in good faith" means that a trial court or representatives as it may designate, and representatives of recognized employee organizations, shall have the mutual obligation personally to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange freely information, opinions, and proposals, and to endeavor to reach agreement on matters within the scope of representation. The process should include adequate time for the resolution of impasses where specific procedures for resolution are contained in this chapter or in a local rule, or when the procedures are utilized by mutual consent.

(f) "Personnel rules," "personnel policies, procedures, and plans," and "rules and regulations" mean policies, procedures, plans, rules, or regulations adopted by a trial court or its designee pertaining to conditions of employment of trial court employees, subject to meet and confer in good faith.

(g) "Promotion" means promotion within the trial court as defined in the trial court's personnel policies, procedures, and plans, subject to meet and confer in good faith.

(h) "Recognized employee organization" means an employee organization that has been formally acknowledged to represent trial court employees by the county under Sections 3500 to 3510, inclusive, prior to the implementation date of this chapter, or by the trial court under Rules 2201 to 2210, inclusive, of the California Rules of Court, as those rules read on April 23, 1997, Sections 70210 to 70219, inclusive, or Article 3 (commencing with Section 71630) of this chapter.

(i) "Subordinate judicial officer" means an officer appointed to perform subordinate judicial duties as authorized by Section 22 of Article VI of the California Constitution, including, but not limited to, a court commissioner, probate commissioner, child support commissioner, referee, traffic trial commissioner, traffic referee, juvenile court referee, juvenile hearing officer, and temporary judge.

(j) "Transfer" means transfer within the trial court as defined in the trial court's personnel policies, procedures, and plans, subject to meet and confer in good faith.

(k) "Trial court" means a superior court.

(l) "Trial court employee" means a person who is both of the following:

(1) Paid from the trial court's budget, regardless of the funding source. For the purpose of this paragraph, "trial court's budget" means funds from which the presiding judge of a trial court, or his or her designee, has authority to control, authorize, and direct expenditures, including, but not limited to, local revenues, all grant funds, and trial court operations funds.

(2) Subject to the trial court's right to control the manner and means of his or her work because of the trial court's authority to hire, supervise, discipline, and terminate employment. For purposes of this paragraph only, the "trial court" includes the judges of a trial court or their appointees who are vested with or delegated the authority to hire, supervise, discipline, and terminate.

(m) A person is a "trial court employee" only if both paragraphs (1) and (2) of subdivision (l) are true irrespective of job classification or whether the functions performed by that person are identified in Rule 810 of the California Rules of Court. The phrase "trial court employee" includes those subordinate judicial officers who satisfy paragraphs (1) and (2) of subdivision (l). The phrase "trial court employee" does not include temporary employees hired through agencies, jurors, individuals hired by the trial court pursuant to an independent contractor agreement, individuals for whom the county or trial court reports income to the Internal Revenue Service on a Form 1099 and does not withhold employment taxes, sheriffs, and judges whether elected or appointed. A temporary employee, whether hired through an agency or not, may not be employed in the trial court for a period exceeding 180 calendar days.

SEC. 61. Section 71622 of the Government Code is amended to read:

71622. (a) Each trial court may establish and may appoint any subordinate judicial officers that are deemed necessary for the performance of subordinate judicial duties, as authorized by law to be performed by subordinate judicial officers. However, the number and type of subordinate judicial officers in a trial court shall be subject to approval by the Judicial Council. Subordinate judicial officers shall serve at the pleasure of the trial court.

(b) The appointment or termination of a subordinate judicial officer shall be made by order of the presiding judge or another judge or a committee to whom appointment or termination authority is delegated by the court, entered in the minutes of the court.

(c) The Judicial Council shall promulgate rules establishing the minimum qualifications and training requirements for subordinate judicial officers.

(d) The presiding judge of a superior court may cross-assign one type of subordinate judicial officer to exercise all the powers and perform all the duties authorized by law to be performed by another type of subordinate judicial officer, but only if the person cross-assigned satisfies the minimum qualifications and training requirements for the new assignment established by the Judicial Council pursuant to subdivision (c).

(e) The superior courts of two or more counties may appoint the same person as court commissioner.

(f) As of the implementation date of this chapter, all persons who were authorized to serve as subordinate judicial officers pursuant to other provisions of law shall be authorized by this section to serve as subordinate judicial officers at their existing salary rate, which may be a percentage of the salary of a judicial officer.

SEC. 62. Section 73648 of the Government Code is repealed.

SEC. 63. Section 74748 of the Government Code is repealed.

SEC. 64. Article 36 (commencing with Section 74920) of Chapter 10 of Title 8 of the Government Code is repealed.

SEC. 65. Section 4042 of the Harbors and Navigation Code is amended to read:

4042. (a) Each commissioner shall, within 20 days after receiving notice of appointment, qualify by taking and subscribing the constitutional oath of office, and by executing and filing with the clerk of the county in which the commissioner is appointed, a bond in a sum to be fixed by the board of supervisors, which bond, when approved by the superior court of the county, shall be recorded in the office of the county recorder, as other official bonds are recorded, at any time subsequent to 20 days after the appointment.

(b) The commissioners, or a majority of them having qualified, shall meet at a convenient place in the county and organize by electing a chairperson.

SEC. 66. Section 825 of the Penal Code is amended to read:

825. (a) (1) Except as provided in paragraph (2), the defendant shall in all cases be taken before the magistrate without unnecessary delay, and, in any event, within 48 hours after his or her arrest, excluding Sundays and holidays.

(2) When the 48 hours prescribed by paragraph (1) expire at a time when the court in which the magistrate is sitting is not in session, that time shall be extended to include the duration of the next court session on the judicial day immediately following. If the 48-hour period expires at a time when the court in which the magistrate is sitting is in session,

the arraignment may take place at any time during that session. However, when the defendant's arrest occurs on a Wednesday after the conclusion of the day's court session, and if the Wednesday is not a court holiday, the defendant shall be taken before the magistrate not later than the following Friday, if the Friday is not a court holiday.

(b) After the arrest, any attorney at law entitled to practice in the courts of record of California, may, at the request of the prisoner or any relative of the prisoner, visit the prisoner. Any officer having charge of the prisoner who willfully refuses or neglects to allow that attorney to visit a prisoner is guilty of a misdemeanor. Any officer having a prisoner in charge, who refuses to allow the attorney to visit the prisoner when proper application is made, shall forfeit and pay to the party aggrieved the sum of five hundred dollars (\$500), to be recovered by action in any court of competent jurisdiction.

SEC. 67. Section 830.1 of the Penal Code is amended to read:

830.1. (a) Any sheriff, undersheriff, or deputy sheriff, employed in that capacity, of a county, any chief of police of a city or chief, director, or chief executive officer of a consolidated municipal public safety agency that performs police functions, any police officer, employed in that capacity and appointed by the chief of police or chief, director, or chief executive of a public safety agency, of a city, any chief of police, or police officer of a district, including police officers of the San Diego Unified Port District Harbor Police, authorized by statute to maintain a police department, any marshal or deputy marshal of a superior court or county, any port warden or special officer of the Harbor Department of the City of Los Angeles, or any inspector or investigator employed in that capacity in the office of a district attorney, is a peace officer. The authority of these peace officers extends to any place in the state, as follows:

(1) As to any public offense committed or which there is probable cause to believe has been committed within the political subdivision that employs the peace officer or in which the peace officer serves.

(2) Where the peace officer has the prior consent of the chief of police or chief, director, or chief executive officer of a consolidated municipal public safety agency, or person authorized by him or her to give consent, if the place is within a city or of the sheriff, or person authorized by him or her to give consent, if the place is within a county.

(3) As to any public offense committed or which there is probable cause to believe has been committed in the peace officer's presence, and with respect to which there is immediate danger to person or property, or of the escape of the perpetrator of the offense.

(b) The Attorney General and special agents and investigators of the Department of Justice are peace officers, and those assistant chiefs, deputy chiefs, chiefs, deputy directors, and division directors designated

as peace officers by the Attorney General are peace officers. The authority of these peace officers extends to any place in the state where a public offense has been committed or where there is probable cause to believe one has been committed.

(c) Any deputy sheriff of the County of Los Angeles, and any deputy sheriff of the Counties of Kern, Humboldt, Imperial, Mendocino, Plumas, Riverside, San Diego, Santa Barbara, Siskiyou, Sonoma, Sutter, and Tehama who is employed to perform duties exclusively or initially relating to custodial assignments with responsibilities for maintaining the operations of county custodial facilities, including the custody, care, supervision, security, movement, and transportation of inmates, is a peace officer whose authority extends to any place in the state only while engaged in the performance of the duties of his or her respective employment and for the purpose of carrying out the primary function of employment relating to his or her custodial assignments, or when performing other law enforcement duties directed by his or her employing agency during a local state of emergency.

SEC. 68. Section 853.6a of the Penal Code is amended to read:

853.6a. (a) Except as provided in subdivision (b), if the person arrested appears to be under the age of 18 years, and the arrest is for a violation listed in Section 256 of the Welfare and Institutions Code, other than an offense involving a firearm, the notice under Section 853.6 shall instead provide that the person shall appear before the juvenile court, a juvenile court referee, or a juvenile hearing officer within the county in which the offense charged is alleged to have been committed, and the officer shall instead, as soon as practicable, file the duplicate notice with the prosecuting attorney unless the prosecuting attorney directs the officer to file the duplicate notice with the clerk of the juvenile court, the juvenile court referee, or the juvenile hearing officer. If the notice is filed with the prosecuting attorney, within 48 hours before the date specified on the notice to appear, the prosecutor, within his or her discretion, may initiate proceedings by filing the notice or a formal petition with the clerk of the juvenile court, or the juvenile court referee or juvenile hearing officer, before whom the person is required to appear by the notice.

(b) A juvenile court may exercise the option of not requiring a mandatory appearance of the juvenile before the court for infractions contained in the Vehicle Code, except those related to drivers' licenses as specified in Division 6 (commencing with Section 12500), those related to financial responsibility as specified in Division 7 (commencing with Section 16000), those related to speeding violations as specified in Division 11 (commencing with Section 21000) in which the speed limit was violated by 15 or more miles per hour, and those involving the use or possession of alcoholic beverages as specified in Division 11.5 (commencing with Section 23500).

(c) In counties where an Expedited Youth Accountability Program is operative, as established under Section 660.5 of the Welfare and Institutions Code, a peace officer may issue a citation and written promise to appear in juvenile court or record the minor's refusal to sign the promise to appear and serve notice to appear in juvenile court, according to the requirements and procedures provided in that section.

(d) This section may not be construed to limit the discretion of a peace officer or other person with the authority to enforce laws pertaining to juveniles to take the minor into custody pursuant to Article 15 (commencing with Section 625) of the Welfare and Institutions Code.

SEC. 69. Section 896 of the Penal Code is amended to read:

896. (a) Immediately after an order is made pursuant to Section 895, the court shall select the grand jurors required by personal interview for the purpose of ascertaining whether they possess the qualifications prescribed by subdivision (a) of Section 893. If a person so interviewed, in the opinion of the court, possesses the necessary qualifications, in order to be listed the person shall sign a statement declaring that the person will be available for jury service for the number of hours usually required of a member of the grand jury in that county.

(b) The selections shall be made of men and women who are not exempt from serving and who are suitable and competent to serve as grand jurors pursuant to Sections 893, 898, and 899. The court shall list the persons so selected and required by the order to serve as grand jurors during the ensuing fiscal year of the county, or until a new list of grand jurors is provided, and shall at once place this list in the possession of the jury commissioner.

SEC. 70. Section 900 of the Penal Code is amended to read:

900. On receiving the list of persons selected by the court, the jury commissioner shall file it in the jury commissioner's office and have the list, which shall include the name of the judge who selected each person on the list, published one time in a newspaper of general circulation, as defined in Section 6000 of the Government Code, in the county. The jury commissioner shall then do either of the following:

(a) Write down the names on the list onto separate pieces of paper of the same size and appearance, fold each piece so as to conceal the name, and deposit the pieces in a box to be called the "grand jury box."

(b) Assign a number to each name on the list and place, in a box to be called the "grand jury box," markers of the same size, shape, and color, each containing a number which corresponds with a number on the list.

SEC. 71. Section 903 of the Penal Code is repealed.

SEC. 72. Section 904 of the Penal Code is amended to read:

904. Every superior court, whenever in its opinion the public interest so requires, shall make and file with the jury commissioner an

order directing a grand jury to be drawn. The order shall designate the number of grand jurors to be drawn, which may not be less than 29 nor more than 40 in counties having a population exceeding four million and not less than 25 nor more than 30 in other counties.

SEC. 73. Section 908 of the Penal Code is amended to read:

908. If the required number of the persons summoned as grand jurors are present and not excused, the required number shall constitute the grand jury. If more than the required number of persons are present, the jury commissioner shall write their names on separate ballots, which the jury commissioner shall fold so that the names cannot be seen, place them in a box, and draw out the required number of them. The persons whose names are on the ballots so drawn shall constitute the grand jury. If less than the required number of persons are present, the panel may be filled as provided in Section 211 of the Code of Civil Procedure. If more of the persons summoned to complete a grand jury attend than are required, the requisite number shall be obtained by writing the names of those summoned and not excused on ballots, depositing them in a box, and drawing as provided above.

SEC. 74. Section 908.1 of the Penal Code is amended to read:

908.1. When, after the grand jury consisting of the required number of persons has been impaneled pursuant to law, the membership is reduced for any reason, vacancies within an existing grand jury may be filled, so as to maintain the full membership at the required number of persons, by the jury commissioner, in the presence of the court, drawing out sufficient names to fill the vacancies from the grand jury box, pursuant to law, or from a special venire as provided in Section 211 of the Code of Civil Procedure. A person selected as a grand juror to fill a vacancy pursuant to this section may not vote as a grand juror on any matter upon which evidence has been taken by the grand jury prior to the time of the person's selection.

SEC. 75. Section 908.2 of the Penal Code is amended to read:

908.2. (a) Upon the decision of the superior court pursuant to Section 901 to adopt this method of selecting grand jurors, when the required number of persons have been impaneled as the grand jury pursuant to law, the jury commissioner shall write the names of each person on separate ballots. The jury commissioner shall fold the ballots so that the names cannot be seen, place them in a box, and draw out half of the ballots, or in a county where the number of grand jurors is uneven, one more than half. The persons whose names are on the ballots so drawn shall serve for 12 months until July 1 of the following year. The persons whose names are not on the ballots so drawn shall serve for six months until January 1 of the following year.

(b) Each subsequent year, on January 2 and July 2, a sufficient number of grand jurors shall be impaneled to replace those whose service

concluded the previous day. Those persons impaneled on January 2 shall serve until January 1 of the following year. Those persons impaneled on July 2 shall serve until July 1 of the following year. A person may not serve on the grand jury for more than one year.

(c) The provisions of subdivisions (a) and (b) do not apply to the selection of grand jurors for an additional grand jury authorized pursuant to Section 904.6.

SEC. 76. Section 1269b of the Penal Code is amended to read:

1269b. (a) The officer in charge of a jail in which 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 in which 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 superior court of the county 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 court judges in each county to prepare, adopt, and annually revise a uniform countywide schedule of bail for all bailable felony offenses and 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.

(d) A court may, by local rule, prescribe the procedure by which the uniform countywide schedule of bail is prepared, adopted, and annually revised by the judges. If a court does not adopt a local rule, the uniform countywide schedule of bail shall be prepared, adopted, and annually revised by a majority of the judges.

(e) In adopting a uniform countywide schedule of bail for all bailable felony 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 of this code, or Section 11356.5, 11370.2, or 11370.4 of the Health and Safety Code.

In considering offenses in which 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.

(f) The countywide bail schedule shall contain a list of the offenses and the amounts of bail applicable for each as the judges determine to be appropriate. If the schedule does not list all offenses specifically, it 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 schedule. 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 court judge and commissioner in the county, and to the Judicial Council.

(g) 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 clerk of the court.

(h) 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. 76.5. Section 1463.28 of the Penal Code is amended to read:

1463.28. (a) Notwithstanding any other provision of law, for each option county, as defined by Section 77004 of the Government Code, which has adopted the resolution specified in subdivision (b), that portion of fines and forfeitures, whether collected by the courts or by other processing agencies, which are attributable to an increase in the bail amounts adopted subsequent to the resolution pursuant to subdivision (c) of Section 1269b which would otherwise be divided between the county and cities within the county shall be deposited into the county general fund up to the annual limit listed in subdivision (b)

for that county. Fine and forfeiture increments which exceed the specified annual limit shall be divided between the county and the cities within the county as otherwise provided by law. The scheduled bail amounts in such a county may exceed the bail amounts established by the Judicial Council pursuant to subdivision (c) of Section 1269b.

(b) The counties which may adopt a resolution directing that future increments in fines and forfeitures as specified in subdivision (a) be deposited in the county general fund and the annual limit applicable to those counties is as follows:

County	Annual Limit
Alpine	\$ 300,000
Amador	200,000
Butte	900,000
Calaveras	300,000
Contra Costa	100,000
Del Norte	200,000
Fresno	700,000
Humboldt	200,000
Kings	300,000
Lake	400,000
Lassen	200,000
Los Angeles	15,000,000
Madera	600,000
Mariposa	200,000
Mendocino	600,000
Modoc	200,000
Mono	200,000
Plumas	200,000
San Benito	300,000
San Diego	5,200,000
San Joaquin	1,000,000
Santa Clara	3,200,000
Sierra	300,000
Stanislaus	1,900,000
Sutter	800,000
Trinity	200,000
Tulare	2,000,000
Tuolumne	400,000
Yolo	700,000
Yuba	900,000

(c) Except as provided in Sections 40200.3 and 40200.4 of the Vehicle Code, this section does not apply to the collection of parking penalties.

SEC. 77. Section 3075 of the Penal Code is amended to read:

3075. (a) There is in each county a board of parole commissioners, consisting of each of the following:

(1) The sheriff, or his or her designee, or, in a county with a department of corrections, the director of that department.

(2) The probation officer, or his or her designee.

(3) A member, not a public official, to be selected from the public by the presiding judge of the superior court.

(b) The public member of the county board of parole commissioners or his or her alternate shall be entitled to his or her actual traveling and other necessary expenses incurred in the discharge of his or her duties. In addition, the public member or his or her alternate shall be entitled to per diem at any rate that may be provided by the board of supervisors. The public member or his or her alternate shall hold office for a term of one year and in no event for a period exceeding three consecutive years. The term shall commence on the date of appointment.

SEC. 78. Section 7814 of the Public Utilities Code is amended to read:

7814. Any corporation, or agent or employee thereof, demanding or charging a greater sum of money for fare on the cars of a street railroad than that fixed by law forfeits to the person from whom the sum is received, or who is thus overcharged, the sum of two hundred dollars (\$200), to be recovered in a civil action against the corporation.

SEC. 79. Section 30865 of the Streets and Highways Code is amended to read:

30865. If the estimate of the board is not agreed to by the owner or keeper of the bridge or ferry, it shall be fixed by three commissioners, one to be appointed by the board, one by the owner and keeper, and the third by the presiding judge of the superior court, who shall hear testimony and fix the value and cost according to the facts, and report it to the board of supervisors under oath. In all estimates of the fair cash value of the bridge or ferry the value of the franchise shall not be taken into consideration.

SEC. 80. Section 1816 of the Vehicle Code is amended to read:

1816. Every judge of the juvenile court, juvenile hearing officer, duly constituted referee of a juvenile court, or other person responsible for the disposition of cases involving traffic offenses required to be reported under Section 1803 committed by persons under 18 years of age shall keep a full record of every case in which a person is charged with such a violation, and shall report the offense to the department at its office in Sacramento not more than 30 days after the date on which it was

committed, and in no case less than 10 days after adjudication. The report required by this section shall be required for any determination that a minor committed the violation, including any determination that because of the act the minor is a person described in Section 601 or 602 of the Welfare and Institutions Code or that a program of supervision should be instituted for the minor. No report shall be made if it is found that the alleged offense was not committed.

The report required by this section shall be made upon a form furnished by the department and shall contain all necessary information as to the identity of the offender, the arresting agency, the date and nature of the offense, and the date the finding was made.

SEC. 81. Section 13105 of the Vehicle Code is amended to read:

13105. For the purposes of this chapter, "convicted" or "conviction" includes a finding by a judge of a juvenile court, a juvenile hearing officer, or referee of a juvenile court that a person has committed an offense, and "court" includes a juvenile court except as otherwise specifically provided.

SEC. 82. 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 an 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 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 may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code described in subdivision (b) of Section 23538.

Instead of suspending the person's driving privilege, the department shall issue a restricted license upon receipt of an abstract of record from the court certifying that 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 may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as 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 may not be reinstated until the person gives proof of financial responsibility and gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as 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 an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) Proof of enrollment in a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment.

(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 may

not be reinstated until the person gives proof of financial responsibility, and the person gives proof satisfactory to the department of successful completion of a driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code as 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) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, 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 financial responsibility and gives proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence 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) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence 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 driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence 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 may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence 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 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence program.

(ii) An 18-month driving-under-the-influence program licensed 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 driving-under-the-influence 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, or Section 23153 punishable under Section 23550.5 the privilege shall be revoked for a period of four years. The privilege may not be reinstated until the person gives proof of financial responsibility and proof satisfactory to the department of successful completion of one of the following programs: an 18-month driving-under-the-influence

program licensed pursuant to Section 11836 of the Health and Safety Code, or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence 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) An 18-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code.

(ii) The initial 18 months of a 30-month driving-under-the-influence program licensed pursuant to Section 11836 of the Health and Safety Code, if available in the county of the person's residence or employment, and the person agrees, as a condition of the restriction, to continue satisfactory participation in the 30-month driving-under-the-influence 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 driving-under-the-influence program or, if available in the county of the person's residence or employment, a 30-month driving-under-the-influence 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 may not be reinstated until the person gives proof of financial responsibility.

(b) For the purpose of paragraphs (2) to (9), inclusive, of subdivision (a), the finding of the juvenile court judge, the juvenile 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 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 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.

(f) For purposes of this section, completion of a program is the following:

(1) Satisfactory completion of all program requirements approved pursuant to program licensure, as evidenced by a certificate of completion issued, under penalty of perjury, by the licensed program.

(2) Certification, under penalty of perjury, by the director of a program specified in Section 8001 of the Penal Code, that the person has completed a program specified in Section 8001 of the Penal Code.

SEC. 83. Section 13352.3 of the Vehicle Code is amended to read:

13352.3. (a) Notwithstanding any other provision of law, except subdivisions (b), (c), and (d) of Section 13352 and Sections 13367 and 23521, the department immediately shall revoke 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 was convicted of a violation of Section 23152 or 23153 while under 18 years of age, or upon receipt of a report of a judge of the juvenile court, a juvenile 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.

(b) The term of the revocation shall be until the person reaches 18 years of age, for one year, or for the period prescribed for restriction, suspension, or revocation specified in subdivision (a) of Section 13352, whichever is longer. The privilege may not be reinstated until the person gives proof of financial responsibility as defined in Section 16430.

SEC. 84. Section 13355 of the Vehicle Code is amended to read:

13355. The department shall immediately suspend 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 subdivision (b) of Section 22348, or upon a receipt of a report of a judge of a juvenile court, a juvenile hearing officer, or a referee of a juvenile court showing that the person has been found to have committed a violation of subdivision (b) of Section 22348 under the following conditions and for the periods, as follows:

(a) Upon a conviction or finding of an offense under subdivision (b) of Section 22348 that occurred within three years of a prior offense resulting in a conviction of an offense under subdivision (b) of Section 22348, the privilege shall be suspended for a period of six months, or the privilege shall be restricted for six months to necessary travel to and from the person's place of employment and, if driving a motor vehicle is necessary to perform the duties of the person's employment, restricted to driving within the person's scope of employment.

(b) Upon a conviction or finding of an offense under subdivision (b) of Section 22348 that occurred within five years of two or more prior offenses resulting in convictions of offenses under subdivision (b) of Section 22348, the privilege shall be suspended for a period of one year, or the privilege shall be restricted for one year to necessary travel to and from the person's place of employment and, if driving a motor vehicle is necessary to perform the duties of the person's employment, restricted to driving within the person's scope of employment.

SEC. 85. Section 23520 of the Vehicle Code is amended to read:

23520. (a) Whenever, in any county specified in subdivision (b), a judge of a juvenile court, a juvenile hearing officer, or referee of a juvenile court finds that a person has committed a first violation of Section 23152 or 23153, the person shall be required to participate in and successfully complete an alcohol or drug education program, or both of those programs, as designated by the court. The expense of the person's attendance in the program shall be paid by the person's parents or guardian so long as the person is under the age of 18 years, and shall be

paid by the person thereafter. However, in approving the program, each county shall require the program to provide for the payment of the fee for the program in installments by any person who cannot afford to pay the full fee at the commencement of the program and shall require the program to provide for the waiver of the fee for any person who is indigent, as determined by criteria for indigency established by the board of supervisors. Whenever it can be done without substantial additional cost, each county shall require that the program be provided for juveniles at a separate location from, or at a different time of day than, alcohol and drug education programs for adults.

(b) This section applies only in those counties that have one or more alcohol or drug education programs certified by the county alcohol program administrator and approved by the board of supervisors.

SEC. 86. Section 23521 of the Vehicle Code is amended to read:

23521. Any finding of a juvenile court judge, juvenile hearing officer, or referee of a juvenile court of a commission of an offense in any state, territory, possession of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or the Dominion of Canada which, if committed in this state, would be a violation of Section 23152, is a conviction of a violation of Section 23152 for the purposes of Sections 13352, 13352.3, and 13352.5, and the finding of a juvenile court judge, juvenile hearing officer, or referee of a juvenile court of a commission of an offense which, if committed in this state, would be a violation of Section 23153 is a conviction of a violation of Section 23153 for the purposes of Sections 13352 and 13352.3.

SEC. 87. Section 40502 of the Vehicle Code is amended to read:

40502. The place specified in the notice to appear shall be any of the following:

(a) Before a magistrate within the county in which the offense charged is alleged to have been committed and who has jurisdiction of the offense and is nearest or most accessible with reference to the place where the arrest is made.

(b) Upon demand of the person arrested, before a judge or other magistrate having jurisdiction of the offense at the county seat of the county in which the offense is alleged to have been committed. This subdivision applies only if the person arrested resides, or the person's principal place of employment is located, closer to the county seat than to the magistrate nearest or most accessible to the place where the arrest is made.

(c) Before a person authorized to receive a deposit of bail.

The clerk and deputy clerks of the superior court are persons authorized to receive bail in accordance with a schedule of bail approved by the judges of that court.

(d) Before the juvenile court, a juvenile court referee, or a juvenile hearing officer within the county in which the offense charged is alleged to have been committed, if the person arrested appears to be under the age of 18 years. The juvenile court shall by order designate the proper person before whom the appearance is to be made.

In a county that has implemented the provisions of Section 603.5 of the Welfare and Institutions Code, if the offense alleged to have been committed by a minor is classified as an infraction under this code, or is a violation of a local ordinance involving the driving, parking, or operation of a motor vehicle, the citation shall be issued as provided in subdivision (a), (b), or (c); provided, however, that if the citation combines an infraction and a misdemeanor, the place specified shall be as provided in subdivision (d).

If the place specified in the notice to appear is within a county where a department of the superior court is to hold a night session within a period of not more than 10 days after the arrest, the notice to appear shall contain, in addition to the above, a statement notifying the person arrested that the person may appear before a night session of the court.

SEC. 88. Section 247 of the Welfare and Institutions Code is repealed.

SEC. 89. Section 258 of the Welfare and Institutions Code is amended to read:

258. (a) Upon a hearing conducted in accordance with Section 257, and upon either an admission by the minor of the commission of a violation charged, or a finding that the minor did in fact commit the violation, the judge, referee, or juvenile hearing officer may do any of the following:

- (1) Reprimand the minor and take no further action.
- (2) Direct that the probation officer undertake a program of supervision of the minor for a period not to exceed six months, in addition to or in place of the following orders.
- (3) Order that the minor pay a fine up to the amount that an adult would pay for the same violation, unless the violation is otherwise specified within this section, in which case the fine shall not exceed two hundred fifty dollars (\$250). This fine may be levied in addition to or in place of the following orders and the court may waive any or all of this fine, if the minor is unable to pay. In determining the minor's ability to pay, the court may not consider the ability of the minor's family to pay.
- (4) Subject to the minor's right to a restitution hearing, order that the minor pay restitution to the victim, in lieu of all or a portion of the fine specified in paragraph (3). The total dollar amount of the fine, restitution, and any program fees ordered pursuant to paragraph (9) may not exceed the maximum amount which may be ordered pursuant to paragraph (3). This paragraph may not be construed to limit the right to

recover damages, less any amount actually paid in restitution, in a civil action.

(5) Order that the driving privileges of the minor be suspended or restricted as provided in the Vehicle Code or, notwithstanding Section 13203 of the Vehicle Code or any other provision of law, when the Vehicle Code does not provide for the suspension or restriction of driving privileges, that, in addition to any other order, the driving privileges of the minor be suspended or restricted for a period of not to exceed 30 days.

(6) In the case of a traffic related offense, order the minor to attend a licensed traffic school, or other court approved program of traffic school instruction pursuant to Chapter 1.5 (commencing with Section 11200) of Division 5 of the Vehicle Code, to be completed by the juvenile within 60 days of the court order.

(7) Order that the minor produce satisfactory evidence that the vehicle or its equipment has been made to conform with the requirements of the Vehicle Code pursuant to Section 40150 of the Vehicle Code if the violation involved an equipment violation.

(8) Order that the minor perform community service work in a public entity or any private nonprofit entity, for not more than 50 hours over a period of 60 days, during times other than his or her hours of school attendance or employment. Work performed pursuant to this paragraph may not exceed 30 hours during any 30-day period. The timeframes established by this paragraph may not be modified except in unusual cases where the interests of justice would best be served. When the order to work is made by a referee or a juvenile hearing officer, it shall be approved by a judge of the juvenile court.

For the purposes of this paragraph, a judge, referee, or juvenile hearing officer may not, without the consent of the minor, order the minor to perform work with a private nonprofit entity that is affiliated with any religion.

(9) In the case of a misdemeanor, order that the minor participate in and complete a counseling or educational program, or, if the offense involved a violation of a controlled substance law, a drug treatment program, if those programs are available. Any fees for participation shall be subject to the right to a hearing as the minor's ability to pay and may not, together with any fine or restitution order, exceed the maximum amount that may be ordered pursuant to paragraph (3).

(10) Require that the minor attend a school program without unexcused absence.

(11) If the offense is a misdemeanor committed between 10 p.m. and 6 a.m., require that the minor be at his or her legal residence at hours to be specified by the juvenile hearing officer between the hours of 10 p.m. and 6 a.m., except for a medical or other emergency, unless the minor is

accompanied by his or her parent, guardian, or other person in charge of the minor. The maximum length of an order made pursuant to this paragraph shall be six months from the effective date of the order.

(12) Make any or all of the following orders with respect to a violation of the Fish and Game Code which is not charged as a felony:

(A) That the fishing or hunting license involved be suspended or restricted.

(B) That the minor work in a park or conservation area for a total of not to exceed 20 hours over a period not to exceed 30 days, during times other than his or her hours of school attendance or employment.

(C) That the minor forfeit, pursuant to Section 12157 of the Fish and Game Code, any device or apparatus designed to be, and capable of being, used to take birds, mammals, fish, reptiles, or amphibia and which was used in committing the violation charged. The judge, referee, or juvenile hearing officer shall, if the minor committed an offense which is punishable under Section 12008 of the Fish and Game Code, order the device or apparatus forfeited pursuant to Section 12157 of the Fish and Game Code.

(13) If the violation charged is of an ordinance of a city, county, or local agency relating to loitering, curfew, or fare evasion on a public transportation system, as defined by Section 99211 of the Public Utilities Code, or is a violation of Section 640 or 640a of the Penal Code, make the order that the minor shall perform community service for a total time not to exceed 20 hours over a period not to exceed 30 days, during times other than his or her hours of school attendance or employment.

(b) The judge, referee, or juvenile hearing officer shall retain jurisdiction of the case until all orders made under this section have been fully complied with.

SEC. 90. Section 654.1 of the Welfare and Institutions Code is amended to read:

654.1. (a) Notwithstanding Section 654 or any other provision of law, in any case in which a minor has been charged with a violation of Section 23140 or 23152 of the Vehicle Code, the probation officer may, in lieu of requesting that a petition be filed by the prosecuting attorney to declare the minor a ward of the court under Section 602, proceed in accordance with Section 654 and delineate a program of supervision for the minor. However, the probation officer shall cause the citation for a violation of Section 23140 or 23152 of the Vehicle Code to be heard and disposed of by the judge, referee, or juvenile hearing officer pursuant to Sections 257 and 258 as a condition of any program of supervision.

(b) This section may not be construed to prevent the probation officer from requesting the prosecuting attorney to file a petition to declare the minor a ward of the court under Section 602 for a violation of Section 23140 or 23152 of the Vehicle Code. However, if in the judgment of the

probation officer, the interest of the minor and the community can be protected by adjudication of a violation of Section 23140 or 23152 of the Vehicle Code in accordance with subdivision (a), the probation officer shall proceed under subdivision (a).

SEC. 91. Any section of Senate Bill 570, Assembly Bill 354, or Assembly Bill 1254 enacted by the Legislature during the 2003 calendar year that takes effect on or before January 1, 2004, and that amends, amends and renumbers, adds, repeals and adds, or repeals Section 830.1 of the Penal Code shall prevail over the amendments to Section 830.1 proposed by this act, whether enacted prior to, or subsequent to, the enactment of this act, and the amendments to Section 830.1 proposed by this act shall not become operative.

CHAPTER 150

An act to amend Section 1255.7 of the Health and Safety Code, and to amend Section 271.5 of the Penal Code, relating to abandoned newborns.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1255.7 of the Health and Safety Code is amended to read:

1255.7. (a) (1) For purposes of this section, "safe-surrender site" means either of the following:

(A) A location designated by the board of supervisors of a county to be responsible for accepting physical custody of a minor child who is 72 hours old or younger from a parent or individual who has lawful custody of the child and who surrenders the child pursuant to Section 271.5 of the Penal Code.

(B) A location within a public or private hospital that is designated by that hospital to be responsible for accepting physical custody of a minor child who is 72 hours old or younger from a parent or individual who has lawful custody of the child and who surrenders the child pursuant to Section 271.5 of the Penal Code.

(2) For purposes of this section, "personnel" means any person who is an officer or employee of a safe-surrender site or who has staff privileges at the site.

(3) A hospital and any safe-surrender site designated by the county board of supervisors shall post a sign utilizing a statewide logo that has

been adopted by the State Department of Social Services that notifies the public of the location where a minor child 72 hours old or younger may be safely surrendered pursuant to this section.

(b) Any personnel on duty at a safe-surrender site shall accept physical custody of a minor child 72 hours old or younger pursuant to this section if a parent or other individual having lawful custody of the child voluntarily surrenders physical custody of the child to personnel who are on duty at the safe-surrender site. Safe-surrender site personnel shall ensure that a qualified person does all of the following:

(1) Places a coded, confidential ankle bracelet on the child.

(2) Provides, or makes a good faith effort to provide, to the parent or other individual surrendering the child a copy of a unique, coded, confidential ankle bracelet identification in order to facilitate reclaiming the child pursuant to subdivision (f). However, possession of the ankle bracelet identification, in and of itself, does not establish parentage or a right to custody of the child.

(3) Provides, or makes a good faith effort to provide, to the parent or other individual surrendering the child a medical information questionnaire, which may be declined, voluntarily filled out and returned at the time the child is surrendered, or later filled out and mailed in the envelope provided for this purpose. This medical information questionnaire shall not require any identifying information about the child or the parent or individual surrendering the child, other than the identification code provided in the ankle bracelet placed on the child. Every questionnaire provided pursuant to this section shall begin with the following notice in no less than 12-point type:

NOTICE: THE BABY YOU HAVE BROUGHT IN TODAY MAY HAVE SERIOUS MEDICAL NEEDS IN THE FUTURE THAT WE DON'T KNOW ABOUT TODAY. SOME ILLNESSES, INCLUDING CANCER, ARE BEST TREATED WHEN WE KNOW ABOUT FAMILY MEDICAL HISTORIES. IN ADDITION, SOMETIMES RELATIVES ARE NEEDED FOR LIFE-SAVING TREATMENTS. TO MAKE SURE THIS BABY WILL HAVE A HEALTHY FUTURE, YOUR ASSISTANCE IN COMPLETING THIS QUESTIONNAIRE FULLY IS ESSENTIAL. THANK YOU.

(c) Personnel of a safe-surrender site that has physical custody of a minor child pursuant to this section shall ensure that a medical screening examination and any necessary medical care is provided to the minor child. Notwithstanding any other provision of law, the consent of the parent or other relative shall not be required to provide that care to the minor child.

(d) (1) As soon as possible, but in no event later than 48 hours after the physical custody of a child has been accepted pursuant to this section, personnel of the safe-surrender site that has physical custody of the child

shall notify child protective services or a county agency providing child welfare services pursuant to Section 16501 of the Welfare and Institutions Code, that the safe-surrender site has physical custody of the child pursuant to this section. In addition, any medical information pertinent to the child's health, including, but not limited to, information obtained pursuant to the medical information questionnaire described in paragraph (3) of subdivision (b) that has been received by or is in the possession of the safe-surrender site shall be provided to that child protective services or county agency.

(2) Any personal identifying information that pertains to a parent or individual who surrenders a child that is obtained pursuant to the medical information questionnaire is confidential and shall be exempt from disclosure by the child protective services or county agency under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). Any personal identifying information that pertains to a parent or individual who surrenders a child shall be redacted from any medical information provided to child protective services or the county agency providing child welfare services.

(e) Child protective services or the county agency providing child welfare services pursuant to Section 16501 of the Welfare and Institutions Code shall assume temporary custody of the child pursuant to Section 300 of the Welfare and Institutions Code immediately on receipt of notice under subdivision (d). Child protective services or the county agency providing child welfare services pursuant to Section 16501 of the Welfare and Institutions Code shall immediately investigate the circumstances of the case and file a petition pursuant to Section 311 of the Welfare and Institutions Code. Child protective services or the county agency providing child welfare services pursuant to Section 16501 of the Welfare and Institutions Code shall immediately notify the State Department of Social Services of each child to whom this subdivision applies upon taking temporary custody of the child pursuant to Section 300 of the Welfare and Institutions Code. As soon as possible, but no later than 24 hours after temporary custody is assumed, child protective services or the county agency providing child welfare services pursuant to Section 16501 of the Welfare and Institutions Code shall report all known identifying information concerning the child, except personal identifying information pertaining to the parent or individual who surrendered the child, to the California Missing Children Clearinghouse and to the National Crime Information Center.

(f) If, prior to the filing of a petition under subdivision (e), a parent or individual who has voluntarily surrendered a child pursuant to this section requests that the safe-surrender site that has physical custody of the child pursuant to this section return the child and the safe-surrender

site still has custody of the child, personnel of the safe-surrender site shall either return the child to the parent or individual or contact a child protective agency if any personnel at the safe-surrender site knows or reasonably suspects that the child has been the victim of child abuse or neglect. The voluntary surrendering of a child pursuant to this section is not in and of itself a sufficient basis for reporting child abuse or neglect. The terms "child abuse," "child protective agency," "mandated reporter," "neglect," and "reasonably suspects" shall be given the same meanings as in Article 2.5 (commencing with Section 11164) of Part 4 of Title 1 of the Penal Code.

(g) Subsequent to the filing of a petition under subdivision (e), if within 14 days of the voluntary surrender described in this section the parent or individual who surrendered custody returns to claim physical custody of the child, the child welfare agency shall verify the identity of the parent or individual, conduct an assessment of his or her circumstances and ability to parent, and request that the juvenile court dismiss the petition for dependency and order the release of the child, if the child welfare agency determines that none of the conditions described in subdivisions (a) to (d), inclusive, of Section 319 of the Welfare and Institutions Code currently exist.

(h) No safe-surrender site, or personnel of the safe-surrender site, that accepts custody of a surrendered child pursuant to this section shall be subject to civil, criminal, or administrative liability for accepting the child and caring for the child in the good faith belief that action is required or authorized by this section, including, but not limited to, instances where the child is older than 72 hours or the parent or individual surrendering the child did not have lawful physical custody of the child. This subdivision does not confer immunity from liability for personal injury or wrongful death, including, but not limited to, injury resulting from medical malpractice.

(i) Any identifying information that pertains to a parent or individual who surrenders a child pursuant to this section, that is obtained as a result of the questionnaire described in paragraph (3) of subdivision (b) or in any other manner, is confidential, shall be exempt from disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), and shall not be disclosed by any personnel of a safe-surrender site that accepts custody of a child pursuant to this section.

(j) This section shall be repealed on January 1, 2006, unless a later enacted statute extends or repeals that date.

SEC. 2. Section 271.5 of the Penal Code is amended to read:

271.5. (a) No parent or other individual having lawful custody of a minor child 72 hours old or younger may be prosecuted for a violation

of Section 270, 270.5, 271, or 271a if he or she voluntarily surrenders physical custody of the child to personnel on duty at a safe-surrender site.

(b) For purposes of this section, "safe-surrender site" has the same meaning as defined in paragraph (1) of subdivision (a) of Section 1255.7 of the Health and Safety Code.

(c) For purposes of this section, "personnel" has the same meaning as defined in paragraph (2) of subdivision (a) of Section 1255.7 of the Health and Safety Code.

(d) This section shall be repealed on January 1, 2006, unless a later enacted statute extends or deletes that date.

CHAPTER 151

An act to amend Sections 4453.5 and 5753 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 4453.5 of the Vehicle Code is amended to read:

4453.5. (a) In the case of leased vehicles, the lessor and the lessee shall be shown on the registration card as the owner and the lessee of a vehicle, and the department shall designate their relationships upon the card and the ownership certificate by the words "lessor" and "lessee" and, at the election of the lessor, the department may designate thereon either the address of the lessor or the lessee.

(b) Transfers of ownership involving vehicles registered as provided in subdivision (a) shall only be effected upon the signature release of the lessor.

(c) The lessor shall provide the address, or the name and address, of the lessee on a form prescribed by the department in all cases where the information is not on the registration card and ownership certificate. Information received under this subdivision shall be used only for law enforcement and shall be available only to law enforcement officials at their request.

(d) A lessor, upon written request of the lessee or, if designated in writing, the lessee's designee, shall disclose any pertinent information regarding the amount of payment and the documents necessary to exercise any option held by the lessee to purchase the leased vehicle.

SEC. 2. Section 5753 of the Vehicle Code is amended to read:

5753. (a) It is unlawful for any person to fail or neglect properly to endorse, date, and deliver the certificate of ownership and, when having possession, to deliver the registration card to a transferee who is lawfully entitled to a transfer of registration.

(b) Except when the certificate of ownership is demanded in writing by a purchaser, a vehicle dealer licensed under this code shall satisfy the delivery requirement of this section by submitting appropriate documents and fees to the department for transfer of registration in accordance with Sections 5906 and 4456 of this code and rules and regulations promulgated thereunder.

(c) (1) Within 15 business days after receiving payment in full for the satisfaction of a security interest and a written instrument signed by the grantor of the security interest designating the transferee and authorizing release of the legal owner's interest, the legal owner shall release its security interest and mail, transmit, or deliver the vehicle's certificate of ownership to the transferee who, due to satisfaction of the security interest, is lawfully entitled to the transfer of legal ownership.

(2) If a lease provides a lessee with the option to purchase the leased vehicle, within 15 business days after receiving payment in full for the purchase, and all documents necessary to effect the transfer, the lessor shall mail, transmit, or deliver the vehicle's certificate of ownership to the transferee, who, due to purchase of the vehicle, is lawfully entitled to the transfer of legal ownership.

(d) The certificate of ownership delivered pursuant to subdivision (c) shall be signed by the legal owner or lessor to reflect release of the legal owner's interest or transfer of the lessor's interest in the vehicle or accompanied by a form provided by the department to accomplish the same result and signed by the legal owner or lessor. If the legal owner or lessor is not in possession or control of the certificate of ownership, the legal owner or lessor shall, within the time provided in subdivision (c) for the mailing, transmittal, or delivery of the certificate of ownership, take any action required by the department to release the legal owner's security interest or transfer the lessor's interest in the vehicle and within that time shall mail, transmit, or deliver written notice of its taking that action to the transferee.

(e) A legal owner or lessor that fails to satisfy the requirements of subdivisions (c) and (d), shall, without offset or reduction, pay the transferee twenty-five dollars (\$25) per day for each day that the requirements of subdivisions (c) and (d) remain unsatisfied, not to exceed a maximum payment of two thousand five hundred dollars (\$2,500). If the legal owner or lessor fails to pay this amount within 60 days following written demand by the transferee, the amount shall be trebled, not to exceed a maximum payment of seven thousand five hundred dollars (\$7,500), and the transferee shall be entitled to costs and

reasonable attorneys fees incurred in any court action brought to collect the payment. The right to recover these payments is cumulative with and is not in substitution or derogation of any remedy otherwise available at law or equity.

(f) A legal owner, upon written request of the transferee, shall disclose any pertinent information regarding the amount of payment and the documents necessary to release the obligation secured by the legal owner's interest.

SEC. 3. 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.

CHAPTER 152

An act to amend Section 803 of the Penal Code, relating to limitations of time.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 803 of the Penal Code is amended to read:

803. (a) Except as provided in this section, a limitation of time prescribed in this chapter is not tolled or extended for any reason.

(b) No time during which prosecution of the same person for the same conduct is pending in a court of this state is a part of a limitation of time prescribed in this chapter.

(c) A limitation of time prescribed in this chapter does not commence to run until the discovery of an offense described in this subdivision. This subdivision applies to an offense punishable by imprisonment in the state prison, a material element of which is fraud or breach of a fiduciary obligation, the commission of the crimes of theft or embezzlement upon an elder or dependent adult, or the basis of which is misconduct in office by a public officer, employee, or appointee, including, but not limited to, the following offenses:

(1) Grand theft of any type, forgery, falsification of public records, or acceptance of a bribe by a public official or a public employee.

- (2) A violation of Section 72, 118, 118a, 132, or 134.
 - (3) A violation of Section 25540, of any type, or Section 25541 of the Corporations Code.
 - (4) A violation of Section 1090 or 27443 of the Government Code.
 - (5) Felony welfare fraud or Medi-Cal fraud in violation of Section 11483 or 14107 of the Welfare and Institutions Code.
 - (6) Felony insurance fraud in violation of Section 548 or 550 of this code or former Section 1871.1, or Section 1871.4, of the Insurance Code.
 - (7) A violation of Section 580, 581, 582, 583, or 584 of the Business and Professions Code.
 - (8) A violation of Section 22430 of the Business and Professions Code.
 - (9) A violation of Section 10690 of the Health and Safety Code.
 - (10) A violation of Section 529a.
 - (11) A violation of subdivision (d) or (e) of Section 368.
- (d) If the defendant is out of the state when or after the offense is committed, the prosecution may be commenced as provided in Section 804 within the limitations of time prescribed by this chapter, and no time up to a maximum of three years during which the defendant is not within the state shall be a part of those limitations.
- (e) A limitation of time prescribed in this chapter does not commence to run until the offense has been discovered, or could have reasonably been discovered, with regard to offenses under Division 7 (commencing with Section 13000) of the Water Code, under Chapter 6.5 (commencing with Section 25100) of, Chapter 6.7 (commencing with Section 25280) of, or Chapter 6.8 (commencing with Section 25300) of, Division 20 of, or Part 4 (commencing with Section 41500) of Division 26 of, the Health and Safety Code, or under Section 386, or offenses under Chapter 5 (commencing with Section 2000) of Division 2 of, Chapter 9 (commencing with Section 4000) of Division 2 of, Section 6126 of, Chapter 10 (commencing with Section 7301) of Division 3 of, or Chapter 19.5 (commencing with Section 22440) of Division 8 of, the Business and Professions Code.
- (f) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date of a report to a responsible adult or agency by a child under 18 years of age that the child is a victim of a crime described in Section 261, 286, 288, 288a, 288.5, 289, or 289.5.
- (2) For purposes of this subdivision, a “responsible adult” or “agency” means a person or agency required to report pursuant to Section 11166. This subdivision applies only if both of the following occur:
- (A) The limitation period specified in Section 800 or 801 has expired.

(B) The defendant has committed at least one violation of Section 261, 286, 288, 288a, 288.5, 289, or 289.5 against the same victim within the limitation period specified for that crime in either Section 800 or 801.

(3) (A) This subdivision applies to a cause of action arising before, on, or after January 1, 1990, the effective date of this subdivision, and it shall revive any cause of action barred by Section 800 or 801 if any of the following occurred or occurs:

(i) The complaint or indictment was filed on or before January 1, 1997, and it was filed within the time period specified in this subdivision.

(ii) The complaint or indictment is or was filed subsequent to January 1, 1997, and it is or was filed within the time period specified within this subdivision.

(iii) The victim made the report required by this subdivision to a responsible adult or agency after January 1, 1990, and a complaint or indictment was not filed within the time period specified in this subdivision, but a complaint or indictment is filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(iv) The victim made the report required by this subdivision to a responsible adult or agency after January 1, 1990, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, but a new complaint or indictment is or was filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(B) (i) If the victim made the report required by this subdivision to a responsible adult or agency after January 1, 1990, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, a new complaint or indictment may be filed notwithstanding any other provision of law, including, but not limited to, subdivision (c) of Section 871.5 and subdivision (b) of Section 1238.

(ii) An order dismissing an action filed under this subdivision, which is entered or becomes effective at any time prior to 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files

an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first, shall not be considered an order terminating an action within the meaning of Section 1387.

(iii) Any ruling regarding the retroactivity of this subdivision or its constitutionality made in the course of the previous proceeding, including any review proceeding, shall not be binding upon refiling.

(g) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date of a report to a California law enforcement agency by a person of any age alleging that he or she, while under the age of 18 years, was the victim of a crime described in Section 261, 286, 288, 288a, 288.5, 289, or 289.5.

(2) This subdivision applies only if both of the following occur:

(A) The limitation period specified in Section 800 or 801 has expired.

(B) The crime involved substantial sexual conduct, as described in subdivision (b) of Section 1203.066, excluding masturbation that is not mutual, and there is independent evidence that clearly and convincingly corroborates the victim's allegation. No evidence may be used to corroborate the victim's allegation that otherwise would be inadmissible during trial. Independent evidence does not include the opinions of mental health professionals.

(3) (A) This subdivision applies to a cause of action arising before, on, or after January 1, 1994, the effective date of this subdivision, and it shall revive any cause of action barred by Section 800 or 801 if any of the following occurred or occurs:

(i) The complaint or indictment was filed on or before January 1, 1997, and it was filed within the time period specified in this subdivision.

(ii) The complaint or indictment is or was filed subsequent to January 1, 1997, and it is or was filed within the time period specified within this subdivision.

(iii) The victim made the report required by this subdivision to a law enforcement agency after January 1, 1994, and a complaint or indictment was not filed within the time period specified in this subdivision, but a complaint or indictment is filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this subdivision is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(iv) The victim made the report required by this subdivision to a law enforcement agency after January 1, 1994, and a complaint or indictment was filed within the time period specified in this subdivision, but the

indictment, complaint, or subsequently filed information was dismissed, but a new complaint or indictment is filed no later than 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this subdivision is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first.

(B) (i) If the victim made the report required by this subdivision to a law enforcement agency after January 1, 1994, and a complaint or indictment was filed within the time period specified in this subdivision, but the indictment, complaint, or subsequently filed information was dismissed, a new complaint or indictment may be filed notwithstanding any other provision of law, including, but not limited to, subdivision (c) of Section 871.5 and subdivision (b) of Section 1238.

(ii) An order dismissing an action filed under this subdivision, which is entered or becomes effective at any time prior to 180 days after the date on which either a published opinion of the California Supreme Court, deciding the question of whether retroactive application of this section is constitutional, becomes final or the United States Supreme Court files an opinion deciding the question of whether retroactive application of this subdivision is constitutional, whichever occurs first, shall not be considered an order terminating an action within the meaning of Section 1387.

(iii) Any ruling regarding the retroactivity of this subdivision or its constitutionality made in the course of the previous proceeding, by any trial court or any intermediate appellate court, shall not be binding upon refiling.

(h) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date of a report to a California law enforcement agency by a person under 21 years of age, alleging that he or she, while under 18 years of age, was the victim of a crime described in Section 261, 286, 288, 288a, 288.5, 289, or 289.5.

(2) This subdivision applies only if both of the following occur:

(A) The limitation period specified in Section 800 or 801 has expired.

(B) The crime involved substantial sexual conduct, as described in subdivision (b) of Section 1203.066, excluding masturbation that is not mutual, and there is independent evidence that corroborates the victim's allegation. No evidence may be used to corroborate the victim's allegation that otherwise would be inadmissible during trial. Independent evidence does not include the opinions of mental health professionals.

(3) This subdivision applies to a cause of action arising before, on, or after January 1, 2002, the effective date of this subdivision, and it shall revive any cause of action barred by Section 800 or 801 if the complaint or indictment was filed within the time period specified by this subdivision.

(i) (1) Notwithstanding the limitation of time described in Section 800, the limitations period for commencing prosecution for a felony offense described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290, where the limitations period set forth in Section 800 has not expired as of January 1, 2001, or the offense is committed on or after January 1, 2001, shall be 10 years from the commission of the offense, or one year from the date on which the identity of the suspect is conclusively established by DNA testing, whichever is later, provided, however, that the one-year period from the establishment of the identity of the suspect shall only apply when either of the following conditions is met:

(A) For an offense committed prior to January 1, 2001, biological evidence collected in connection with the offense is analyzed for DNA type no later than January 1, 2004.

(B) For an offense committed on or after January 1, 2001, biological evidence collected in connection with the offense is analyzed for DNA type no later than two years from the date of the offense.

(2) In the event the conditions set forth in subparagraph (A) or (B) of paragraph (1) are not met, the limitations period for commencing prosecution for a felony offense described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290, where the limitations period set forth in Section 800 has not expired as of January 1, 2001, or the offense is committed on or after January 1, 2001, shall be 10 years from the commission of the offense.

(3) For purposes of this section, "DNA" means deoxyribonucleic acid.

(j) For any crime, the proof of which depends substantially upon evidence that was seized under a warrant, but which is unavailable to the prosecuting authority under the procedures described in *People v. Superior Court (Laff)* (2001) 25 Cal.4th 703, *People v. Superior Court (Bauman & Rose)* (1995) 37 Cal.App.4th 1757, or subdivision (c) of Section 1524, relating to claims of evidentiary privilege or attorney work product, the limitation of time prescribed in this chapter shall be tolled from the time of the seizure until final disclosure of the evidence to the prosecuting authority. Nothing in this section otherwise affects the definition or applicability of any evidentiary privilege or attorney work product.

(k) (1) In a criminal investigation involving child sexual abuse as described in subdivision (g) or (h), when the limitations period set forth

therein has not expired, that period shall be tolled from the time a party initiates litigation challenging a grand jury subpoena until the end of that litigation, including any associated writ or appellate proceeding, or until the final disclosure of evidence to the investigating or prosecuting agency, if that disclosure is ordered pursuant to the subpoena after the litigation.

(2) Nothing in this subdivision affects the definition or applicability of any evidentiary privilege.

(3) This subdivision shall not apply where a court finds that the grand jury subpoena was issued or caused to be issued in bad faith.

(l) As used in subdivisions (f), (g), and (h), Section 289.5 refers to the statute enacted by Chapter 293 of the Statutes of 1991 relating to penetration by an unknown object.

CHAPTER 153

An act to amend Section 4467 of the Vehicle Code, relating to vehicles.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 4467 of the Vehicle Code is amended to read: 4467. (a) Notwithstanding any other provision of law, the department shall issue new and different license plates immediately upon request to the registered owner of a vehicle who appears in person and submits a completed application, if all of the following are provided:

(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) The previously issued license plates from the vehicle.

(4) The payment of required fees under subdivision (c) of Section 4850 and subdivision (b) of Section 9265 for the issuance of duplicate license plates.

(5) One of the following:

(A) A copy of a police report, court documentation, or other law enforcement documentation identifying the registered owner of the

vehicle as the victim of an incident of domestic violence , as specified in Section 1708.6 of the Civil Code, or the subject of stalking, as specified in Section 1708.7 of the Civil Code or Section 646.9 of the Penal Code.

(B) A written acknowledgment, dated within 30 days of submission, on the letterhead of a domestic violence agency, that the registered owner is actively seeking assistance or has sought assistance from that agency within the past year.

(C) An active protective order as defined in Section 6218 of the Family Code, or issued pursuant to Section 527.6 or 527.8 of the Code of Civil Procedure, which names the registered owner as a protected party.

(b) Subdivision (a) does not apply to special license plates issued under Article 8 (commencing with Section 5000) of Chapter 1 of Division 3, special interest license plates issued under Article 8.4 (commencing with Section 5060) of Chapter 1 of Division 3, or environmental license plates issued under Article 8.5 (commencing with Section 5100) of Chapter 1 of Division 3.

CHAPTER 154

An act to add Section 2024.5 to the Family Code, relating to court files.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 2024.5 is added to the Family Code, to read:
2024.5. (a) A petition for dissolution of marriage, nullity of marriage, or legal separation of the parties shall include a separate, one-page document that lists all relevant social security numbers known to the petitioner that pertain to the petitioner, respondent, and any minor child of the parties.

(b) The first responsive pleading filed in a proceeding for dissolution of marriage, nullity of marriage, or legal separation of the parties shall include a separate, one-page document that lists all relevant social security numbers known to the respondent that pertain to the petitioner, respondent, and any minor child of the parties.

(c) The list specified in subdivision (a) or (b) shall be placed in the confidential portion of the court file of the proceeding, and may not be disclosed except for good cause shown to the court.

(d) The Judicial Council form used to file a document specified in subdivision (a) or (b) shall contain a notice that the parties may redact the social security numbers placed in the confidential portion of the court file from pleadings, attachments, documents, or other material filed with the court only after the document listing all relevant social security numbers is placed in the confidential portion of the court file.

(e) The petitioner or respondent may redact any social security number that was placed in the confidential portion of the court file pursuant to this section from any pleading, attachment, document, or other written material filed with the court only after the document listing all relevant social security numbers is placed in the confidential portion of the court file.

(f) An Abstract of Support Judgment or any similar form created by the Judicial Council or the Department of Child Support Services for the purpose of collecting child support payments is not subject to subdivision (e).

CHAPTER 155

An act to amend Section 1210 of the Penal Code, relating to controlled substances.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1210 of the Penal Code is amended to read:
1210. Definitions

As used in Sections 1210.1 and 3063.1 of this code, and Division 10.8 (commencing with Section 11999.4) of the Health and Safety Code:

(a) The term “nonviolent drug possession offense” means the unlawful personal use, possession for personal use, or transportation for personal use of any controlled substance identified in Section 11054, 11055, 11056, 11057 or 11058 of the Health and Safety Code, or the offense of being under the influence of a controlled substance in violation of Section 11550 of the Health and Safety Code. The term “nonviolent drug possession offense” does not include the possession for sale, production, or manufacturing of any controlled substance and does not include violations of Section 4573.6 or 4573.8.

(b) The term “drug treatment program” or “drug treatment” means a state licensed and/or certified community drug treatment program, which may include one or more of the following: outpatient treatment,

half-way house treatment, narcotic replacement therapy, drug education or prevention courses and/or limited inpatient or residential drug treatment as needed to address special detoxification or relapse situations or severe dependence. The term “drug treatment program” or “drug treatment” includes a drug treatment program operated under the direction of the Veterans Health Administration of the Department of Veterans Affairs or a program specified in Section 8001; such a program shall be eligible to provide drug treatment services without regard to the licensing or certification provisions required by this subdivision. The term “drug treatment program” or “drug treatment” does not include drug treatment programs offered in a prison or jail facility.

(c) The term “successful completion of treatment” means that a defendant who has had drug treatment imposed as a condition of probation has completed the prescribed course of drug treatment and, as a result, there is reasonable cause to believe that the defendant will not abuse controlled substances in the future.

(d) The term “misdemeanor not related to the use of drugs” means a misdemeanor that does not involve (1) the simple possession or use of drugs or drug paraphernalia, being present where drugs are used, or failure to register as a drug offender, or (2) any activity similar to those listed in paragraph (1).

CHAPTER 156

An act to add Section 6719 to, and to repeal Section 6718 of, the Government Code, and to repeal Section 1 of Chapter 155 of the Statutes of 2002, relating to Juneteenth National Freedom Day.

[Approved by Governor July 31, 2003. Filed with
Secretary of State August 1, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) Juneteenth National Freedom Day, also known as “Emancipation Day,” “Emancipation Celebration,” “Freedom Day,” “Jun-Jun,” and “Juneteenth,” was first observed 136 years ago and is the oldest African-American holiday observance in the United States.

(b) Juneteenth National Freedom Day commemorates the strong survival instinct of African-Americans who were first brought to this country as slaves stacked in the bottom of sailing ships in a monthlong journey across the Atlantic Ocean known as the “Middle Passage”.

(c) Events in the history of the United States that led to the start of the Civil War in 1861 focused on regional differences between the North and the South that were based on the economic and social divergence caused by the existence of slavery. In 1862, the first clear signs that the end of slavery was imminent appeared when laws abolishing slavery were adopted in the territories of Oklahoma, Nebraska, Colorado, and New Mexico.

(d) On September 22, 1862, President Lincoln issued the celebrated Emancipation Proclamation, warning the rebellious Confederate States that he would declare their slaves “forever free” if those states did not return to the Union by January 1, 1863. Enforcement of the Emancipation Proclamation occurred only in Confederate States that were under Union Army control.

(e) Prior to the end of the Civil War, on January 31, 1865, Congress passed the Thirteenth Amendment to the United States Constitution, which abolished slavery throughout the United States and its territories. Spontaneous celebration erupted throughout the country when African-Americans learned of their freedom. Juneteenth, or June 19, 1865, is considered the date when the last slaves in America were freed by General Gordon Granger who rode into Galveston, Texas, and issued General Order No. 3, almost two and one-half years after President Lincoln had issued the Emancipation Proclamation.

(f) Observance of Juneteenth National Freedom Day, a reminder of emancipation, spread from Texas to the neighboring States of Louisiana, Arkansas, and Oklahoma, as well as to the States of Alabama, Florida, and California, where many African-American Texans had migrated. Juneteenth National Freedom Day symbolizes freedom, celebrates the abolishment of slavery, and reminds all Americans of the significant contributions of African-Americans to our society.

(g) A growing number of American and African-American cultural institutions have sponsored Juneteenth cultural events designed to make all Americans aware of this celebration, including the Smithsonian Institution’s National Museum of American History in Washington, DC, the Chicago Historical Society, the Black Archives of Mid-America, Inc., in Kansas City, Missouri, the Los Angeles Cultural Center, the Henry Ford Museum and Greenfield Village in Detroit, the Museum of African American Life and Culture in Dallas, Juneteenth America, Inc., of Ontario, California, and the National Juneteenth Observance Foundation. Juneteenth celebrations are a tribute to those African-Americans who fought so long for freedom and worked so hard to make the dream of equality a reality.

SEC. 2. Section 6718 of the Government Code is repealed.

SEC. 3. Section 6719 is added to the Government Code, to read:

6719. The Governor shall proclaim the third Saturday in June of each year to be known as “Juneteenth National Freedom Day: A day of observance,” to urge all Californians in celebrating this day to honor and reflect on the significant roles that African-Americans have played in the history of the United States and how African-Americans have enriched society through their steadfast commitment to promoting freedom, brotherhood, and equality.

SEC. 4. Section 1 of Chapter 155 of the Statutes of 2002 is repealed.

CHAPTER 157

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 August 2, 2003. Filed with Secretary of State August 2, 2003.]

I object to the following appropriations contained in Assembly Bill 1765.

Item 0250-490—Reappropriation, Judicial Council. I delete Provision 3.

I am deleting Provision 3 of this item as it is unnecessary and infringes on a process that is already well underway. The search process should be left up to the Judicial Council, in conjunction with the Department of General Services as the real estate experts, to determine the best site that meets the programmatic needs of the court who will ultimately reside on the property.

Item 3600-001-0001—For support of Department of Fish and Game. I revise this item by deleting Provision 2.

Provision 2 requires the Department of Fish and Game to develop a long-term sport fishing hatchery program and prohibits the Department from closing any fish hatcheries until January 1, 2004. This language inappropriately restricts administrative flexibility in addressing funding priorities with limited resources.

Item 3760-301-0005—For capital outlay, State Coastal Conservancy. I delete this item and Provisions 1, 2, and 3.

This language would exclude priority projects within San Luis Obispo and Santa Barbara counties from competing for these excess funds. I believe that any unencumbered balance from this Proposition 12 appropriation should revert to the Coastal Conservancy to be allocated to priority projects using established guidelines and criteria.

I am deleting Provisions 1, 2, and 3 to conform with this action.

Item 3860-496—Reversion, Department of Water Resources. I delete Provision 1 of this item.

I am deleting this language that would prohibit the transfer of funds from the General Fund to the Colorado River Management Account. A negotiated settlement of the Colorado River Quantification Settlement Agreement (QSA) is critical to ensure that the State's water needs are met. This language would weaken the Executive Branch's flexibility in negotiating with local water agencies that rely on water from the Colorado River, and reaching an ultimate agreement on the QSA.

Item 4120-001-0001—For support of Emergency Medical Services Authority. I delete Provision 1.

I am deleting Provision 1 because this language is not necessary. Provision 1 specifies that a reduction of \$138,000 be made to State operations only, and not to local assistance. The Emergency Medical Services Authority has already identified State operations reductions of \$68,000 General Fund in personal services and \$70,000 in operating expenses and equipment from the Disaster Medical Services Division.

Item 4130-001-0632—For support of California Health and Human Services Agency Data Center. I delete Provision 6.

I am deleting Provision 6, which would require the California Health and Human Services Agency Data Center to reduce its rates by at least 8 percent to achieve total savings of approximately \$20,000,000 in client departments' budgets. While I support the need for the Data Center to set rates that provide cost effective information technology services, this language would hamper the Data Center's ability to do so. Rates

set by the Data Center are predicated on both costs and projected utilization. To the extent that client departments' funding for information technology is reduced, those departments would not have appropriate resources to pay for increased utilization. Any decrease in utilization from that projected in setting the rates would preclude the ability to actually lower the rates. This action conforms to my action on SEC. 9.70.

Item 4140-111-0236—For local assistance, Office of Statewide Health Planning and Development. I revise this item by deleting Provision 1.

In order to correct a technical error in the Budget Bill, I am deleting Provision 1, which would eliminate funding for the Rural Health Small Grants Program if legislation is enacted to amend the provisions of the Tobacco Tax and Health Protection Act (Proposition 99) to authorize Proposition 99 funds to be used to draw down federal funds for the Rural Health Demonstration Program within the Managed Risk Medical Insurance Board. Although legislation has been enacted to authorize the use of Proposition 99 funds for this purpose, there are sufficient Proposition 99 funds to provide funding for both programs in 2003–04. Therefore, I am sustaining the funding for the Rural Health Small Grants Program, which provides health care services to approximately 18,500 uninsured persons in rural areas of the State.

Item 4170-001-0001—For support of Department of Aging. I delete Provision 1.

I am deleting Provision 1 because it specifies that a reduction made to State operations cannot be allocated in a manner that affects State positions that provide direct services for the Department of Aging to the public or that administer the federal Older Americans Act programs. This language would restrict the Administration's ability to prioritize resources and deal with the legislative reduction based on programmatic needs of the Department of Aging.

Item 4220-001-0001—For support of Child Development Policy Advisory Committee. I delete this item.

I am deleting the legislative augmentation of \$668,000 (\$367,000 General Fund and \$301,000 Reimbursements), 5.4 positions for administrative support, and funding for the Child Development Policy Advisory Committee. The Committee is no longer functioning as all positions are currently vacant. Further, other State entities can be consulted for policy information and recommendations regarding child development and child care issues, at no additional cost to the State.

Item 4260-101-0890—For local assistance, Department of Health Services. I reduce this item from \$16,566,448,000 to \$16,409,608,000.

I am reducing this item by \$156,840,000 to correct a technical error in the Budget Bill. This technical veto is consistent with the Legislature's intent and legislative actions taken in this item.

Item 4440-101-0001—For local assistance, Department of Mental Health. I revise this item by reducing:

- (1) 10.25-Community Services—Other Treatment \$1,139,412,000 to \$1,127,228,000

I am reducing Program 10.25 by \$12,184,000 as a technical adjustment in order to conform to the legislative action to implement a 5-percent reduction to Mental Health Managed Care.

Item 5240-001-0001—For support of Department of Corrections. I reduce this item from \$4,739,474,000 to \$4,739,327,000 by reducing:

- (3) 31-Community Correctional Program from \$512,902,000 to \$512,755,000.

I am sustaining the \$2,600,000 legislative augmentation to implement a program to place inmates in residential aftercare treatment 120 days prior to release from prison, rather than upon parole. However, due to my strong concerns regarding public safety, I am directing the Department to develop regulations that clearly specify that inmates will not be eligible for this program who have been previously convicted of a serious or violent offense, or who are presently serving a sentence for a serious or violent offense.

I am sustaining the \$45,000,000 legislative augmentation to implement a Substance Abuse Treatment Control Unit program for non-violent parole violators who are not eligible for Proposition 36 and to implement a community detention program utilizing

structured sanctions for other low-level parole violators. However, to ensure the safety of the citizens of California, I am directing the Department to develop regulations specifying that no individuals with an underlying serious or violent offense, or who have previously been convicted of a serious or violent offense will be eligible for these programs. In addition, these regulations are to specify that the community detention programs are only available if the parole violation is of a minor, technical nature.

I am deleting the \$147,000 legislative augmentation for the Sexually Violent Predators (SVPs) Conditional Release program, which the Legislature requested be transferred from the Department of Mental Health to the Department of Corrections (CDC). SVPs are repeat sex offenders who are diagnosed with mental illnesses and ordered into inpatient treatment upon completion of their criminal sentences. The Conditional Release program is necessary to monitor offenders and protect the public when courts order SVPs released into the community. The supervision, monitoring, and clinical treatment provided to SVPs under conditional release are essential to ensuring public safety. It is unclear at this time whether the CDC is appropriately equipped to provide all of the supervision and treatment services for this population. However, I will instruct the departments to explore the most effective and least costly way to provide supervision for these SVPs.

Item 6110-001-0890—For support of Department of Education, I reduce this item from \$129,929,000 to \$129,304,000 and revise Provisions 9 and 24.

I am reducing the legislative augmentation for support of special education dispute resolution services amount by \$123,000. This technical reduction eliminates funding for salary increases negotiated by the contractor. As the Budget provides for no augmentations for state employees, I believe it would be inequitable to fund salary increases for contracted employees. With this reduction, \$10,140,000 remains available for dispute resolution services. I am revising Provision 9 to conform to this action.

“9. Of the funds appropriated in this item, ~~\$10,263,000~~ \$10,140,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for the Special Education Program.”

I am reducing the \$1,700,000 legislative augmentation for support of the Ravenswood City School Improvement Program by \$502,000. This technical reduction reflects the payment recently made for this purpose through the legal claim process. With this reduction, \$1,198,000 remains available to fully comply with the court-ordered payment for the State’s share of monitoring this district’s special education program. I am revising Provision 24 to conform to this action.

“24. Of the funds appropriated in this item ~~\$1,700,000~~ \$1,198,000 shall be allocated to the Ravenswood City School District to support the costs of the court-ordered Ravenswood School Improvement Program.”

Item 6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98). I revise this Item by revising Provision 2.

I am revising Provision 2 to delete language that would limit any apportionment reduction for a given community college district related to concurrent enrollment to no more than ten percent of the statewide amount in order to ensure an equitable allocation of the reductions. The ten percent limitation would result in potentially disproportionate reductions to other districts. The provision would still provide sufficient authority for the Chancellor to mitigate reductions in the event such reductions would threaten fiscal solvency, which I believe to be sufficient.

“2. Of the funds appropriated in Schedule (1), Apportionments:

- (a) Up to \$100,000 is for a maintenance allowance, pursuant to regulations adopted by the board of governors.
- (b) Up to \$500,000 is to reimburse colleges for the costs of federal aid repayments related to assessed fees for fee waiver recipients. This reimbursement only applies to students who completely withdraw from college before the census date.
- (c) The amount appropriated in this item reflects a reduction of \$25 million and approximately 6,500 full-time-equivalent students (FTES) based on a policy that revises allowable parameters for the claiming of state funding for concurrent enrollment. The chancellor shall allocate this reduction on a

basis proportionate to the level of FTES reported by districts for concurrent enrollment in physical education, recreation, study skills, and personal development courses. However, nothing in this provision shall prohibit those districts from receiving growth allocations, as warranted, to the extent that designated funds are available: ~~No district shall receive a funding reduction that exceeds 10 percent of the statewide total reduction made pursuant to this subdivision.~~ Further, the chancellor may limit the amount of reduction for a district if, in the judgment of the chancellor, the district's financial integrity otherwise would be jeopardized. The chancellor shall report to the Legislature and the Governor by January 1, 2004, on how the reduction was allocated.

- (d) Notwithstanding any other provision of law or regulation, the chancellor shall not reduce district workload obligations for a lack of a funded cost-of-living adjustment."

Item 7350-001-0001—For support of Department of Industrial Relations. I delete Provision 1.

I am deleting Provision 1 because it conflicts with Labor Code provisions, which direct the Industrial Welfare Commission to conduct public hearings in at least three California cities, as specified. This language would prevent the Commission to choosing the most cost effective venue for meetings.

I am sustaining the \$27,095,000 augmentation which would provide partial year funding for the 80 percent General Fund share of workers' compensation program costs. This budget assumes that the 100 Percent User Funding proposal that I proposed in December will be enacted as a part of a larger workers' compensation reform package. I have already stated my support and intent to enact reforms in the workers' compensation system. I view this budget augmentation as a signal that the Legislature intends to include 100 Percent User Funding in the workers' compensation reform package. If user funding is not included in those reforms and enacted in a timely fashion, the Department will incur a significant General Fund deficiency.

Item 8100-101-0001—For local assistance, Office of Criminal Justice Planning. I delete Provision 3.

I am deleting Provision 3, as a technical correction, which would require the Office of Criminal Justice Planning to maintain all matching federal discretionary funds for the Homeless Youth Project and the Youth Telephone Emergency Referral Program for at least this fiscal year. This language is unnecessary since Schedules (4) and (5) of this item provide appropriations specifically intended to support the Homeless Youth Project and Youth Telephone Emergency Referral Program, including the use of these funds to match any available federal funds.

Item 8180-101-0001—For local assistance, payment to counties for costs of homicide trials. I delete Provision 3.

I am deleting Provision 3, which allows Stanislaus County to be reimbursed for 100 percent of its costs associated with the homicide trial of the People v. Scott Peterson. There is an existing procedure by which counties can procure reimbursements for costly homicide trials. Stanislaus County can apply for funds for this trial through that procedure; therefore this language is unnecessary.

Item 9210-103-0001—For local assistance, Local Government Financing. I delete this item and Provisions 1, 2, 3, and 4.

I am deleting this legislative augmentation, which restored \$500,000 of my proposed elimination of the special supplemental subventions for redevelopment agencies. These resources were provided to ensure that debt obligations supported by the special supplemental subventions would not be harmed. If redevelopment agencies have debt secured by that funding, there is an established process to ensure that they are not harmed.

I am deleting Provisions 1, 2, 3, and 4 to conform to this action.

SEC. 9.70—Information Technology Savings from Reduced Rates at the Health and Human Services Agency Data Center. I delete this Control Section.

I am deleting this control section because it would require that (1) the Health and Human Services Agency Data Center reduce its rates by 8 percent, (2) the approximate

\$20 million in resultant savings be reduced from client department budgets for information technology, (3) the Department of Finance (Finance) capture the resultant savings and revert the funding to the appropriate fund, and (4) Finance report to the Legislature on adjustments be made by November 1, 2004. While I support the need for the Data Center to set rates that provide cost effective information technology services, I believe this control section would hamper the Data Center's ability to do so. Rates set by the Data Center are predicated on both costs and projected utilization. To the extent that client department's funding for information technology is reduced, those departments would not have appropriate resources to pay for increased utilization. Any decrease in utilization from the projected levels would preclude the ability to actually lower the rates. Additionally, the requirement for the Data Center to reduce its rates is unnecessary, because the Data Center plans to reduce rates by an average of 8 percent for 2003-04.

With the above deletions, revisions, and reductions, I hereby approve Assembly Bill 1765.

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 2003."

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 Legislature that this act utilize a coding scheme compatible with the Governor's Budget and the records of the 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 2003–04 fiscal year beginning July 1, 2003, and ending June 30, 2004. 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 2003–04, 2004–05 and 2005–06 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 2003–04 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, 2004, 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.....	87,293,000
Schedule:	
(1) 101001-Salaries of Senators.....	4,800,000
(2) 317295-Mileage	10,000
(3) 317292-Expenses	1,320,000
(4) 500004-Operating Expenses.....	80,331,000
(5) 317296-Automotive Expenses.....	832,000
Provisions:	
1. The funds appropriated in Schedule (4) 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 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 (5) 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 (1), (2), (3), and (5) may be transferred to or from the Senate Operating Fund.	
0120-011-0001—For support of Assembly	118,455,000
Schedule:	
(1) 101001-Salaries of Assembly Members	9,479,000
(2) 317295-Mileage	8,000
(3) 317292-Expenses	2,496,000
(4) 500004-Operating Expenses.....	105,888,000

Item	Amount
(5) 317296-Automotive Expenses.....	584,000
Provisions:	
1. The funds appropriated in Schedule (4) 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 (5) 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 (1), (2), (3), and (5) may be transferred to or from the Assembly Operating Fund.	
0130-021-0001—For support of Office of the Legislative Analyst.....	0
Schedule:	
(1) Expenses of the Office of the Legislative Analyst	5,673,000
(2) Transferred from Item 0110-001-0001	-2,836,000
(3) Transferred from Item 0120-011-0001	-2,837,000
Provisions:	
1. The funds appropriated in Schedule (1) 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 (2) and (3) 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.....	77,491,000
Schedule:	
(1) Support.....	77,622,000
(2) Reimbursements.....	-131,000

Item Amount

Judicial

0250-001-0001—For support of Judiciary 280,490,000

Schedule:

- (1) 10-Supreme Court 38,000,000
- (2) 20-Courts of Appeal 170,960,000
- (3) 30-Judicial Council 79,019,000
- (4) 50-Habeas Corpus Resource Center 10,361,000
- (5) 97.20.001-Unallocated Reduction... -8,500,000
- (6) Reimbursements -3,152,000
- (7) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-0044)... -135,000
- (8) Amount payable from the Court Interpreters' Fund (Item 0250-001-0327)..... -84,000
- (9) Amount payable from the Federal Trust Fund (Item 0250-001-0890). -2,435,000
- (10) Amount payable from the Appellate Court Trust Fund (Item 0250-001-3060) -3,544,000

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.
2. Of the funds appropriated in this item, \$200,000 is available for reimbursement to the Attorney General, or for hiring outside counsel, for pre-litigation and litigation fees and costs, including any judgment, stipulated judgment, offer of judgment or settlement. This amount is for use in connection with (a) matters arising from the actions of appellate courts, appellate court bench officers, or appellate court employees; (b) matters arising from the actions of the Judicial Council, council members or council employees or agents; (c) matters arising from the actions of the Administrative Office of the Courts or its employees; or (d) employment litigation arising from the actions of trial courts, trial court bench officers, or trial court 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.

Item	Amount
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 cashflow 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 Schedule (4) shall be available for costs associated directly or indirectly with the California Habeas Corpus Resource Center (CHCRC). The CHCRC shall report to the Legislature and the Department of Finance on September 1, 2003, and April 1, 2004, on expenditures, specifically detailing personal services expenditures, and operating expenses and equipment expenditures.	
5. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the amount appropriated in this item shall be reduced by the amount transferred in Item 0250-011-0001 to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers' compensation claims for judicial branch employees and administrative costs pursuant to Section 68114.10 of the Government Code.	
0250-001-0044—For support of Judiciary, for payment to Item 0250-001-0001, payable from the Motor Vehicle Account, State Transportation Fund.....	135,000
0250-001-0327—For support of Judiciary, for payment to Item 0250-001-0001, payable from the Court Interpreters' Fund	84,000
0250-001-0890—For support of Judiciary, for payment to Item 0250-001-0001, payable from the Federal Trust Fund.....	2,435,000
0250-001-3037—For support of Judiciary, payable from the State Court Facilities Construction Fund.....	10,752,000
Schedule:	
(1) 30-Judicial Council	10,752,000
0250-001-3060—For support of Judiciary, for payment to Item 0250-001-0001, payable from the Appellate Court Trust Fund.....	3,544,000

Item	Amount
0250-003-0001—For support of Judiciary for rental payments on lease revenue bonds	1,018,000
Schedule:	
(1) Base Rental and Fees	1,011,000
(2) Insurance	7,000
Provisions:	
1. The funds appropriated in this item shall be made available for costs associated with rental payments on lease revenue bonds for the Courts of Appeal, 4th District, Division 2, in Riverside, California.	
2. The Controller shall transfer funds appropriated in this item according to a schedule to be provided the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
0250-011-0001—For transfer, upon order of the Director of Finance, to the Judicial Branch Workers' Compensation Fund	1,000
Provisions:	
1. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the Judicial Council shall adjust the amount of this transfer to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers compensation claims for judicial branch employees and administrative costs pursuant to Government Code Section 68114.10.	
0250-101-0001—For local assistance, Judiciary	13,556,000
Schedule:	
(1) 30.10-Child Support Commissioner Program (AB 1058)	42,824,000
(2) 30.20-California Drug Court Projects	2,858,000
(3) 30.30-Federal Child Access and Visitation Grant Program.....	800,000
(4) 30.50-Federal Court Improvement Grant Program	700,000
(5) 30.60-Court Appointed Special Advocate (CASA) Program	1,924,000
(6) 30.65-Model Self-Help Program	832,000
(8) 30.80-Federal Grants—Other	775,000
(9) 30.90-Equal Access Fund	9,500,000
(10) 30.95-Family Law Information Centers	300,000
(11) Reimbursements	-44,682,000

Item	Amount
(12) Amount payable from Federal Trust Fund (Item 0250-101-0890).	-2,275,000
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 cash-flow 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 (9) 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. The Judicial Council shall approve awards made by the commission if the council determines that the awards comply with statutory and other relevant guidelines. Ten percent of the funds in Schedule (9) 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 in Schedule (9) 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 requirements 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	2,275,000
0250-490—Reappropriation, Judicial Council. The balance of the appropriations provided in the following citations is reappropriated for the purposes provided for in the appropriations and shall be available for encumbrance until June 30, 2005:	
0001—General Fund	
(a) Item 0250-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)	

Item

Amount

- (1) 90.20.401-Court of Appeal, Fourth Appellate District, Orange County: New Courthouse—Acquisition
- 0660—Public Buildings Construction Fund
- (a) Item 0250-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)
 - (1) 90.20.401—Court of Appeal, Fourth Appellate District Orange County: New Courthouse-Working drawings and construction
 - (2) 90.20.501—Court of Appeal, Fifth Appellate District Fresno: New Courthouse-Working drawings and construction

Provisions:

- 2. Consistent with Chapter 4.2 (commencing with Section 69202) of Title 8 of the Government Code, the Judicial Council shall provide the project implementation, including, but not limited to, the establishment of site criteria and selection, acquisition, design, construction, and operation, of the new courthouse construction in the Fourth Appellate District.
- 3. The Judicial Council shall review all appropriate sites for the replacement of the Courthouse for the Fourth Appellate District. This review shall include, but not be limited to, the reevaluation of previously rejected locations.

0280-001-0001—For support of the Commission on Judicial Performance, Program 10 3,734,000

Provisions:

- 1. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the amount appropriated in this item shall be reduced by the amount transferred in Item 0280-011-0001 to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers compensation claims for judicial branch employees and administrative costs pursuant to Government Code Section 68114.10.

0280-011-0001—For transfer, upon order of the Director of Finance, to the Judicial Branch Workers' Compensation Fund 1,000

Provisions:

- 1. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the Commission on Judicial Performance shall adjust the amount of this transfer to provide adequate resources to the Judicial Branch Workers'

Item	Amount
Compensation Fund to pay workers compensation claims for judicial branch employees and administrative costs pursuant to Government Code Section 68114.10.	
0390-001-0001—For transfer by the Controller to the Judges’ Retirement Fund, for Supreme Court and Appellate Court Justices	1,150,000
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	87,420,000
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.	
0450-101-0001—For local assistance, State Trial Court Funding.....	3,000,000
Provisions:	
1. The amount appropriated in this item shall only be used for the payment of service of process fees billed to the trial courts as a result of Chapter 1009 of the Statutes of 2002. The Judicial Council shall distribute funds appropriated in this item to the individual trial courts on a reimbursement basis.	
2. Any funds in this item not used pursuant to Provision 1 shall revert to the General Fund.	
3. The Judicial Council shall provide the Department of Finance with a report, by September 1, 2004, detailing the number of services of process billed to the courts under Chapter 1009 of the Statutes of 2002, the cost of these services, and information on any agreements reached with local law enforcement to provide this service free of charge or at a reduced rate.	
0450-101-0932—For local assistance, State Trial Court Funding, payable from Trial Court Trust Fund....	2,186,864,000
Schedule:	
(1) 10-Support for operation of the Trial Courts.....	1,882,487,000
(2) 25-Compensation of Superior Court Judges	216,601,000
(3) 35-Assigned Judges.....	19,740,000

Item

Amount

(4) 45-Court Interpreters 68,036,000
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 (3) shall be made available for all judicial assignments. Schedule (3) 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 (2) shall be made available for the payment of workers' compensation claims for trial court judges.
4. The funds appropriated in Schedule (4) shall be for payments for services of contractual court interpreters, and certified and registered 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 certified 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 annually regarding expenditures from this schedule.

5. Of the amount appropriated in this item, \$44,000,000 shall not be available for allocation to the trial courts except to the extent that civil fee revenues above the \$154,590,000 that is currently projected for 2003–04 are deposited in the Trial Court Trust Fund.

Item

Amount

6. Notwithstanding any other provision of law, the distribution of fines, fees, forfeitures, and penalties reported by the County of San Bernardino for the 1993–94, 1994–95, and 1995–96 fiscal years shall be deemed to be correct and no further reductions or increases shall be made to the distribution for those fiscal years, except for those amounts owed to other local agencies.
7. The funds appropriated in Schedule (1) include an augmentation of \$1,175,000 for Court Operations related to Chapter 561 of the Statutes of 1999. It is the intent of the Legislature that these funds only be used for the processing of elder abuse protective orders. Any funds not used for this purpose shall revert to the General Fund.
8. In addition to funding approved and appropriated through the program budget process, on an annual basis, it is the intent of the Legislature that the state shall provide, upon the order of the Director of Finance, to the Judicial Council an amount of discretionary funding that is deemed to be fair, reasonable, and fiscally responsible and meets specific criteria established and agreed upon by the Director of the Department of Personnel Administration, Director of Finance, and the Administration Director of the Courts. The level of funding shall be based on factors such as workload, population growth, agreed-upon policy goals, changes in local geographical circumstances and other agreed-upon criteria, which shall include the average percentage salary and benefit increases provided to state employees.

The Judicial Council shall allocate these funds to meet the various needs of the trial courts. This includes the need to negotiate local memoranda of understanding with recognized bargaining agents and to meet other salary and benefit needs of the trial courts.

9. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the amount appropriated in this item shall be reduced by the amount transferred in Item 0450-115-0932 to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers compensation claims for judicial branch employees and administrative costs pursuant to Government Code Section 68114.10.

Item	Amount
10. Of the amount appropriated in Schedule (4), up to \$3,862,000 shall be available for costs for transitioning court interpreters from independent contractors to court employees, including, but not limited to, the costs of the employer contributions to social security or an equivalent employer contribution of 6.2 percent to an alternative pension plan provided by a court in lieu of social security.	
11. On or after April 1, 2003, any trial court receiving cleaning or maintenance services from persons employed directly by the court or county shall continue to receive those services from persons employed directly by a trial court or county in which the trial court is located.	
0450-111-0001—For transfer by the Controller to the Trial Court Trust Fund	1,001,001,000
Provisions:	
1. To the extent that an amount of discretionary funding is provided to the Judicial Council pursuant to Item 0450-101-0932, Provision 8, upon the order of the Director of Finance, the appropriation in this item may be increased by the corresponding General Fund amount.	
0450-111-0159—For transfer by the Controller, upon order of the Director of Finance, from the Trial Court Improvement Fund to the General Fund	(10,000,000)
0450-111-3037—For transfer by the Controller, upon order of the Director of Finance, from the State Court Facilities Construction Fund to the Trial Court Trust Fund	(80,000,000)
Provisions:	
1. Transfers authorized by this item may only take place after the revenue collected by the State Court Facilities Construction Fund exceeds the amount appropriated pursuant to Item 0250-001-3037.	
2. The transfer made by this item is a loan to the Trial Court Trust Fund by the General Fund to be repaid in a timeframe to be determined by the Department of Finance, but no later than January 1, 2006. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.	
3. It is the intent of the Legislature that funding for court operations, programs, and services is not adversely impacted as a result of this loan. Conse-	

Item	Amount
<p>quently, upon determination that the total funding transferred pursuant to this item shall be less than \$80,000,000, the Administrative Office of the Courts is authorized to submit a request for deficiency funding for Item 0450-111-0001 in accordance with the requirements of Section 27.00.</p>	
0450-112-0001—For transfer by the Controller to the Judicial Administration Efficiency and Modernization Fund	29,822,000
0450-112-0556—For local assistance, State Trial Court Funding, payable from the Judicial Administration Efficiency and Modernization Fund.....	29,822,000
0450-115-0932—For transfer, upon order of the Director of Finance, to the Judicial Branch Workers Compensation Fund	1,000
Provisions:	
1. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, the Judicial Council shall adjust the amount of this transfer to provide adequate resources to the Judicial Branch Workers' Compensation Fund to pay workers compensation claims for judicial branch employees and administrative costs pursuant to Government Code Section 68114.10.	

Executive

0500-001-0001—For support of Governor and of Governor's office.....	5,943,000
Schedule:	
(1) Support.....	5,868,000
(2) Governor's Residence (Support)	35,000
(3) Special Contingent Expenses	40,000
Provisions:	
1. The funds appropriated in Schedules (2) and (3) of this item are exempt from the provisions of Sections 925.6, 12410, and 13320 of the Government Code.	
0510-001-0001—For support of Secretary of State and Consumer Services	774,000
Schedule:	
(1) Support.....	1,316,000
(2) Reimbursements.....	-542,000
0520-001-0044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund.....	1,337,000

Item	Amount
Schedule:	
(1) 10-Administration of Business, Transportation and Housing Agency.....	2,651,000
(2) 30-Agency Audits Office.....	414,000
(5) Reimbursements.....	-1,728,000
Provisions:	
1. The agency shall include in future Governor's Budget presentations a display of all positions currently on assignment with the agency from other departments and the source of these positions.	
0530-001-0001—For support of Secretary for California Health and Human Services.....	485,000
Schedule:	
(1) 10-Secretary for California Health and Human Services Agency.....	1,574,000
(2) Reimbursements.....	-1,089,000
0530-017-0001—For support of Secretary for California Health and Human Services Agency.....	2,971,000
Schedule:	
(1) 21-Office of HIPAA Implementa- tion.....	3,572,000
(2) Reimbursements.....	-601,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in Control Section 17.00. These funds are to be used in support of compliance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.	
0540-001-0001—For support of Secretary for Resources	0
Schedule:	
(1) 10-Administration of Resources Agency.....	11,635,000
(2) Reimbursements.....	-514,000
(3) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 0540-001-0005).	-200,000
(4) Amount payable from the Califor- nia Environmental License Plate Fund (Item 0540-001-0140).....	-2,507,000
(5) Amount payable from the Environ- mental Enhancement and Mitiga- tion Demonstration Program Fund (Item 0540-001-0183).....	-90,000

Item	Amount
(6) Amount payable from the Federal Trust Fund (Item 0540-001-0890).	-255,000
(7) Amount payable from the River Protection Subaccount (Item 0540-001-6015).....	-16,000
(8) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 0540-001-6029).....	-6,462,000
(9) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund (Item 0540-001-6031)	-1,591,000
0540-001-0005—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	200,000
0540-001-0140—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the California Environmental License Plate Fund ...	2,507,000
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.....	90,000
0540-001-0890—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the Federal Trust Fund.....	255,000
0540-001-6015—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the River Protection Subaccount	16,000
0540-001-6029—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	6,462,000
0540-001-6031—For support of Secretary for Resources, for payment to Item 0540-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	1,591,000

Provisions:

1. Of the amount appropriated in this item, \$246,000 is for the development of a public Web site for Proposition 50, and the funds shall not be encumbered until the Department of Finance reviews and approves a special project report for this project. At the time it approves the fund availability, the Department of Finance shall provide writ-

Item	Amount
<p>ten notification of its approval to the chairperson of the committee in each house of the Legislature which considers appropriations and the Chairperson of the Joint Legislative Budget Committee. It is the intent of the Legislature that one Web site, infrastructure, and database system be developed to display both Proposition 40 and 50 information in order to avoid any duplication in the activities to display Proposition 40 and 50 information.</p> <p>0540-490—Extension of liquidation period, Resources Agency. Notwithstanding any other provision of law, funds appropriated in the following citations shall be available for liquidation until June 30, 2004:</p> <p>0001—General Fund</p> <p>(1) Item 0540-101-0001, Budget Act of 1999 (Ch. 50, Stats. 1999), as reappropriated for extension of liquidation by Item 0540-492, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p>(2) Item 0540-101-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)</p> <p>6015—River Protection Subaccount</p> <p>(1) Item 0540-101-6015, Budget Act of 2000 (Ch. 52, Stats. 2000)</p> <p>0540-491—Reappropriation, Resources Agency. \$175,000 of 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 encumbrance and expenditure until June 30, 2004:</p> <p>6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund</p> <p>(1) Item 0540-001-6029, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p>Provisions:</p> <p>1. Of the amount reappropriated in this item, \$175,000 is for the development of a public Web site for Proposition 40, and the funds shall not be encumbered until the Department of Finance reviews and approves a special project report for this project. At the time it approves the fund availability, the Department of Finance shall provide written notification of its approval to the chairperson of the committees in each house of the Legislature which considers appropriations and the Chairperson of the Joint Legislative Budget Committee. It is the intent of the Legislature that one Web site, infrastructure, and database system be</p>	

Item	Amount
developed to display both Proposition 40 and 50 information in order to avoid any duplication in the activities to display Proposition 40 and 50 information.	
0550-001-0001—For support of Secretary for Youth and Adult Correctional Agency.....	938,000
Schedule:	
(1) 10-Secretary for Youth and Adult Correctional Agency.....	1,196,000
(2) Reimbursements.....	-258,000
0552-001-0001—For support of Office of the Inspector General, Program 10.....	2,687,000
0553-001-0001—For support of the Office of the Inspector General for Veterans Affairs	358,000
Schedule:	
(1) 10-Inspector General for Veterans Affairs	457,000
(2) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 0553-001-0592).....	-99,000
0553-001-0592—For support of the Office of the Inspector General for Veterans Affairs, for payment to Item 0553-001-0001, payable from the Veterans' Farm and Home Building Fund of 1943.....	99,000
0555-001-0001—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044.....	500,000
0555-001-0014—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Hazardous Waste Control Account	341,000
0555-001-0028—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Unified Program Account ..	965,000
0555-001-0044—For support of Secretary for Environmental Protection, payable from the Motor Vehicle Account, State Transportation Fund.....	575,000
Schedule:	
(1) 30-Support	8,397,000
(3) Reimbursements.....	-2,080,000
(4) Amount payable from the General Fund (Item 0555-001-0001).....	-500,000
(5) Amount payable from the Hazardous Waste Control Account (Item 0555-001-0014)	-341,000

Item	Amount
(6) Amount payable from the Unified Program Account (Item 0555-001-0028).....	-965,000
(7) Amount payable from the California Used Oil Recycling Fund (Item 0555-001-0100)	-29,000
(8) Amount payable from the Department of Pesticide Regulation Fund (Item 0555-001-0106)	-210,000
(9) Amount payable from the Recycling Market Development Revolving Loan Account (Item 0555-001-0281).....	-155,000
(10) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0555-001-0387).	-436,000
(11) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0555-001-0439).....	-55,000
(12) Amount payable from the State Water Quality Control Fund (Item 0555-001-0679)	-151,000
(13) Amount payable from the Rural CUPA Reimbursement Account (Item 0555-001-1006)	-900,000
(14) Amount payable from the Environmental Enforcement and Training Account (Item 0555-001-8013)	-2,000,000
Provisions:	
1. Notwithstanding Section 48653 of the Public Resources Code, funds appropriated in this item shall be available for purposes of administration.	
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.....	29,000
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	210,000
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.....	155,000

Item	Amount
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	436,000
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	55,000
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	151,000
0555-001-1006—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Rural CUPA Reimbursement Account	900,000
0555-001-8013—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Environmental Enforcement and Training Account	2,000,000
0555-011-0001—For transfer by the State Controller to the Rural CUPA Reimbursement Account	900,000
0558-001-0001—For support of the Office of the Secretary for Education.....	855,000
Schedule:	
(1) Secretary for Education	855,000
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, 2004, to June 30, 2004, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2004. In the event that legislation creating the agency is not effective on or before January 1, 2004, or the funds are needed prior to January 1, 2004, 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.	
0559-001-0001—For support of the California Labor and Workforce Development Agency	0
Schedule:	
(1) 10-Office of the Secretary for Labor and Workforce Development	1,994,000
(3) Reimbursements.....	-1,994,000

Item	Amount
0650-001-0001—For support of Office of Planning and Research	4,009,000
Schedule:	
(1) 11-State Planning and Policy Development.....	5,148,000
(2) 21-Governor’s Office on Service and Volunteerism	2,900,000
(3) Reimbursements.....	-971,000
(4) Amount payable from the Property Acquisition Law Money Account (Item 0650-001-0002)	-506,000
(5) Amount payable from the Federal Trust Fund (Item 0650-001-0890).....	-2,562,000
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.....	506,000
0650-001-0890—For support of Office of Planning and Research, for payment to Item 0650-001-0001, payable from the Federal Trust Fund	2,562,000
0650-011-0001—For support of Office of Planning and Research	855,000
Schedule:	
(1) Office of the Secretary for Education.....	865,000
(2) 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, 2003, to December 31, 2003, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2004. 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, Program 21-Governor’s Office on Service and Volunteerism, payable from the Federal Trust Fund.....	45,800,000

Item	Amount
Provisions:	
1. The funds appropriated in this item are for local assistance allocations approved by the Governor's Office on Service and Volunteerism.	
0690-001-0001—For support of Office of Emergency Services	30,496,000
Schedule:	
(1) 15-Mutual Aid Response	15,697,000
(2) 35-Plans and Preparedness.....	16,008,000
(3) 45-Disaster Assistance.....	21,701,000
(4) 55.01-Administration and Executive.....	5,716,000
(5) 55.02-Distributed Administration and Executive	-4,821,000
(6) Reimbursements	-2,113,000
(7) Amount payable from the Unified Program Account (Item 0690-001-0028).....	-610,000
(8) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-0029).....	-879,000
(9) Amount payable from the Federal Trust Fund (Item 0690-001-0890).....	-20,203,000
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	610,000
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	879,000

Item	Amount
Provisions:	
1. Pursuant to Government Code Section 8610.5(f), any unexpended funds from the appropriation in the prior fiscal year for the purposes of conducting a full participation exercise are hereby appropriated in augmentation of this item.	
0690-001-0890—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Federal Trust Fund	20,203,000
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.	
0690-101-0029—For local assistance, Office of Emergency Services, Program 35—Plans and Preparedness, payable from the Nuclear Planning Assessment Special Account.....	2,185,000
Provisions:	
1. Pursuant to Government Code Section 8610.5(f), any unexpended funds from the appropriation in the prior fiscal year for the purposes of conducting a full participation exercise are hereby appropriated in augmentation of this item.	
0690-101-0890—For local assistance, Office of Emergency Services, payable from the Federal Trust Fund	574,975,000
Schedule:	
(1) 35-Plans and Preparedness.....	17,249,000
(2) 45-Disaster Assistance	557,726,000
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.	

Item	Amount
0690-112-0001—For local assistance, Office of Emergency Services, for disaster recovery costs	20,378,000
Provisions:	
1. The funds appropriated in this item are for the state’s share of response and recovery costs for disasters.	
0690-115-0001—For local assistance, Office of Emergency Services, for volunteer disaster service worker’s compensation	663,000
Provisions:	
1. The funds appropriated in this item shall be used to pay approved volunteer disaster service worker’s compensation claims and administrative expenditures related to the payment of such claims by the State Compensation Insurance Fund.	
2. On or before April 1, 2004, the Office of Emergency Services shall provide to the chairs of the budget subcommittees in each house and the Chair of the Joint Legislative Budget Committee an evaluation of the alternatives for the administration and funding of this program in future fiscal years, including consideration of a cost sharing relationship between the state and local government entities who use volunteers.	
0690-295-0001—For local assistance, Office of Emergency Services, for reimbursement, in accordance with the provision 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, for disbursement by the State Controller	0
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 2003–04 fiscal year:	
(1) Deaf Teletype Equipment (Ch. 1032, Stats. 1980).	

Item	Amount
0690-301-0001—For capital outlay, Office of Emergency Services	235,000
Schedule:	
(1) 80.10.008-Sacramento: OES Headquarters Perimeter Fence—Preliminary plans and working drawings.....	235,000
0750-001-0001—For support of Office of the Lieutenant Governor.....	2,536,000
0820-001-0001—For support of Department of Justice..	291,841,000
Schedule:	
(1) 11.01-Directorate-Administration.....	23,935,000
(2) 11.02-Distributed Directorate-Administration	-23,935,000
(3) 12.01-Legal Support and Technology.....	41,837,000
(4) 12.02-Distributed Legal Support and Technology.....	-41,837,000
(5) 25-Executive Programs.....	15,000,000
(6) 30-Civil Law.....	105,288,000
(7) 40-Criminal Law.....	101,203,000
(8) 45-Public Rights	58,581,000
(9) 50-Law Enforcement.....	147,407,000
(10) 60-California Justice Information Services.....	150,589,000
(11) 65-Gambling Control.....	14,140,000
(12) 70-Firearms.....	14,368,000
(13) Reimbursements.....	-132,539,000
(14) Amount payable from the Attorney General Antitrust Account (Item 0820-001-0012)	-1,133,000
(15) Amount payable from Hazardous Waste Control Account (Item 0820-001-0014)	-1,693,000
(16) Amount payable from the Fingerprint Fees Account (Item 0820-001-0017).....	-58,078,000
(17) Amount payable from Firearms Safety Account (Item 0820-001-0032).....	-318,000
(18) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-0044).....	-20,097,000

Item	Amount
(19) Amount payable from the Department of Justice Sexual Habitual Offender Fund (Item 0820-001-0142).....	-2,506,000
(20) Amount payable from the Travel Seller Fund (Item 0820-001-0158).....	-977,000
(21) Amount payable from Conservatorship Registry Fund (Item 0820-001-0195).....	-48,000
(22) Amount payable from the Sexual Predator Public Information Account (Item 0820-001-0256).....	-54,000
(23) Amount payable from the Indian Gaming Special Distribution Fund (Item 0820-001-0367).....	-9,971,000
(24) Amount payable from the False Claims Act Fund (Item 0820-001-0378).....	-11,089,000
(25) Amount payable from the Dealers' Record of Sale Special Account (Item 0820-001-0460).....	-8,763,000
(26) Amount payable from the Toxic Substances Control Account (Item 0820-001-0557).....	-2,028,000
(27) Amount payable from the Department of Justice Child Abuse Fund (Item 0820-001-0566).....	-309,000
(28) Amount payable from the Gambling Control Fund (Item 0820-001-0567).....	-5,363,000
(29) Amount payable from the Gambling Control Fines and Penalties Account (Item 0820-001-0569).....	-26,000
(30) Amount payable from the Federal Trust Fund (Item 0820-001-0890).....	-28,663,000
(31) Amount payable from the Federal Asset Forfeiture Account, Special Deposit Fund (Item 0820-001-0942).....	-1,514,000
(32) Amount payable from the State Asset Forfeiture Account, Special Deposit Fund (Item 0820-011-0942).....	-494,000

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(33) Amount payable from the Fire-arms Safety and Enforcement Special Fund (Item 0820-001-1008) ...	-2,664,000
(34) Amount payable from the Special Telephone Solicitors Fund (Item 0820-001-1009)	-8,515,000
(35) Amount payable from the Missing Persons DNA Database Fund (Item 0820-001-3016)	-3,038,000
(36) Amount payable from the Public Rights Law Enforcement Special Fund (Item 0820-001-3053).....	-500,000
(37) Amount payable from the Rate Payer Relief Fund (Item 0820-001-3061).....	-14,355,000

Provisions:

1. The Attorney General shall submit to the Legislature, the Department of Finance, and the Governor 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. Notwithstanding Section 27.00 of the 2003-04 Budget Act, the Department of Finance may sub-

Item	Amount
mit a deficiency request if <i>Stevens v. Harper</i> proceeds to trial in federal or state court, or if expert consultant costs are incurred from settlement negotiations in this case.	
5. Of the amount included in Schedule (8) of this item, \$14,355,000 is available for costs related to litigation by the Attorney General’s Energy Task Force. Upon settlement of cases in the above item by the Energy Task Force, the Attorney General shall secure an agreement or petition the courts for recovery of costs. Any recovery of costs shall be deposited in the General Fund to repay Energy Task Force costs appropriated in this item.	
6. Of the funds appropriated for this item for the Bureau of Medi-Cal Fraud and Elder Abuse and the item for the Department of Mental Health Services, the two agencies shall assign a portion of those resources to develop a strike-team task force which they shall use to promptly identify, investigate, and prosecute Medi-Cal fraudulent providers. This Task Force shall be constructed in a manner that fully complies with federal statutes and regulations governing its activities.	
0820-001-0012—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Attorney General Antitrust Account	1,133,000
0820-001-0014—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Hazardous Waste Control Account.....	1,693,000
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.....	58,078,000
0820-001-0032—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Firearms Safety Account	318,000
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	20,097,000
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	2,506,000
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.	
0820-001-0158—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Travel Seller Fund	977,000
0820-001-0195—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Conservatorship Registry Fund.....	48,000
0820-001-0256—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Sexual Predator Public Information Account.....	54,000
0820-001-0367—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Indian Gaming Special Distribution Fund	9,971,000
0820-001-0378—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the False Claims Act Fund.....	11,089,000
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	8,763,000
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	2,028,000
0820-001-0566—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Department of Justice Child Abuse Fund.....	309,000
0820-001-0567—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Gambling Control Fund	5,363,000
0820-001-0569—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Gambling Control Fines and Penalties Account	26,000
0820-001-0890—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Federal Trust Fund.....	28,663,000
0820-001-0942—For support of Department of Justice, for payment to Item 0820-001-0006, payable from the Federal Asset Forfeiture Account, Special Deposit Fund	1,514,000
0820-001-1008—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Firearms Safety and Enforcement Special Fund.	2,664,000

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0820-001-1009—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Special Telephone Solicitor Fund	8,515,000
0820-001-3016—For support of Department of Justice, for payment to Item 0820-001-3016 payable from the Missing Persons DNA Database Fund	3,038,000
0820-001-3053—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Public Rights Law Enforcement Special Fund ..	500,000
0820-001-3061—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Rate Payer Relief Fund	14,355,000
0820-003-0001—For support of Department of Justice for rental payments on lease revenue bonds.....	2,872,000
Schedule:	
(1) Base Rental and Fees	2,872,000
(2) Insurance	9,000
(3) Reimbursements.....	-9,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
0820-011-0017—For transfer by the Controller, upon order of the Director of Finance, from the Fingerprint Fees Account, to the General Fund	(2,000,000)
0820-011-0378—For transfer by the Controller, upon order of the Director of Finance, from the False Claims Act Fund, to the General Fund.....	(3,500,000)
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	494,000
0820-101-0001—For local assistance, Department of Justice	5,991,000
Schedule:	
(1) 40-Criminal law	3,045,000
(2) 50-Law Enforcement.....	2,946,000
Provisions:	
1. The funds appropriated in Schedule (1) shall be allocated to district attorneys for vertical prosecution activities related to implementation of the Battered Women Protection Act of 1994, pursuant to Chapter 885 of the Statutes of 1997.	

Item	Amount
2. The funds appropriated in Schedule (2) shall be allocated to support 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 General Fund.	
3. Of the amount appropriated in Schedule (2) and the amount appropriated in Item 0820-001-0001, the department may expend up to \$150,000 for the administration of the California Witness Protection Program, including the review of appropriate policies and procedures for the submittal and review of claims.	
0820-101-0460—For local assistance, Department of Justice payable from Dealers’ Record of Sale Special Account	132,000
Schedule:	
(1) 60-California Justice Information Services.....	35,000
(2) 70-Firearms.....	97,000
0820-101-0641—For local assistance, Department of Justice, payable from the Domestic Violence Restraining Order Reimbursement Fund	2,058,000
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.	
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.....	540,000
Provisions:	
1. The funds appropriated in this item shall be expended to reimburse counties pursuant to Chapter 696 of the Statutes of 1998.	
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 Section 17561 of the Government Code, of the costs of any new program or in-	

Item	Amount
creased level of service of an existing program mandated by statute or executive order, for disbursement by the State Controller.....	1,000

Schedule:

- (1) 98.01.139.976-Custody of Minors (Ch. 1399, Stats. 1976) 1,000
- (2) 98.01.033.790-Stolen Vehicle Notification (Ch. 337, Stats. 1990)..... 0
- (3) 98.01.110.592-Misdemeanors: Booking/Fingerprinting (Ch. 1105, Stats. 1992) 0
- (4) 98.01.048.598-Sex Offenders: Disclosure by Law Enforcement Officers (Ch. 485, Stats. 1998)..... 0

Provisions:

1. Except as provided in Provision 2, 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 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.
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 2003-04 fiscal year:

Item	Amount
<ul style="list-style-type: none"> (a) Misdemeanors: Booking/Fingerprinting (Ch. 1105, Stats. 1992). (b) Stolen Vehicles Notification (Ch. 337, Stats. 1990) (c) Sex Offenders: Disclosure by Law Enforcement Officers (Ch. 485, Stats. 1998) 	
0820-490—Reappropriation, Department of Justice. The balance of the appropriation provided in the following citation is reappropriated for the purpose, and subject to the limitation, unless otherwise specified, provided for in the appropriation: 0660—Public Buildings Construction Fund Item 0820-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)	
<ul style="list-style-type: none"> (1) 85.60.010-Santa Barbara Replacement Laboratory—Construction 	
0820-491—Reappropriation, Department of Justice. The balance of the appropriations for the License 2000 Database System 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, 2004: 0367—Indian Gaming Special Distribution Fund (1) Item 0820-001-0367, Budget Act of 2002 (Ch. 379, Stats. 2002). Up to \$1,052,000 appropriated in Program 65—Gambling Control. 0569—Gambling Control Fines and Penalties Account (1) Item 0820-001-0569, Budget Act of 2002 (Ch. 379, Stats. 2002). Up to \$263,000 appropriated in Program 65—Gambling Control.	
Provisions:	
<ul style="list-style-type: none"> 1. No funds may be expended from this item until a Special Project Report has been approved by the Department of Finance. 	
0840-001-0001—For support of State Controller.....	67,959,000
Schedule:	
<ul style="list-style-type: none"> (1) 100000-Personal Services..... (2) 300000-Operating Expenses and Equipment..... (3) Less funding provided by State Controller’s Statewide Information Technology Projects (Item 0841-001-0001(1))..... (4) Reimbursements..... 	<ul style="list-style-type: none"> 70,468,000 38,283,000 -1,071,000 -31,789,000

Item	Amount
(5) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-0061).....	-3,251,000
(6) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Item 0840-001-0062)...	-928,000
(7) Amount payable from the Local Revenue Fund (Item 0840-001-0330).....	-329,000
(8) Amount payable from the State School Building Lease-Purchase Fund (Item 0840-001-0344).....	-766,000
(9) Amount payable from the Federal Trust Fund (Item 0840-001-0890).	-1,152,000
(10) Amount payable from the State Penalty Fund (Item 0840-001-0903).....	-1,047,000
(11) Amount payable from various other unallocated nongovernmental cost funds (Retail Sales Tax Fund) (Item 0840-001-0988)	-197,000
(12) Amount payable from various other unallocated special funds (Item 0840-011-0494)	-43,000
(13) Amount payable from unallocated bond funds (Item 0840-011-0797).	-177,000
(14) Amount payable from various other unallocated nongovernmental cost funds (Item 0840-011-0988).....	-42,000

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

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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 (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 general information to the public, other than holders (as defined in subdivision (e) of Section 1501 of the Code of Civil Procedure) of unclaimed property, 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 pur-

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- poses. This restriction does not apply to sending individual notices to property owners (as required in subdivision (d) of Section 1531 of the Code of Civil Procedure).
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 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 Supplemental Payment Program.
 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 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 2003-04 fis-

Item	Amount
cal 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 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.	
13. Of the funds appropriated for the 21st Century Project-Human Resource Management System, no amount may be expended prior to the approval of a Feasibility Study Report by the Director of Finance.	
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	3,251,000
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	928,000
0840-001-0330—For support of State Controller, for payment to Item 0840-001-0001, payable from the Local Revenue Fund.....	329,000
0840-001-0344—For support of State Controller, for payment to Item 0840-001-0001, payable from the State School Building Lease-Purchase Fund	766,000

Item	Amount
0840-001-0890—For support of State Controller, for payment to Item 0840-001-0001, payable from the Federal Trust Fund	1,152,000
0840-001-0903—For support of State Controller, for payment to Item 0840-001-0001, payable from the State Penalty Fund.....	1,047,000
0840-001-0988—For support of State Controller, for payment to Item 0840-001-0001, payable from various other unallocated nongovernmental cost funds (Retail Sales Tax Fund)	197,000
0840-011-0494—For support of State Controller, for payment to Item 0840-001-0001, payable from various other unallocated special funds	43,000
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 unallocated bond funds.....	177,000
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.	
0840-011-0988—For support of State Controller, for payment to Item 0840-001-0001, payable from various other unallocated nongovernmental cost funds..	42,000
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	

Item	Amount
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.	
0840-101-0979—For allocation by the Controller from the California Firefighters’ Memorial Fund.....	500,000
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 the fund for the construction of a memorial as authorized in that article.	
0840-490—Reappropriation, State Controller. The balance as of June 30, 2003, in excess of \$20,000, of the appropriation provided in the following citation is reappropriated for the purpose of conducting statewide mandate claims audits and shall be available for encumbrance and expenditure until June 30, 2004.	
0001—General Fund	
(1) Subdivision (b) of Section 15 of Chapter 1128 of the Statutes of 2002	
0841-001-0001—For support of State Controller’s Statewide Information Technology Projects, for payment to Item 0840-001-0001	0
Schedule:	
(1) 10-Human Resource Management System and Automated Statewide Travel Expense Reimbursement System	1,071,000
(a) 10.02-Automated Statewide Travel Expense Reimbursement System.....(1,071,000)	
(2) Reimbursements	-1,071,000
Provisions:	
1. The State Controller’s office shall pay to Item 0840-001-0001, Schedules (1) Personal Services and (2) Operating Expenses and Equipment from the funds appropriated in Item 0841-001-0001,	

Item	Amount
Schedule (1) at a level not to exceed the amounts budgeted in Schedules (1) and (2) of Item 0840-001-0001 for the Automated Statewide Travel Expense Reimbursement System.	
0845-001-0217—For support of Department of Insurance, payable from the Insurance Fund	134,238,000
Schedule:	
(1) 10-Regulation of Insurance Companies and Insurance Producers	56,812,000
(2) 12-Consumer Protection	41,748,000
(3) 20-Fraud Control.....	34,107,000
(4) 30-Tax Collection and Audit.....	1,821,000
(5) 50.01-Administration.....	23,847,000
(6) 50.02-Distributed Administration ...	-23,847,000
(7) Reimbursements	-250,000
Provisions:	
1. Of the funds appropriated in this item, the Controller shall transfer \$3,097,000 as of July 1, 2003, 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 \$511,000 as of July 1, 2003, 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. The unencumbered balance, as determined by the State and Consumer Services Agency for the 2003–04 fiscal year, shall revert to the Insurance Fund.	
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. Notwithstanding any other provision of law, the Insurance Commissioner may publish notices relating to Holocaust era 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 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 notice unless otherwise required by law.	

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0845-101-0217—For local assistance, Department of Insurance, Program 20-Fraud Control, payable from the Insurance Fund	33,746,000
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.....	(382,375,000)

Provisions:

1. Notwithstanding any other provision of law, the California State Lottery Commission shall submit to the Department of Finance, the Joint Legislative Budget Committee, and the budget committees of the Legislature, all of the following:
 - (a) In conjunction with submission of the commission’s quarterly financial statements, a report comparing estimated administrative costs to budgeted administrative costs for the 2004–05 fiscal year. The report shall be in sufficient detail that they may be used for legislative review purposes and for sustaining a thorough ongoing review of the expenditures of the California State Lottery Commission. These reports shall include a reporting of the lottery sales revenues and shall detail any administrative funding that is used to supplement the prize pool of any lottery game.
 - (b) No later than January 10, 2004, a copy of the proposed administrative budget for the California State Lottery Commission for the 2004–05 fiscal year that is included in the Governor’s Budget.
 - (c) No later than June 1, 2004, a copy of the proposed administrative budget and expected sales revenue for the California State Lottery Commission for the 2004–05 fiscal year that is submitted to the California State Lottery Commission’s Budget Committee. This report shall detail any administrative funding that is proposed to be used to supplement the prize pool of any lottery game.
 - (d) No later than June 30, 2004, the final 2004–05 budget and revenue projections approved by the California State Lottery Commission. The report shall include any approved revision, and supporting documentation, to the June 1, 2004, proposed bud-

Item	Amount
<p>get. The report shall detail any administrative funding that is proposed to be used to supplement the prize pool of any lottery game.</p>	
<p>0855-001-0367—For support of California Gambling Control Commission, payable from the Indian Gaming Special Distribution Fund.....</p>	3,344,000
<p>Schedule:</p>	
<p>(1) 10-California Gambling Control Commission.....</p>	3,344,000
<p>0855-001-0567—For support of California Gambling Control Commission, payable from the Gambling Control Fund.....</p>	2,154,000
<p>Schedule:</p>	
<p>(1) 10-California Gambling Control Commission.....</p>	2,154,000
<p>0855-101-0366—For local assistance, California Gambling Control Commission, payable from the Indian Gaming Revenue Sharing Trust Fund.....</p>	46,000,000
<p>Provisions:</p>	
<p>1. The funds appropriated in this item are for distribution to noncompact tribes.</p>	
<p>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. The Director of Finance may not approve any expenditure 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 approval, or prior to whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.</p>	
<p>3. As part of any request to augment this item, the California Gambling Control Commission shall provide the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations a report identifying (a) the methodology for determining a noncompact tribe, (b) a list of the noncompact tribes identified based on the commission’s methodology, (c) a trust fund condition report including the amount of revenue received from each compact tribe, and (d) the amount of funds to be distributed to each noncompact tribe.</p>	

Item	Amount
<p>Upon receiving additional expenditure authority for distributing funds under the trust fund, the commission shall submit that information to the chairpersons of the committees on a quarterly basis concurrent with the distribution of the funds to the noncompact tribes.</p> <p>0855-491—Reappropriation, California Gambling Control Commission. The balance of the appropriations for the License 2000 Database System provided in the following citations is reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance and expenditure until June 30, 2004.</p> <p>0367—Indian Gaming Special Distribution Fund</p> <p>(1) Item 0855-001-0367, Budget Act of 2002 (Ch. 379, Stats. 2002). Up to \$58,000 appropriated in Program 10-California Gambling Control Commission.</p> <p>0567—Gambling Control Fund</p> <p>(1) Item 0855-001-0567, Budget Act of 2002 (Ch. 379, Stats. 2002). Up to \$15,000 appropriated in Program 10-California Gambling Control Commission.</p> <p>Provisions:</p> <p>1. No funds may be expended from this item until a Special Project Report has been approved by the Department of Finance.</p>	
0860-001-0001—For support of State Board of Equalization.....	201,413,000
Schedule:	
(1) 100000-Personal Services	238,551,000
(2) 300000-Operating Expenses and Equipment	85,385,000
(3) Reimbursements.....	-88,968,000
(4) Amount payable from the Breast Cancer Fund (Item 0860-001-0004).....	-144,000
(5) Amount payable from the State Emergency Telephone Number Account (Item 0860-001-0022).....	-633,000
(6) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-0061).....	-21,625,000

Item	Amount
(7) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 0860-001-0070).....	-618,000
(8) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 0860-001-0080).....	-457,000
(9) Amount payable from the Cigarette and Tobacco Products Surtax Fund (Item 0860-001-0230)	-2,320,000
(10) Amount payable from the Oil Spill Prevention and Administration Fund (Item 0860-001-0320).....	-243,000
(11) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0860-001-0387).	-413,000
(12) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0860-001-0439).....	-2,058,000
(13) Amount payable from the Energy Resources Programs Account (Item 0860-001-0465)	-250,000
(14) Amount payable from the California Children and Families First Trust Fund (Item 0860-001-0623).	-2,280,000
(15) Amount payable from the Federal Trust Fund (Item 0860-001-0890).	-103,000
(16) Amount payable from the Timber Tax Fund (Item 0860-001-0965)...	-2,042,000
(17) Amount payable from the Gas Consumption Surcharge Fund (Item 0860-001-3015)	-369,000

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, shall be used in a manner consistent with its authorized budget and the documents that were presented to the Legislature for its review in support of that budget. The Board of Equalization shall not reduce expenditures or redirect either funding or personnel resources away from direct auditing or collection activities without 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.

Item	Amount
<p>No such position may be transferred from the organizational unit to which it was assigned in the 2003–04 Governor’s Budget and the Salaries and Wages Supplement as revised by legislative actions without the approval of the Department of Finance. Furthermore, the board shall expeditiously fill budgeted positions consistent with the funding provided in this act.</p>	
0860-001-0004—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Breast Cancer Fund	144,000
Provisions:	
<p>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 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.</p>	
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.....	633,000
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.....	21,625,000
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	618,000
Provisions:	
<p>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.</p>	
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	457,000
Provisions:	
<p>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.</p>	

Item	Amount
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	2,320,000
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	243,000
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	413,000
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.	
0860-001-0439—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Underground Storage Tank Cleanup Fund	2,058,000
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	250,000
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	2,280,000
0860-001-0890—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Federal Trust Fund	103,000
0860-001-0965—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Timber Tax Fund	2,042,000
0860-001-3015—For support of the State Board of Equalization, for payment to Item 0860-001-0001, payable from the Gas Consumption Surcharge Fund	369,000

Item	Amount
0860-301-0001—For capital outlay, Board of Equalization	134,000
Schedule:	
(1) 99.12.005-San Jose District Office—Update the Security for the Public Lobby—Preliminary plans, working drawings, and construction	168,000
(2) Reimbursements	-34,000
0890-001-0001—For support of Secretary of State	18,973,000
Schedule:	
(1) 100000-Personal Services	25,619,000
(2) 300000-Operating Expenses and Equipment	21,929,000
(3) Special Item of Expense-Election Related Costs.....	8,958,000
(4) Reimbursements.....	-7,339,000
(5) Amount payable from the Secretary of State’s Business Fees Fund (Item 0890-001-0228)	-30,194,000
Provisions:	
1. The Secretary of State may not expend any special handling fees authorized by Chapter 999 of the Statutes of 1999 that are collected in excess of the cost of administering those special handling fees unless specifically authorized by the Legislature.	
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.....	30,194,000
0890-003-0001—For support of Secretary of State for rental payments on lease-revenue bonds	8,358,000
Schedule:	
(1) Base Rental and Fees	9,434,000
(2) Structural Insurance.....	67,000
(3) Reimbursements.....	-1,143,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
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...	2,640,000

Item	Amount
Schedule:	
(1) Base Rental and Fees	2,979,000
(2) Structural Insurance.....	22,000
(3) Reimbursements	-361,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
0890-011-0274—For transfer by the Controller from the Business Reinvestment Fund to the General Fund ..	(193,000)
0890-295-0001—For local assistance, Secretary of State, 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, for disbursement by the State Controller	4,000
Schedule:	
(1) 98.01.007.778-Absentee ballots (Ch. 77, Stats. 1978).....	1,000
(2) 98.01.039.188-Brendon Maguire Act (Ch. 391, Stats. 1988).....	1,000
(3) 98.01.049.479-Handicapped voter access (Ch. 494, Stats. 1979).....	0
(4) 98.01.070.475-Voter registration procedures (Ch. 704, Stats. 1975).	1,000
(5) 98.01.101.381-Local elections (Ch. 1013, Stats. 1981).....	0
(6) 98.01.104.285-Election materials (Ch. 1042, Stats. 1985).....	0
(7) 98.01.140.176-Voter registration roll purge (Ch. 1401, Stats. 1976).	0
(8) 98.01.142.282-Permanent absent voters (Ch. 1422, Stats. 1982).....	1,000
(9) 98.01.160.382-Democratic presidential delegates (Ch. 1603, Stats. 1982).....	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	

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<p>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.</p> <p>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 appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.</p> <p>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 2003–04 fiscal year:</p> <p style="padding-left: 20px;">(3) Handicapped voter access (Ch. 494, Stats. 1979).</p> <p style="padding-left: 20px;">(5) Local elections (Ch. 1013, Stats. 1981).</p> <p style="padding-left: 20px;">(6) Election materials (Ch. 1042, Stats. 1985).</p> <p style="padding-left: 20px;">(7) Voter registration roll purge (Ch. 1401, Stats. 1976).</p> <p style="padding-left: 20px;">(9) Democratic presidential delegates (Ch. 1603, Stats. 1982, and Ch. 8, Stats. 1988).</p>	
0950-001-0001—For support of State Treasurer	6,423,000
Schedule:	
(1) 100000-Personal Services	15,126,000
(2) 300000-Operating Expenses and Equipment	5,588,000
(3) Reimbursements	-14,291,000
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	

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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 Program, and the Employment Development Department’s Unemployment and Disability Insurance Program.

0950-295-0001—For local assistance, State Treasurer, 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 disbursement by the State Controller

0

Schedule:

- (1) 98.01.078.395-Investment Reports—
Cities and Counties (Ch. 783, Stats.
1995)..... 0
- (2) 98.01.078.495-County Treasury
Oversight Committees (Ch. 784,
Stats. 1995 and Ch. 156, Stats.
1996)..... 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 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

Item	Amount
<p>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.</p> <p>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 2003–04 fiscal year:</p> <p>(a) Investment Reports—Cities and Counties (Ch. 783, Stats. 1995).</p> <p>(b) County treasury oversight committees (Ch. 784, Stats. 1995 and Ch. 156, Stats. 1996).</p>	
<p>0954-001-0001—For support of the Scholarshare Investment Board</p> <p>Schedule:</p> <p>(1) 20-Governor’s Scholarship Programs</p> <p>Provisions:</p> <p>1. Funds appropriated in this item are for the purpose of administering the Governor’s Scholars Program and the Governor’s Math and Science Scholars Program, established pursuant to Article 20 (commencing with Section 69995) of Chapter 2 of Part 42 of the Education Code.</p>	<p>1,159,000</p>
<p>0954-001-0564—For support of the Scholarshare Investment Board, payable from the Scholarshare Administrative Fund</p> <p>Schedule:</p> <p>(1) 10-Golden State Scholarshare Trust Program.....</p> <p>Provisions:</p> <p>1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Scholarshare Investment 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.</p>	<p>967,000</p>

Item	Amount
2. Notwithstanding Provision 1 of Item 7980-011-0001 of Section 2 of Chapter 50 of the Statutes of 1999, the \$829,000 General Fund loan made to the Scholarshare Administrative Fund shall be repaid over a period of seven years, with payments beginning no later than the 2002–03 fiscal year and ending no later than June 30, 2007. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account.	
0954-495—Reversion, Scholarshare Investment Board. As of June 30, 2003, the unencumbered balance of the appropriation provided in Item 0954-101-0001, Budget Act of 2002 (Ch. 379, Stats. 2002), shall revert to the General Fund.	
0956-001-0171—For support of California Debt and Investment Advisory Commission, payable from the California Debt and Investment Advisory Commission Fund	1,895,000
Schedule:	
(1) 10-California Debt and Investment Advisory Commission.....	1,995,000
(2) 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.	
0956-011-0171—For transfer by the Controller, upon order of the Director of Finance, from the California Debt and Investment Advisory Commission Fund to the General Fund.....	(5,500,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund that shall be fully repaid by October 1, 2005. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. The State Controller shall, within 15 working days of receipt of written notification from the Department of Finance, transfer from the General Fund	

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to the California Debt and Investment Advisory Commission Fund the full amount of the loan or increments thereof as requested by the Department of Finance. It is the intent of the Legislature that repayment is made so as to ensure that current and newly authorized programs supported by this fund are fully and timely implemented as approved by the voting members of the California Debt and Investment Advisory Commission. It is also the intent of the Legislature that repayment is made to ensure compliance with federal and state statutes or requirements. Accordingly, the Department of Finance shall, within 30 days of receipt of written notification documenting the need of the loan repayment from the California Debt and Investment Advisory Commission, provide written notification to the State Controller notifying the State Controller of the amount to be transferred from the General Fund to the California Debt and Investment Advisory Commission Fund.

0959-001-0169—For support of California Debt Limit Allocation Committee, payable from the California Debt Limit Allocation Committee Fund..... 1,055,000

Schedule:

(1) 10-Debt Limit Allocation Committee 1,055,000

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..... 446,000

Schedule:

(1) 10-Industrial Development Financing Advisory Commission 521,000

(2) Reimbursements -75,000

Item	Amount
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	1,019,000
Schedule:	
(1) 10-California Tax Credit Allocation Committee	1,034,000
(2) 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.	
0968-001-0457—For support of California Tax Credit Allocation Committee, payable from the Tax Credit Allocation Fee Account	1,368,000
Schedule:	
(1) 10-California Tax Credit Allocation Committee	1,383,000
(2) 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	

Item	Amount
<p>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.</p>	
<p>0968-001-3038—For support of California Tax Credit Allocation Committee, payable from the Community Revitalization Fee Fund</p>	226,000
<p>Schedule:</p>	
<p>(1) 20-Community Revitalization Program</p>	226,000
<p>Provisions:</p>	
<p>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.</p>	
<p>0968-011-0457—For transfer by the Controller, upon order of the Director of Finance, from the Tax Credit Allocation Fee Account to the General Fund</p>	(3,000,000)
<p>Provisions:</p>	
<p>1. The transfer made by this item is a loan to the General Fund that shall be fully repaid by October 1, 2005. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. The State Controller shall, within 15 working days of receipt of written notification from the Department of Finance, transfer from the General Fund to the Tax Credit Allocation Fee Account the full amount of the loan or increments thereof as requested by the Department of Finance. It is the intent of the Legislature that repayment is made so as to ensure that current and newly authorized programs supported by this fund are fully and timely implemented as approved by the voting members of the California Tax Credit Allocation Committee. It is also the intent of the Legislature that repayment is made to ensure compliance with federal and state statutes or requirements. Accordingly, the Department of Finance shall, within 30 days of receipt of written notification document-</p>	

Item	Amount
ing the need of the loan repayment from the California Tax Credit Allocation Committee, provide written notification to the State Controller notifying the State Controller of the amount to be transferred from the General Fund to the Tax Credit Allocation Fee Account.	
0971-001-0528—For support of California Alternative Energy and Advanced Transportation Financing Authority, payable from the California Alternative Energy Authority Fund	177,000
Schedule:	
(1) 10-California Alternative Energy and Advanced Transportation Financing Authority	177,000
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 committee, or his or her designee, may in each instance determine.	
0985-001-6040—For support of California School Finance Authority, payable from the Charter School Facilities Account, 2002 State School Facilities Fund	531,000
Schedule:	
(1) 20-Charter School Facilities Program.....	531,000
Provisions:	
2. Of the amount appropriated in this item, \$125,000 is for the one-time support of external contracts for consultants who are qualified to provide technical assistance and training in the development of financing programs for charter schools.	

STATE AND CONSUMER SERVICES

1100-001-0001—For support of California Science Center	10,198,000
Schedule:	
(1) 10-Education.....	8,329,000
(2) 20-Exposition Park Management ...	3,274,000

Item	Amount
(3) 30-California African-American Museum	3,183,000
(4) 40.01-Administration	1,176,000
(5) 40.02-Distributed Administration ...	-1,176,000
(6) Reimbursements-Education.....	-274,000
(7) Reimbursements-Exposition Park Management	-350,000
(8) Reimbursements-California African-American Museum	-1,040,000
(9) Amount payable from the Exposition Park Improvement Fund (Item 1100-001-0267).....	-2,924,000
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	2,924,000
1100-003-0001—For support of the California Science Center for rental payments on lease-revenue bonds	2,737,000
Schedule:	
(1) Base Rental and Fees	2,709,000
(2) Insurance	32,000
(3) Reimbursement	-4,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	

Item	Amount
1100-490—Reappropriation, California Science Center. The balance of the appropriation provided in the following citation is reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in that appropriation: 0660—Lease/Revenue Bonds (1) Item 1100-301-0660 Budget Act of 2002 (Ch. 379, Stats. 2002) (1) 11.01-Science Center Phase II—construction.	
1111-002-0166—For support of the Arbitration Certification Program, Department of Consumer Affairs, payable from the Consumer Affairs-Certification Account.....	822,000
Schedule:	
(1) 23-Arbitration Certification Program.....	822,000
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.	
1111-002-0208—For support of the Hearing Aid Dispensers Bureau, Department of Consumer Affairs, payable from the Hearing Aid Dispensers Fund.....	551,000
Schedule:	
(1) 24-Hearing Aid Dispensers Bureau.	560,000
(2) Reimbursements.....	-9,000
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.	
1111-002-0239—For support of the Bureau of Security and Investigative Services, Department of Consumer Affairs, payable from the Private Security Services Fund	7,060,000
Schedule:	
(1) 25.10.010-Bureau of Security and Investigative Services, Private Security Services Program	9,514,000
(2) 25.10.020-Distributed Private Security Services.....	-104,000
(3) Reimbursements.....	-2,350,000

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.	
1111-002-0305—For support of the Bureau for Private Postsecondary and Vocational Education, Department of Consumer Affairs, payable from the Private Postsecondary Education Administration Fund.....	5,771,000
Schedule:	
(1) 27.10.010-Bureau for Private Postsecondary and Vocational Education.....	5,961,000
(2) 27.10.020-Distributed Private Postsecondary and Vocational Education.....	-110,000
(3) Reimbursements.....	-80,000
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.	
1111-002-0325—For support of the Bureau of Electronic and Appliance Repair, Department of Consumer Affairs, payable from the Electronic and Appliance Repair Fund	1,987,000
Schedule:	
(1) 28-Bureau of Electronic and Appliance Repair.....	2,000,000
(2) Reimbursements.....	-13,000
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.	
1111-002-0421—For support of the Bureau of Automotive Repair, Department of Consumer Affairs, payable from the Vehicle Inspection and Repair Fund..	92,089,000
Schedule:	
(1) 31.10.016-Automotive Repair and Smog Check Programs.....	74,214,000
(2) 31.10.026-Consumer Relations and Outreach.....	6,587,000
(3) 31.10.036-Communications and Education	577,000
(4) 31.10.046-Administrative and Information Services	10,900,000

Item	Amount
(5) 31.10.090-Distributed Automotive Repair and Smog Check Programs	-71,000
(6) Reimbursements	-118,000
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. Notwithstanding Section 26.00 of this act, the Department of Finance may authorize transfers among and between Schedules (1), (2), (3), and (4) of this item not to exceed 35 percent of the schedule from which funds are transferred. Transfers made by this provision may be authorized 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.	
1111-002-0459—For support of the Telephone Medical Advice Services Program, Department of Consumer Affairs, payable from the Telephone Medical Advice Services Fund.....	128,000
Schedule:	
(1) 37-Telephone Medical Advice Services Program.....	128,000
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.	
1111-002-0582—For support of the Bureau of Automotive Repair, Department of Consumer Affairs, payable from the High Polluter Repair or Removal Account.....	20,717,000
Schedule:	
(1) 31.20.016-Vehicle Repair Assistance.....	12,000,000
(2) 31.20.030-Vehicle Retirement	4,525,000
(3) 31.20.040-Program Administration.	4,192,000
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
2. Notwithstanding Section 26.00 of this act, the Department of Finance may authorize transfers among and between Schedules (1) and (2) of this item. Transfers made by this provision may be authorized 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.	
1111-002-0702—For support of Department of Consumer Affairs, payable from the Consumer Affairs Fund, Professions and Vocations Fund.....	0
Schedule:	
(1) 35.10.010-Administrative and Information Services Division	35,555,000
(2) 35.10.015-Communications and Education Division.....	1,329,000
(3) 35.10.020-Consumer Relations and Outreach Division	9,459,000
(4) 35.10.025-Division of Investigation	6,504,000
(5) 35.20.010-Distributed Administrative and Information Services Division	-34,980,000
(6) 35.20.015-Distributed Communications and Education Division.....	-1,273,000
(7) 35.20.020-Distributed Consumer Relations and Outreach Division ..	-9,459,000
(8) 35.20.025-Distributed Division of Investigation	-6,248,000
(9) Reimbursements.....	-887,000
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.	
1111-002-0717—For support of the Cemetery and Funeral Bureau, Department of Consumer Affairs, payable from the Cemetery Fund, Professions and Vocations Fund.....	1,845,000
Schedule:	
(1) 38.10.005-Cemetery Program	2,079,000
(2) 38.10.010-Distributed Cemetery Program.....	-115,000
(3) Reimbursements.....	-119,000

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.	
1111-002-0750—For support of the Cemetery and Funeral Bureau, Department of Consumer Affairs, payable from the State Funeral Directors and Embalmers Fund, Professions and Vocations Fund	1,411,000
Schedule:	
(1) 38.20-Funeral Directors and Embalmers Program.....	1,423,000
(2) Reimbursements.....	-12,000
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.	
1111-002-0752—For support of the Bureau of Home Furnishings and Thermal Insulation, Department of Consumer Affairs, payable from the Bureau of Home Furnishings and Thermal Insulation Fund.....	3,708,000
Schedule:	
(1) 34-Bureau of Home Furnishings and Thermal Insulation	3,713,000
(2) 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.	
1111-002-0769—For support of the Bureau of Security and Investigative Services, Department of Consumer Affairs, payable from the Private Investigator Fund	685,000
Schedule:	
(1) 25.20-Private Investigators Program.....	795,000
(2) Reimbursements.....	-110,000
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
1111-002-0890—For support of the Bureau for Private Postsecondary and Vocational Education, Department of Consumer Affairs, payable from the Federal Trust Fund.....	1,158,000
Schedule:	
(1) 27.20-Federal Trust Program	1,158,000
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 cashflow 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 moneys transferred shall be repaid to the fund as soon as possible, but not later than one year from the date of the loan.	
1111-002-0960—For support of the Bureau for Private Postsecondary and Vocational Education, Department of Consumer Affairs, payable from the Student Tuition Recovery Fund	80,000
Schedule:	
(1) 27.30-Student Tuition Recovery Program.....	80,000
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.	
1111-003-0001—For support of the Office of Privacy Protection, Department of Consumer Affairs	527,000
Schedule:	
(1) 40-Office of Privacy Protection	527,000
1111-003-0239—For transfer by the Controller, upon order of the Director of Finance, from the Private Security Services Fund to the General Fund.....	(4,000,000)

Item	Amount
Provisions:	
1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through a reduction in service or an increase in fees.	
1111-003-0421—For transfer by the Controller, upon order of the Director of Finance, from the Vehicle Inspection and Repair Fund to the General Fund	(14,000,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.	
1120-001-0704—For support of California Board of Accountancy, payable from the Accountancy Fund, Professions and Vocations Fund	9,908,000
Schedule:	
(1) 3-California Board of Accountancy. 10,112,000	
(2) 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.	
1120-011-0704—For transfer by the Controller, upon order of the Director of Finance, from the Accountancy Fund to the General Fund	(270,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through a reduction in service or an increase in fees.	

Item	Amount
1130-001-0706—For support of California Board of Architectural Examiners, payable from the California Board of Architectural Examiners Fund.....	2,741,000
Schedule:	
(1) 06.10.010-California Board of Architectural Examiners.....	2,772,000
(2) 06.10.020-Distributed Cost-Architects/Landscape Architects ...	-26,000
(3) 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, Program 06.20, payable from California Board of Architectural Examiners-Landscape Architects Fund	807,000
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.	
1130-011-0706—For transfer by the Controller, upon order of the Director of Finance, from the California Board of Architectural Examiners Fund to the General Fund.....	(1,800,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that the repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.	
1130-011-0757—For transfer by the Controller, upon order of the Director of Finance, from the California Board of Architectural Examiners-Landscape Architects Fund to the General Fund	(1,225,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the	

Item	Amount
transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.	
1140-001-0001—For support of State Athletic Commission.....	643,000
Schedule:	
(1) 9-State Athletic Commission.....	832,000
(2) Amount payable from the Boxer’s Pension Fund (Item 1140-002-9250).....	-89,000
(3) Amount payable from the Boxer’s Neurological Examination Account (Item 1140-001-0492).....	-100,000
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.	
1140-001-0492—For support of State Athletic Commission, for payment to Item 1140-001-0001, payable from the Boxer’s Neurological Examination Account	100,000
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.	
1140-002-9250—For support of State Athletic Commission, for payment to Item 1140-001-0001, payable from the Boxer’s Pension Fund.....	89,000
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.	
1165-001-0069—For support of the State Board of Barbering and Cosmetology, payable from the Barbering and Cosmetology Fund	11,795,000
Schedule:	
(1) 22-Board of Barbering and Cosmetology.....	11,852,000
(2) Reimbursements.....	-57,000

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.	
1170-001-0773—For support of Board of Behavioral Science, payable from the Behavioral Science Examiners Fund, Professions and Vocations Fund.....	4,654,000
Schedule:	
(1) 18-Board of Behavioral Science	4,830,000
(2) 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	46,729,000
Schedule:	
(1) 30-Contractors’ State License Board	47,097,000
(2) Reimbursements.....	-353,000
(3) 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.	
1230-011-0735—For transfer by the Controller, upon order of the Director of Finance, from the Contractors’ State License Fund to the General Fund.....	(8,700,000)
Provisions:	
1. The transfer made in this item is a loan to the General Fund. This loan shall be repaid by September 1, 2004, with interest calculated at the rate earned	

Item	Amount
<p>by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.</p>	
<p>1250-001-0380—For support of the Committee on Dental Auxiliaries, Board of Dentistry, payable from the State Dental Auxiliary Fund.....</p>	1,496,000
<p>Schedule:</p>	
<p>(1) 36.20-Committee on Dental Auxiliaries</p>	1,718,000
<p>(2) Reimbursements</p>	-222,000
<p>Provisions:</p>	
<p>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.</p>	
<p>1250-001-0741—For support of Dental Board of California, Board of Dentistry, payable from the State Dentistry Fund.....</p>	6,966,000
<p>Schedule:</p>	
<p>(1) 36.10-Dental Board of California... ..</p>	7,136,000
<p>(2) Reimbursements</p>	-170,000
<p>Provisions:</p>	
<p>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.</p>	
<p>1250-011-0741—For transfer by the Controller, upon order of the Director of Finance, from the State Dentistry Fund to the General Fund</p>	(5,000,000)
<p>Provisions:</p>	
<p>1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in services or increased fees.</p>	
<p>1340-001-0205—For support of Board for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund.....</p>	780,000

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.	
1350-001-0024—For support of State Board of Guide Dogs for the Blind, Program 54, payable from the State Board of Guide Dogs for the Blind Fund.....	138,000
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.	
1390-001-0175—For support of Medical Board of California, Registered Dispensing Opticians, for payment to Item 1390-001-0758, payable from the Dispensing Opticians Fund	241,000
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 Setting, for payment to Item 1390-001-0758, payable from the Outpatient Setting Fund of the Medical Board of California	24,000
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	38,972,000
Schedule:	
(1) 63.10.010-Medical Board of California	40,069,000
(2) 63.15-Registered Dispensing Opticians.....	241,000
(3) 63.17-Outpatient Setting	24,000
(4) 63.10.020-Distributed Medical Board of California	-713,000
(5) Reimbursements.....	-384,000
(6) Amount payable from the Dispensing Opticians Fund (Item 1390-001-0175).....	-241,000

Item	Amount
(7) Amount payable from the Outpatient Setting Fund of the Medical Board of California (Item 1390-001-0210).....	-24,000
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 Medical Board of California shall designate a staff liaison to assist international medical graduates through the appropriate programs to facilitate their licensure and reentry into their profession.	
1400-001-0108—For support of Acupuncture Board, payable from the Acupuncture Fund.....	1,983,000
Schedule:	
(1) 63.20-Acupuncture Board.....	2,006,000
(2) 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.	
1400-011-0108—For transfer by the Controller, upon order of the Director of Finance, from the Acupuncture Fund to the General Fund.....	(1,500,000)
Provisions:	
1. The transfer made in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.	
1420-001-0759—For support of Physical Therapy Board of California, payable from the Physical Therapy Fund	2,450,000
Schedule:	
(1) 63.40-Physical Therapy Board of California	2,549,000
(2) Reimbursements.....	-99,000

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.	
1430-001-0280—For support of Physician Assistant Committee, payable from the Physician Assistant Fund	850,000
Schedule:	
(1) 63.50-Physician Assistant Committee	875,000
(2) 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 California Board of Podiatric Medicine, payable from the Board of Podiatric Medicine Fund	1,084,000
Schedule:	
(1) 63.60-California Board of Podiatric Medicine	1,088,000
(2) 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 Board of Psychology, payable from the Psychology Fund	2,806,000
Schedule:	
(1) 63.70-Board of Psychology	2,857,000
(2) Reimbursements	-51,000
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 Respiratory Care Board of California, payable from the Respiratory Care Fund	2,444,000
Schedule:	
(1) 63.75-Respiratory Care Board of California	2,510,000
(2) Reimbursements	-66,000

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.	
1460-001-0376—For support of the Speech-Language Pathology and Audiology Board, payable from the Speech-Language Pathology and Audiology Fund... Schedule:	524,000
(1) 63.80-Speech-Language Pathology and Audiology Board	548,000
(2) Reimbursements	-24,000
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.	
1475-001-3017—For support of California Board of Occupational Therapy, payable from the Occupational Therapy Fund	672,000
Schedule:	
(1) 67-California Board of Occupational Therapy.....	694,000
(2) Reimbursements	-22,000
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.	
1475-011-3017—For transfer by the Controller, upon order of the Director of Finance, from the Occupational Therapy Fund to the General Fund	(1,000,000)
Provisions:	
1. The transfer made in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.	
1480-001-0763—For support of State Board of Optometry, payable from the State Optometry Fund, Professions and Vocations Fund	1,109,000

Item	Amount
Schedule:	
(1) 69-State Board of Optometry.....	1,115,000
(2) 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.	
1485-001-0264—For support of Osteopathic Medical Board of California, payable from the Osteopathic Medical Board of California Contingent Fund	987,000
Schedule:	
(1) 70-Osteopathic Medical Board of California	1,037,000
(2) Reimbursements	-50,000
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.	
1490-001-0767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund, Professions and Vocations Fund ..	7,374,000
Schedule:	
(1) 72-California State Board of Pharmacy	7,625,000
(2) Reimbursements	-251,000
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 for Professional Engineers and Land Surveyors, payable from the Professional Engineers’ and Land Surveyors’ Fund.	7,244,000
Schedule:	
(1) 75-Board for Professional Engineers and Land Surveyors	7,260,000
(2) 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.	

Item	Amount
1510-001-0761—For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund, Professions and Vocations Fund.....	16,711,000
Schedule:	
(1) 78-Board of Registered Nursing	17,725,000
(2) Reimbursements	-1,014,000
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	630,000
Schedule:	
(1) 81-Court Reporters Board of California	648,000
(2) Reimbursements	-18,000
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.	
1520-011-0771—For transfer by the Controller, upon order of the Director of Finance, from the Court Reporters Fund to the General Fund.....	(1,250,000)
Provisions:	
1. The transfer made in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.	
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	272,000
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
1530-001-0775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund, Professions and Vocations Fund.....	3,254,000
Schedule:	
(1) 84-Structural Pest Control Board ...	3,528,000
(2) Reimbursements.....	-2,000
(3) Amount payable from the Structural Pest Control Education and Enforcement Fund (Item 1530-001-0399).....	-272,000
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.	
1550-001-0777—For support of Veterinary Medical Board, payable from the Veterinary Medical Board Contingent Fund.....	1,826,000
Schedule:	
(1) 90-Veterinary Medical Board.....	1,852,000
(2) 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.	
1580-001-0779—For support of Board of Vocational Nurse and Psychiatric Technician Examiners, payable from the Vocational Nurse Examiners Fund	4,195,000
Schedule:	
(1) 91.10.010-Vocational Nurses Program.....	4,584,000
(2) 91.10.020-Distributed Vocational Nurses	-37,000
(3) 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.	
1580-011-0779—For transfer by the Controller, upon order of the Director of Finance, from the Vocational Nurse Examiners Fund to the General Fund	(2,000,000)
Provisions:	
1. The transfer made in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money	

Item	Amount
Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.	
1580-001-0780—For support of Board of Vocational Nurse and Psychiatric Technician Examiners, payable from the Psychiatric Technicians Account, Vocational Nurse and Psychiatric Technician Examiners Fund.....	1,183,000
Schedule:	
(1) 91.20-Psychiatric Technician Program.....	1,205,000
(2) Reimbursements.....	-22,000
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.	
1580-011-0780—For transfer by the Controller, upon order of the Director of Finance, from the Psychiatric Technicians Account, Vocational Nurse and Psychiatric Technician Examiners Fund to the General Fund	(1,000,000)
Provisions:	
1. The transfer made in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.	
1700-001-0001—For support of Department of Fair Employment and Housing.....	14,840,000
Schedule:	
(1) 50-Administration of Civil Rights Law.....	18,837,000
(2) Amount payable from the Federal Trust Fund (Item 1700-001-0890).	-3,997,000
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.....	3,997,000

Item	Amount
1705-001-0001—For support of the Fair Employment and Housing Commission	1,157,000
Schedule:	
(1) 10-Fair Employment and Housing Commission.....	1,308,000
(2) Reimbursements.....	-151,000
1730-001-0001—For support of Franchise Tax Board ...	396,576,000
Schedule:	
(1) 10-Tax Programs.....	380,150,000
(2) 20-Homeowners and Renters Assistance.....	6,426,000
(3) 30-Political Reform Audit (1,359,000)	0
(4) 40-Child Support Collections.....	15,350,000
(5) 45-Child Support Automation	19,164,000
(6) 50-DMV Collections	5,126,000
(7) 60-Court Collections	5,665,000
(8) 70-Contract Work.....	7,099,000
(9) 80.01-Administration.....	23,051,000
(10) 80.02-Distributed Administration.....	-23,051,000
(11) Reimbursements	-7,099,000
(12) Reimbursements-Child Support Existing/Expanded Collections	-10,130,000
(13) Reimbursements-Child Support Automation.....	-13,899,000
(14) Amount payable from the State Highway Account, State Transportation Fund (Item 1730-001-0042).	-1,000
(15) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 1730-001-0044)...	-1,772,000
(16) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 1730-001-0064)	-3,353,000
(17) Amount payable from the Emergency Food Assistance Program Fund (Item 1730-001-0122).....	-6,000
(18) Amount payable from the Delinquent Tax Collection Fund (Section 19378 of the Revenue and Taxation Code)	-404,000

Item	Amount
(19) Amount payable from the Fish and Game Preservation Fund (Rare Fish, Wildlife, and Plant Species Conservation and Enhancement Account) (Item 1730-001-0200) ...	-13,000
(20) Amount payable from the Court Collection Account (Item 1730-001-0242)	-5,665,000
(21) Amount payable from the State Children's Trust Fund (Item 1730-001-0803)	-11,000
(22) Amount payable from the California Alzheimer's Disease and Related Disorders Research Fund (Item 1730-001-0823)	-11,000
(23) Amount payable from the California Seniors Special Fund (Item 1730-001-0886)	-4,000
(24) Amount payable from the California Breast Cancer Research Fund (Item 1730-001-0945)	-7,000
(25) Amount payable from the California Peace Officer Memorial Foundation Fund (Item 1730-001-0974)	-5,000
(26) Amount payable from the Firefighters' Memorial Fund (Item 1730-001-0979)	-7,000
(27) Amount payable from the California Fund for Senior Citizens (Item 1730-001-0983)	-7,000
(29) Amount payable from the Asthma and Lung Disease Research Fund (Item 1730-001-8003)	-5,000
(30) Amount payable from Lupus Fund of America California Chapters Fund (Item 1730-001-8006).....	-5,000

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 that were presented to the Legislature for its review in support of that budget. The Franchise Tax Board shall not reduce expenditures or redirect either funding or personnel resources away from direct auditing or collection activities without prior ap-

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- proval 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 such position may be transferred from the organizational unit to which it was assigned in the 2003–04 Governor’s Budget and the Salaries and Wages Supplement as revised by legislative actions without the approval of the Department of Finance. Furthermore, the board 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 2003–04 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 \$101, and the filing enforcement cost recovery fee for purposes of subparagraph (A) of paragraph (2) of that subdivision shall be \$108.
 4. During the 2003–04 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 \$150, and the filing enforcement cost recovery fee for purposes of subparagraph (B) of paragraph (2) of that subdivision shall be \$175.
 5. Of the amounts appropriated in this item, the amount provided in Schedule (5) and Schedule (13), Reimbursements—Child Support Automation, are, pursuant to Section 5 of Chapter 479, Statutes of 1999, available for the 2003–04 and 2004–05 fiscal years.
 6. It is the intent of the Legislature that the California Child Support Automation Project shall receive the highest commitment and priority of all of the state’s child support automation activities.
 7. The Legislature intends that the California Child Support Automation Project shall support all child support collections activities in compliance with federal certification requirements.

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8. Notwithstanding any other provision of law, upon request of the Franchise Tax Board, the Department of Finance may augment the amount available for expenditure in Schedules (5) (Child Support Automation) and (13) (Child Support Automation-Reimbursements) for expenditures associated with the implementation of the California Child Support Automation System Project. The augmentation may be effected not sooner than 30 days after notification in writing of necessity therefor 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 committee, or his or her designee, may in each instance determine. The funds appropriated by this provision shall be consistent with the amount approved by the Department of Finance based on its review and approval of the required Feasibility Study Report or Reports or equivalent document or documents.	
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	1,772,000
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.....	3,353,000
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
1730-001-0242—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Court Collection Account.....	5,665,000

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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
1730-001-0886—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
1730-001-0974—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Peace Officer Memorial Foundation Fund	5,000
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
1730-001-8003—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Asthma and Lung Disease Research Fund.....	5,000
1730-001-8006—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the Lupus Foundation of America California Chapters Fund	5,000
1730-002-0001—For support of the Franchise Tax Board for rental payments on lease revenue bonds.....	7,280,000
Schedule:	
(1) Central Office—Buildings 1 and 2.	7,302,000
(2) Insurance	48,000
(3) Reimbursements.....	-70,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	

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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 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 disbursement by the State Controller	0
Schedule:	
(1) 98.01.023.874-Substandard Housing (Ch. 238, Stats. 1974)	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 2003–04 fiscal year:	
(1) Substandard Housing (Ch. 238, Stats. 1974).	
1760-001-0001—For support of Department of General Services, for payment to Item 1760-001-0666	5,000,000
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	2,813,000
1760-001-0003—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Motor Vehicle Parking Facilities Monies Account.....	3,953,000
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	4,691,000
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.....	3,832,000
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.....	1,700,000

Item	Amount
Provisions:	
1. The funds appropriated in this item shall be made available for any purpose approved by the State Allocation Board pursuant to Section 17070.65 of the Education Code.	
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.	1,353,000
1760-001-0602—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Architecture Revolving Fund	38,455,000
1760-001-0666—For support of Department of General Services, payable from the Service Revolving Fund	478,956,000
Schedule:	
(1) Program support.....	668,362,000
(2) Distributed services	-12,994,000
(3) Amount payable from the General Fund (Item 1760-001-0001).....	-7,000,000
(4) Amount payable from the Property Acquisition Law Money Account (Item 1760-001-0002)	-2,813,000
(5) Amount payable from the Motor Vehicle Parking Facilities Moneys Account (Item 1760-001-0003).....	-3,953,000
(6) Amount payable from the State Emergency Telephone Number Account (Item 1760-001-0022).....	-4,691,000
(7) Amount payable from the State Motor Vehicle Insurance Account (Item 1760-001-0026)	-3,832,000
(8) Amount payable from the 1998 State School Facilities Fund (Item 1760-001-0119).....	-1,700,000
(9) Amount payable from the Seismic Gas Valve Certification Fee Account (Item 1760-001-0450).....	-75,000
(10) Amount payable from the Energy Resources Programs Account (Item 1760-001-0465)	-1,353,000
(11) Amount payable from the Architecture Revolving Fund (Item 1760-001-0602)	-38,455,000

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(12) Amount payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990 (Item 1760-001-0768)	-746,000
(13) Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-0961).....	-145,000
(14) Amount payable from the 2002 State School Facilities Fund (Item 1760-001-6036)	-10,961,000
(15) Amount payable from the Property Acquisition Law Money Account (Item 1760-015-0002).....	-250,000
(16) Amount payable from the Motor Vehicle Parking Facilities Money Account (Item 1760-002-0003).....	-1,102,000
(17) Amount payable from the Service Revolving Fund (Item 1760-002-0666).....	-84,608,000
(18) Amount payable from the Service Revolving Fund (Item 1760-003-0666).....	-14,728,000

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. 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 2003-04 fiscal

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- year from the recipient 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 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, 1760-001-0026, 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 submitted for review as part of the normal budget development process. If the Director of the Department of General Services augments this item or Item 1760-001-0002, 1760-001-0003, 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, 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.
4. 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, 1760-001-0026, or 1760-001-0602, is augmented pursuant to Provision 3 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 fed-

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eral government has requested services from the DGS. Any augmentation that is deemed to be necessary on a permanent basis shall be submitted for review as part of the normal budget development process.

5. 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 1760-001-0003 to increase authorized expenditures by the Office of State Publishing, the Office of Risk and Insurance Management, the Office of Fleet Administration, the Office of Energy Management, and the Office of Public Safety Radio Services. The augmentation shall be for the specific purpose of enabling the Office of State Publishing, the Office of Risk and Insurance Management, the Office of Fleet Administration, the Office of Energy Management, and the Office of Public Safety Radio Services to provide competitive services to their customers (including local government entities 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 proposes to augment either of the items in this provision, the Director shall notify the Department of Finance, the chairpersons of the fiscal committees of each house, and the Chairperson of the Joint Legislative Budget Committee 30 days prior to making the augmentation, including the amount, justification, and the office augmented. Any augmentation that is deemed to be necessary on a permanent basis shall be submitted for review as part of the normal budget development process.
6. Any augmentation made pursuant to Provisions 3 and 4 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. Copies of the notification shall be provided to the Department of Finance.
7. Notwithstanding any other provision of law, the Director of General Services or his or her desig-

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<p>nee, 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.</p> <p>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 approve Budget Revision, Standard Form 26 subject to a copy being provided to the Department of Finance.</p>	
<p>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</p>	746,000
<p>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</p>	145,000
<p>1760-001-6036—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the 2002 State School Facilities Fund.....</p> <p>Provisions:</p> <p>1. Notwithstanding Section 27.00 of this act, the Director of Finance may authorize the creation of deficiencies pursuant to Section 11006 of the Government Code for the purposes of this item.</p>	10,961,000
<p>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</p> <p>Provisions:</p> <p>1. The funds appropriated in this item are for the following:</p> <p style="margin-left: 20px;">(a) Base Rental and Fees..... 1,095,000</p> <p style="margin-left: 20px;">(b) Insurance..... 7,000</p> <p>2. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.</p>	1,102,000
<p>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.....</p>	84,608,000

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Provisions:

1. The funds appropriated in this item are for the following:
 - (a) Base rental and fees..... 83,792,000
 - (1) Capitol Area Development Authority, Sacramento 691,000
 - (2) State Office Building, Riverside 2,199,000
 - (3) Department of Justice Building, Sacramento 4,930,000
 - (4) San Francisco Civic Center Building25,644,000
 - (5) Ronald Reagan Building, Los Angeles17,724,000
 - (6) Elihu M. Harris Building, Oakland11,522,000
 - (7) LA Junipero Serra II 4,799,000
 - (8) State Office Building, San Diego (Suburban) .. 2,881,000
 - (9) Capitol East End Garage..... 977,000
 - (10) Stephen P. Teale Data Center..... 3,497,000
 - (11) Capitol Area East End Complex 8,928,000
 - (b) Insurance..... 818,000
 - (c) Reimbursements -2,000
2. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.

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1760-003-0666—For support of Department of General Services, for rental payments on California Environmental Protection Agency Building, for payment to Item 1760-001-0666, payable from the Service Revolving Fund.....	14,728,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
1760-015-0002—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Property Acquisition Law Money Account.....	250,000
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	146,849,000
1760-301-0660—For capital outlay, Department of General Services, payable from the Public Buildings Construction Fund	216,297,000
Schedule:	
(1) 50.10.200-Central Plant Renovation—Acquisition, preliminary plans, working drawings, and construction	159,722,000
(2) 50.20.515-Marysville Office Building: Replacement—Construction...	56,575,000
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 projects authorized by this item.	
2. The State Public Works Board and the Department of General 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.	

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3. The State Public Works Board may authorize the augmentation of the cost of construction of the project scheduled in this item pursuant to the board's authority under Section 13332.11 of the Government Code. In addition, the board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing including the payment of interest during construction of the project, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.
4. The Department of General Services is authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
5. The State Public Works Board shall not itself be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.
6. Notwithstanding Section 2.00 of the Budget Act, the funds appropriated by Schedule (1) of this item shall be available for expenditure until June 30, 2008. In addition, the balance of funds appropriated for construction by Schedule (1) that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2006, shall revert as of the date to the fund from which the appropriation was made.
7. The Department of General Services may contract for the lease, lease-purchase, lease with an option to purchase, acquisition, design, design-build, construction, construction management, and other services related to the design and construction of the Central Plant Renovation Project, Schedule (1). If the Director of General Services selects

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design-build as the method of delivery, the department shall use the method of design-build authorized by subparagraph (i) of paragraph (A) of subdivision (3) of Section 14661 of the Government Code.

- 8. The Department of Finance will provide written notification to the Joint Legislative Budget Committee, within 10 days of receipt, of any request for augmentation of project costs, change in project scope, or any related change in project schedule, for projects identified in Schedule (1).
- 9. For the project identified in Schedule (1), the Department of General Services shall work with the affected local communities on a design that minimizes the aesthetic impact of the project on those communities.

1760-301-0768—For capital outlay, Department of General Services, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990.. Schedule:

2,981,000

- (1) 50.99.029-Program Management.... 744,000
- (2) 50.99.039-Department of General Services, Fresno: State Office Building: Structural Retrofit— Construction 2,237,000

Provisions:

- 1. Pursuant to funds appropriated in Schedule (1) and notwithstanding any other provision of law, the Director of the Department of General Services or his or her designee may contract for program management services provided by a licensed architect, registered engineer, or licensed general contractor where a firm is selected to assist DGS in project management activities, planning, designing, estimating, reviewing, and completing, a multiproject construction program.
- 2. If, during the validation portion of project development for projects listed in Schedules (1) and (2), the risk level of any of these projects is reduced, or where a project savings has been realized, the funding for that particular project shall be available for expenditure for any of the other projects in this appropriation or for preliminary plans for the next highest priority Risk Level V or VI building identified by the department. If this change in funding occurs, the Department of General Services shall report to the Chair of the Joint

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Legislative Budget Committee detailing the project or projects reduced in seismic risk level, the project or projects for which preliminary plans will be developed, or the redirection of project savings within this appropriation.	
1760-490—Reappropriation, Department of General Services. The balance of the appropriation provided in the following citation is reappropriated for the purposes and subject to the limitations unless otherwise specified, provided for in the appropriations: 0660—Public Buildings Construction Fund	
(1) Item 1760-301-0660, Budget Act of 2002, (Ch. 379, Stats. 2002)	
(1.5) 50.10.152-Bonderson Building Renovation, Sacramento—Working drawings and construction.	
(2) 50.10.160-Office Buildings 8 and 9 Renovation, 714 P Street, Sacramento—Working drawings and construction	
(3) 50.10.161-Office Building 10 Renovation, 721 Capitol Mall, Sacramento—Working drawings and construction	
0768—Earthquake Safety and Public Buildings Rehabilitation Fund of 1990	
(4) Item 1760-301-0768, Budget Act of 2002, (Ch. 379, Stats. 2002)	
(5) 50.99.179-California Department of Corrections, San Quentin State Prison, Building 22: Modularity—Construction.	
(6) 50.99.402-Department of Mental Health, Patton State Hospital-30 Building, A-E: Structural Retrofit—Working drawings, provided the amount of this appropriation shall not exceed \$420,000	
Provisions:	
1. Notwithstanding Section 2.00 of the Budget Act, the funds reappropriated by Schedule (1.5) and (3) of this item shall be available for expenditure until June 30, 2007. In addition, the balance of funds reappropriated for construction by Schedule (1.5) and (3) that have been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 2005, shall revert as of the date to the fund from which the appropriation was made.	
2. Notwithstanding Section 2.00 of the Budget Act, the funds reappropriated by Schedule (2) of this	

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<p>item shall be available for expenditure until June 30, 2009. In addition, the balance of funds reappropriated for construction by Schedule (2) that have not been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 2007, shall revert as of the date to the fund from which the appropriation was made.</p>	
1760-491—Reappropriation, for capital outlay, Department of General Services. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2004.	
0768—Earthquake Safety and Public Building Rehabilitation Fund of 1990	
(1) Item 1760-301-0768, Budget Act of 1998 (Ch. 324, Stats. 1998)	
(1.2) 50.99.030-DSA 3—Employment Development Department, 800 Capitol Mall Structural Retrofit—Construction	
(9) 50.99.053-DSA 3275, 3276, and 3277—State Department of Developmental Services, Fairview, Wards D1516, E3014, F1112: 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, Deuel Vocational Institution 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—Construction	
(15) 50.99.062-DSA 11178—Department of the Military, Ventura Armory: Structural Retrofit—Construction	
(20) 50.99.072-DSA 406201-05—Department of Corrections, Chino, Central Guidance Center A: Structural Retrofit—Construction	
(2) Item 1760-302-0768, Budget Act of 1998 (Ch. 324, Stats. 1998)	
(1) 50.99.038-DSA #24, DGS Santa Ana Office Bldg. Structural Retrofit—Construction	

Item	Amount
(3) Item 1760-301-0768, Budget Act of 2000 (Ch. 50, Stats. 2000)	
(4) 50.99.077-California Men’s Colony, San Luis Obispo, Buildings B, D, L & Q: Structural Retrofit—Working drawings	
1760-492—Reappropriation, Department of General Services. Notwithstanding any other provision of law, the balance, as of June 30, 2003, of the funds made available pursuant to Item 1760-101-0768, Budget Act of 1994 (Ch. 139, Stats. 1994), as reappropriated by Item 1760-491, Budget Act of 2002 (Ch. 379, Stats. 2002), are reappropriated and shall be available for expenditure through June 30, 2004.	
Schedule:	
(1) 3116-Richmond, Contra Costa— City Hall	1,149,975
(2) 3117-Richmond, Contra Costa— Hall of Justice	683,613
(3) 4029-Alameda, Oakland Police Administration Retrofit—Oakland	500,000
(4) 4042-Orinda, Contra Costa: Orinda Fire Station 44.....	57,671
1760-496—Department of General Services: As of June 30, 2003, the unencumbered balances of the appropriations provided for in the following citations shall revert to the balance of the fund from which it was made:	
0768—Earthquake Safety and Public Buildings Rehabilitation Fund of 1990	
Item 1760-301-0768, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(6) 50.99.402-State Department of Mental Health, Patton State Hospital—30 Building A–E: Structural Retrofit—Working drawings.....	(730,000)
(7) 50.99.403-Department of Mental Health, Patton State Hospital-70 Building, A–E: Structural Retrofit—Working drawings	
(8) 50.99.404-Department of Mental Health, Patton State Hospital-Building N: Structural Retrofit—Working drawings	
(9) 50.99.411-California Department of Corrections, Correctional Training Facility, Soledad, South Dorm C, D, E: Structural Retrofit—Working drawings and construction	

Item	Amount
1880-001-0001—For support of State Personnel Board .	3,900,000
Schedule:	
(1) 10-Merit System Administration	14,189,000
(2) 40-Local Government Services	3,003,000
(3) 50.01-Administrative Services	2,593,000
(4) 50.02-Distributed Administrative Services	-1,884,000
(5) Reimbursements	-14,001,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund, in an amount not to exceed 35 percent of reimbursements appropriated in this item to the State Personnel Board, provided that:	
(a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.	
(b) The loan is for a short term and shall be repaid by September 30, 2004.	
(c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.	
(d) The Director of Finance may not approve the loan 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 that the chairperson of the joint committee or his or her designee may determine.	
1880-295-0001—For local assistance, State Personnel Board, 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, for disbursement by the State Controller.....	1,000
Schedule:	
(1) 98.01.067.590-Peace Officers Procedural Bill of Rights (Ch. 675, Stats. 1990)	1,000

Item		Amount
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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 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.

1900-001-0950—For support of Board of Administration of the Public Employees’ Retirement System, payable from the Public Employees’ Contingency Reserve Fund		16,290,000
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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.....		(162,056,000)
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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 and other investment related expenses to be made during the 2003–04 fiscal year pursuant to Sections 20172, 20208, and 20210 of the Gov-

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ernment 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, 2004, 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 2004–05 fiscal year. The Board of Administration of the Public Employees' Retirement System shall report on or before January 10, 2005, 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 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 2002–03 and 2003–04 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
Provisions:

(568,000)

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

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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, 2004, a copy of the proposed budget for PERS for the 2004–05 fiscal year as included with the Governor’s Budget.
- (b) No later than May 15, 2004, a copy of the proposed budget for PERS for the 2004–05 fiscal year as approved by the Board of Administration.
- (c) The revisions to the proposed budget for PERS for the 2003–04 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, 2003, 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

Provisions:

(280,000)

- 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 2004–05 fiscal year by January 10, 2004, as included with the Governor’s Budget.

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- (b) A copy of the proposed budget for the Public Employees' Retirement System for the 2004–05 fiscal year as approved by the Board of Administration by May 15, 2004.
- (c) The revisions to the proposed budget for the Public Employees' Retirement System for the 2003–04 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, 2003, 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.

1900-015-0830—For support of Board of Administration of the Public Employees' Retirement System, payable from the Public Employees' Retirement Fund..... (221,620,000)

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 2004–05 fiscal year by January 10, 2004, as included with the Governor's Budget.
 - (b) A copy of the proposed budget for the Public Employees' Retirement System for the 2004–05 fiscal year as approved by the Board of Administration by May 15, 2004.
 - (c) The revisions to the proposed budget for the Public Employees' Retirement System for the 2003–04 fiscal year as recommended by the

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Public Employees' Retirement System Finance Committee at least 30 days prior to consideration of those revisions by the Board of Administration.

- 2. Commencing October 1, 2003, 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.
- 3. Commencing July 1, 2003, reports on information technology projects that are submitted to the Board of Administration shall be submitted to the Joint Legislative Budget Committee, the fiscal committees of the Legislature, and the Department of Finance on an informational basis. The quarterly update information submitted to the Department of Finance shall be in sufficient detail to be useful for Department of Finance informational project status reporting purposes.

1900-015-0884—For support of Board of Administration of the Public Employees' Retirement System, payable from the Judges' Retirement System II Fund... Provisions:

(465,000)

- 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, 2004, a copy of the proposed budget for PERS for the 2004–05 fiscal year as included with the Governor's Budget.
 - (b) No later than May 15, 2004, a copy of the proposed budget for PERS for the 2004–05 fiscal year as approved by the Board of Administration.

Item	Amount
<ul style="list-style-type: none"> (c) The revisions to the proposed budget for PERS for the 2003–04 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, 2003, 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. 	
<p>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</p> <p>Provisions:</p>	(117,000)
<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> (a) A copy of the proposed budget for the Public Employees’ Retirement System for the 2004–05 fiscal year by January 10, 2004, as included with the Governor’s Budget. (b) A copy of the proposed budget for the Public Employees’ Retirement System for the 2004–05 fiscal year as approved by the Board of Administration by May 15, 2004. (c) The revisions to the proposed budget for the Public Employees’ Retirement System for the 2003–04 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. 	

Item	Amount
(d) Commencing October 1, 2003, 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.	
1900-017-0950—For support of Public Employees' Retirement System payable from the Public Employees' Contingency Reserve Fund.....	223,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in Control Section 17.00. These funds are to be used in support of compliance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.	
1920-001-0835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund.....	96,392,000
Schedule:	
(1) 10-Services to Members and Employers	96,794,000
(2) Reimbursements.....	-339,000
(3) 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 of the State Civil Service Act or from requirements of laws, rules, and regulations administered by the Department of Personnel Administration.	
2. Commencing July 1, 2003, reports on information technology projects that are submitted to the Teachers' Retirement Board shall be submitted to the Joint Legislative Budget Committee, the fiscal committees of the Legislature, and the Department	

Item	Amount
<p>ment of Finance on an informational basis. The information submitted to the Department of Finance shall be in sufficient detail to be useful for Department of Finance informational project status reporting purposes.</p>	
<p>1920-002-0835—For support of State Teachers’ Retirement System (external investment advisers), payable from the State Teachers’ Retirement Fund..... (106,000,000) Provisions:</p>	
<p>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 2003–04 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, 2004, 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 2004–05 fiscal year. The STRS shall report on or before January 10, 2005, on the final expenditures under this item, including an accounting and explanation of changes from estimates previously reported to the Legislature.</p>	
<p>2. Each of the two reports described in Provision 1 also shall include all of the following:</p> <ul style="list-style-type: none"> <li data-bbox="245 1052 827 1256">(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. <li data-bbox="245 1258 827 1433">(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 advisers, than if in-house advisers were used. <li data-bbox="245 1435 827 1550">(c) Separate listings of adviser contracts in effect, and approved, during the 2002–03 and 2003–04 fiscal years, with (1) amounts (total contract and annual basis) for each contract 	

Item	Amount
for base fees and performance-based fees, (2) summary statements of the purposes of each contract.	
1920-011-0001—For transfer by the Controller to the State Teachers’ Retirement Fund.....	(509,763,000)
Schedule:	
(1) Supplemental Benefit Maintenance Account (SBMA)	(58,868,000)
(2) Benefits Funding	(450,895,000)
Provisions:	
1. The estimated amount referenced in Schedule (1) is the state’s contribution required by Section 22954 of the Education Code.	
2. The estimated amount referenced in Schedule (2) is the state’s contribution required by subdivision (a) of Section 22955 of the Education Code.	
1920-490—Reappropriation, State Teachers’ Retirement System (STRS). Notwithstanding any other provision of law, up to \$2,315,000 of the balance as of June 30, 2003, 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, 2004. Any amount of this reappropriation that is not expended in 2003–04 shall be carried over to 2004–05 and is hereby reappropriated. In no event shall the total amounts reappropriated for the 2004–05 Budget exceed three percent of STRS’ 2003–04 appropriation.	
0835—State Teachers’ Retirement Fund	
(1) Item 1920-001-0835, Budget Act of 2002 (Ch. 379, Stats. 2002)	
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 2003–04 fiscal year on expenditures made pursuant to this item.	

Item	Amount
BUSINESS, TRANSPORTATION AND HOUSING	
2100-001-3036—For support of Department of Alcoholic Beverage Control, payable from the Alcohol Beverage Control Fund.....	38,212,000
Schedule:	
(1) 10.10-Licensing.....	21,031,000
(2) 10.20-Compliance	18,205,000
(3) 10.30.010-Administration	3,510,000
(4) 10.30.020-Distributed Administration.....	-3,510,000
(5) Reimbursements.....	-1,024,000
2100-011-0081—For transfer by the Controller, from the Alcohol Beverage Control Fund to the Alcohol Beverage Control Fund	(3,710,000)
2100-101-3036—For local assistance, Department of Alcoholic Beverage Control, Program 10.20-Compliance, for grants to local law enforcement agencies payable from the 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.....	834,000
2150-001-0240—For support of Department of Financial Institutions, for payment to Item 2150-001-0298, payable from the Local Agency Deposit Security Fund	336,000

Item	Amount
2150-001-0298—For support of Department of Financial Institutions, payable from the Financial Institutions Fund	16,591,000
Schedule:	
(1) 10-Licensing and Supervision of Banks and Trust Companies	14,945,000
(2) 20-Payment Instruments	809,000
(3) 40-Administration of Local Agency Security	336,000
(4) 50-Supervision of California Business and Industrial Development Corporations	28,000
(5) 60-Credit Unions.....	3,294,000
(6) 70-Savings and Loan.....	129,000
(7) 80-Industrial Banks	980,000
(8) 90.01-Administration.....	4,144,000
(9) 90.02-Distributed Administration ...	-4,144,000
(10) Reimbursements	-300,000
(11) Amount payable from the Local Agency Deposit Security Fund (Item 2150-001-0240)	-336,000
(12) Amount payable from the Credit Union Fund (Item 2150-001-0299).....	-3,294,000
2150-001-0299—For support of Department of Financial Institutions, for payment to Item 2150-001-0298, payable from the Credit Union Fund	3,294,000
2180-001-0067—For support of Department of Corporations, payable from the State Corporations Fund.....	25,309,000
Schedule:	
(1) 10-Investment Program	15,193,000
(2) 20-Lender-Fiduciary Program	10,116,000
(3) 50.01-Administration.....	5,388,000
(4) 50.02-Distributed Administration ...	-5,388,000
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.	
2180-011-0067—For transfer by the Controller from the State Corporations Fund to the General Fund	(44,407,000)
Provisions:	
1. Notwithstanding any other provision of law, the amount of this item shall be transferred from the State Corporations Fund to the General Fund.	

Item	Amount
2240-001-0001—For support of Department of Housing and Community Development.....	5,530,000
Schedule:	
(1) 10-Codes and Standards Program ..	23,213,000
(2) 20-Community Affairs Program.....	14,795,000
(3) 30.01-Housing Policy Development Program.....	1,784,000
(4) 30.02-Distributed Housing Policy Development Program.....	-122,000
(4.5) 30.03-Military Base Reuse and Retention	180,000
(5) 50.01-Administration.....	9,592,000
(6) 50.02-Distributed Administration ..	-9,448,000
(7) Reimbursements.....	-484,000
(8) Amount payable from the Mobile-home Park Revolving Fund (Item 2240-001-0245)	-4,335,000
(9) Amount payable from the Mobile-home Park Purchase Fund (Item 2240-001-0530)	-567,000
(10) Amount payable from the Mobile-home-Manufactured Home Revolving Fund (Item 2240-001-0648).....	-16,866,000
(11) Amount payable from the Self-Help Housing Fund (Item 2240-001-0813).....	-245,000
(12) Amount payable from the Federal Trust Fund (Item 2240-001-0890).....	-7,195,000
(13) Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-0929)	-2,443,000
(14) Amount payable from the Rental Housing Construction Fund (Item 2240-001-0938)	-707,000
(15) Amount payable from the Predevelopment Loan Fund (Item 2240-001-0980).....	-366,000
(16) Amount payable from the Emergency Housing and Assistance Fund (Item 2240-001-0985).....	-544,000
(16.5) Amount payable from the Jobs-Housing Balance Improvement Account (2240-001-3006).....	-431,000

Item	Amount
(19) Amount payable from the Building Equity and Growth in Neighborhoods Fund (Item 2240-001-6038)	-281,000
Provisions:	
1. Of the amount appropriated in this item, \$158,000 shall be used to continue oversight by the Department of Housing and Community Development of redevelopment agencies and to provide technical assistance, in accordance with the department's Housing Preservation Plan.	
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.....	4,335,000
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.....	567,000
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.....	16,866,000
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.	
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	245,000

Item	Amount
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	7,195,000
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	2,443,000
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	707,000
2240-001-0980—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Predevelopment Loan Fund.....	366,000
2240-001-0985—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Emergency Housing and Assistance Fund	544,000
2240-001-3006—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Jobs-Housing Balance Improvement Account.....	431,000
2240-001-6038—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Building Equity and Growth In Neighborhoods Fund	281,000
2240-013-0474—For support of Department of Housing and Community Development, payable from the Child Care and Development Facilities Loan Guaranty Fund.....	115,000
2240-014-0472—For support of Department of Housing and Community Development, payable from the Child Care and Development Facilities Direct Loan Fund	227,000
2240-101-0001—For local assistance, Department of Housing and Community Development	5,571,000
Schedule:	
(1) 20-Community Affairs Program.....	145,421,000
(2) Amount payable from the Federal Trust Fund (Item 2240-101-0890)	-139,850,000

Item	Amount
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.....	139,850,000
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.	
2240-101-3006—For local assistance, Department of Housing and Community Development, payable from the Jobs-Housing Balance Improvement Account.....	25,000,000
2240-101-6038—For local assistance, Department of Housing and Community Development, Program 20-Community Affairs Program, payable from the Building Equity and Growth In Neighborhoods Fund	24,000,000
2240-105-0001—For transfer, upon order of the Director of Finance, to the Emergency Housing and Assistance Fund	5,300,000
Provisions:	
1. The amount transferred by this item shall be distributed pursuant to Chapter 11.5 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code for operating facilities and capital development grants.	
2. Grants shall not be used to supplant existing emergency shelter or transitional housing funding. Notwithstanding any regulatory provision to the contrary, operating facilities grants shall not exceed \$100,000 nor be less than \$30,000. For counties with an allocation of greater than \$30,000, one grant of less than \$30,000 may be awarded if necessary to fully utilize the county's allocation. For counties with an allocation of up to or equal to \$30,000, up to two grants of less than \$30,000 may be awarded.	
2240-115-0813—For transfer, upon order of the Director of Finance, from the Self-Help Housing Fund to the General Fund.....	(7,000,000)
2240-115-0843—For transfer, upon order of the Director of Finance, from the California Housing Trust Fund to the General Fund.....	(2,085,000)
2240-115-0929—For transfer, upon order of the Director of Finance, from the Housing Rehabilitation Loan Fund to the General Fund	(9,700,000)

Item	Amount
2240-116-0929—For transfer, upon order of the Director of Finance, from the Housing Rehabilitation Loan Fund to the General Fund.....	(31,680,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan.	
2240-118-0813—For transfer, upon order of the Director of Finance, from the Self-Help Housing Fund to the General Fund.....	(12,607,000)
2240-118-0927—For transfer, upon order of the Director of Finance, from the Joe Serna, Jr. Farmworker Housing Grant Fund to the General Fund.....	(27,143,000)
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 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 disbursement by the State Controller	1,000
Schedule:	
(1) 98.01.114.380-Regional Housing Needs Assessments (Ch. 1143, Stats. 1980)	1,000
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 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.	

Item	Amount
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 appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.	
2240-401—Notwithstanding any other provision of law, up to \$850,000 in funds that may be either returned to, or disencumbered and restored to, the Farmworker Housing Grant Fund from awards funded through Item 2240-104-0001, Budget Act of 2000, may be used by the department for deferred equipment repair and replacement or facility repair in Office of Migrant Services centers.	
2310-001-0400—For support of Office of Real Estate Appraisers payable from the Real Estate Appraisers Regulation Fund	3,250,000
Schedule:	
(1) 10-Administration of Real Estate Appraisers Program.....	3,330,000
(2) Reimbursements	-80,000
2320-001-0317—For support of Department of Real Estate, payable from the Real Estate Fund	30,163,000
Schedule:	
(1) 10-Licensing and Education.....	6,101,000
(2) 20-Enforcement and Recovery	19,109,000
(3) 30-Subdivisions.....	5,253,000
(4) 40.10-Administration.....	4,986,000
(5) 40.20-Distributed Administration ...	-4,986,000
(6) Reimbursements	-300,000
Provisions:	
1. Of the amount appropriated in this item, \$500,000 shall be used only for the purposes of the Real Estate Recovery Account.	
2400-001-0933—For support of Department of Managed Health Care, payable from the Managed Care Fund	32,409,000
Schedule:	
(1) 30-Health Plan Program	32,409,000
(2) 50.01-Administration.....	8,047,000
(3) 50.02-Distributed Administration ...	-8,047,000

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.	
2400-002-0933—For support of Department of Managed Health Care, for the Office of Patient Advocate, payable from the Managed Care Fund	2,135,000
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	1,147,000
2600-001-0046—For support of California Transportation Commission, payable from the Public Transportation Account, State Transportation Fund	1,159,000
Schedule:	
(1) 10-Administration of California Transportation Commission	2,306,000
(2) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-0042).....	-1,147,000
2640-101-0046—For local assistance, Special Transportation Programs, for allocation by the Controller pursuant to Section 99312 of the Public Utilities Code, payable from the Public Transportation Account, State Transportation Fund	104,606,000
Provisions:	
1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$67,387 of the amount appropriated by this item shall reimburse the Controller for expenditures for administration of State Transportation Assistance funds.	
2. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, \$76,181 of the amount appropriated by this item shall reimburse the General Fund for statewide general administrative expenditures, known as pro rata, pursuant to Sections 11270 to 11275, inclusive, and Section 22828.5 of the Government Code.	
2660-001-0041—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Aeronautics Account, State Transportation Fund	2,952,000

Item	Amount
2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund.....	1,762,910,000
Schedule:	
(1) 10-Aeronautics.....	3,215,000
(2) 20.10-Highway Transportation— Capital Outlay Support.....	1,011,072,000
(3) 20.30-Highway Transportation— Local Assistance.....	28,526,000
(4) 20.40-Highway Transportation— Program Development.....	73,040,000
(5) 20.65-Highway Transportation— Legal.....	61,497,000
(6) 20.70-Highway Transportation— Operations.....	147,928,000
(7) 20.80-Highway Transportation— Maintenance.....	734,748,000
(8) 30-Mass Transportation.....	105,943,000
(9) 40-Transportation Planning.....	88,011,000
(10) 50.00-Administration.....	269,406,000
(10.5) 97.20-Unallocated Reduction....	-18,000,000
(11) Reimbursements.....	-161,873,000
(12) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-0041)...	-2,952,000
(13) Amount payable from the Bicycle Transportation Account, State Transportation Fund (Item 2660-001-0045).....	-51,000
(14) Amount payable from the Public Transportation Account, State Transportation Fund (Item 2660-001-0046).....	-123,287,000
(15) Amount payable from the Historic Property Maintenance Fund (Item 2660-001-0365).....	-1,521,000
(16) Amount payable from the Federal Trust Fund (Item 2660-001-0890).....	-452,792,000

Provisions:

1. For purposes of the funds appropriated in Schedules (2) to (7), 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 spend-

Item

Amount

- ing 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.
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.

Item	Amount
4. Notwithstanding any other provision of law, funding appropriated in this item may be transferred to Item 2660-005-0042 to pay for any necessary insurance, debt service, and other financing related expenditures for department-owned office buildings. Any transfer will require the prior approval of the Department of Finance.	
5. Notwithstanding any other provision of law, funds appropriated in Schedules (1) to (10), inclusive, in this item may be transferred to Item 2660-002-0608 for increases in equipment services costs, provided that the increase does not increase the overall appropriation authority for the Department of Transportation and no funding appropriated in Schedules (1) to (10), inclusive, is augmented. Any transfer will require the prior approval of the Department of Finance.	
6. The funds appropriated in Schedule (2) for external consultant and professional services related to project delivery (also known as 232 contracts) that are unencumbered or encumbered but unexpended related to work that will not be performed during the fiscal year shall revert to the fund from which they were appropriated.	
7. Notwithstanding any other provision of law, funds appropriated in this item may be supplemented with federal funding appropriation authority and with prior fiscal year State Highway Account appropriation balances at a level determined by the department as required to process claims utilizing federal advance construction through the Plan of Financial Adjustment process pursuant to Sections 11251 and 16365 of the Government Code.	
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.....	51,000
Provisions:	
1. Of the amount appropriated in this item, \$41,000 shall reimburse the General Fund for statewide general administrative expenditures, known as Pro Rata, pursuant to Sections 11270 to 11275, inclusive, and Section 22828.5 of the Government Code.	

Item	Amount
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	123,287,000
Provisions:	
1. For Program 30—Mass Transportation. \$73,138,000 appropriated in this item is available for intercity rail.	
2. Notwithstanding any other provision of law, funds appropriated in this item from the Public Transportation 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.	
2660-001-0365—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Historic Property Maintenance Fund	1,521,000
2660-001-0890—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Federal Trust Fund	452,792,000
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	

Item	Amount
to Provision 3 of that item or Public Transportation Account funds in Item 2660-001-0046, pursuant to Provision 2 of that item.	
2660-001-3007—For support of the Department of Transportation, payable from the Traffic Congestion Relief Fund	31,466,000
(1) 20.10-Highway Transportation	
Capital Outlay Support.....	29,638,000
(2) 30-Mass Transportation	448,000
(3) 40-Transportation Planning	179,000
(4) 50-Administration	1,201,000
2660-002-0608—For support of Department of Transportation, payable from the Equipment Service Fund...	67,563,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated in this item may be increased in accordance with Provision 5 of Item 2660-001-0042.	
2660-005-0042—For support of Department of Transportation, for building insurance, debt service, and other financing related costs for department-owned office buildings, payable from the State Highway Account, State Transportation Fund	14,612,000
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 financing related costs for department-owned office buildings. Any transfer shall require the prior approval of the Department of Finance.	
2. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
2660-007-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund	84,669,000
Schedule:	
(1) 20.10-Highway Transportation—	
Capital Outlay Support.....	52,906,000
(2) 20.65-Highway Transportation—	
Legal	662,000
(3) 20.70-Highway Transportation—	
Operations	936,000

Item	Amount
(4) 20.80-Highway Transportation— Maintenance	30,147,000
(5) 50-Administration	18,000
Provisions:	
1. The funds appropriated in this item may be expended only to attain compliance with (1) the stormwater 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, (2) the Statewide Storm Water Management Plan, or (3) as required by court order.	
2. The funds appropriated in this item may be transferred between schedules. Any transfer will require the prior approval of the Department of Finance.	
2660-011-0001—For transfer by the Controller, upon order of the Director of Finance, from the General Fund to the State Highway Account in the State Transportation Fund.....	(173,000,000)
Provisions:	
1. This transfer shall constitute repayment of the loan from the State Highway Account in the State Transportation Fund to the General Fund authorized by subdivision (a) of Section 183.3 of the Streets and Highways Code.	
2. The Controller shall add to this transfer any interest due under subdivision (b) of Section 183.3 of the Streets and Highways Code.	
3. This transfer of money shall be considered a transfer for the 2002–03 fiscal year.	
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)
2660-012-0041—For transfer by the Controller from the Aeronautics Account, State Transportation Fund, to the General Fund.....	(4,762,000)
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	

Item	Amount
<p>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.</p> <p>2. Funds appropriated in this item may be used for support, local assistance, or capital outlay expenditures.</p>	
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	(25,865,000)
2660-031-0608—For transfer by the Controller, upon order of the Director of Finance, from the Equipment Service Fund to the State Highway Account, State Transportation Fund.....	(15,280,000)
2660-101-0042—For local assistance, Department of Transportation, State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund.....	41,200,000
Schedule:	
(1) 20.30-Highway Transportation—	
Local Assistance	35,020,000
(a) Regional Improvements	(34,670,000)
(b) Interregional Improvements	(350,000)
(2) 30-Mass Transportation	6,180,000
Provisions:	
1. Funds appropriated in this item shall be available for allocation by the California Transportation Commission through fiscal year 2005–06 and available for encumbrance and liquidation through June 30, 2009.	
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intraschedule or to Item 2660-301-0042 or 2660-102-0042. These transfers shall require the prior approval of the Department of Finance and the California Transportation Commission.	

Item	Amount
3. Notwithstanding any other provision of law, funds appropriated in this item may be supplemented with federal funding appropriation authority and with prior year State Highway Account appropriation balances at a level determined by the department as required to process claims utilizing federal advance construction through the plan of financial adjustment process under Sections 11251 and 16365 of the Government Code.	
2660-101-0045—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Bicycle Transportation Account, State Transportation Fund	7,190,000
2660-101-0183—For local assistance, Department of Transportation, Program 20—Highway Transportation, payable from the Environmental Enhancement and Mitigation Demonstration Program Fund	5,000,000
2660-101-0890—For local assistance, Department of Transportation, State Transportation Improvement Program (STIP), payable from the Federal Trust Fund.....	165,000,000

Schedule:

- (1) 20-Highway Transportation.....165,000,000
 - (a) Regional Improvements (164,216,000)
 - (b) Interregional Improvements (784,000)

Provisions:

- 1. 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. 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 in this item may be transferred intraschedule or to Item 2660-301-0890 or 2660-102-0890. 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 California Transportation Commission through fiscal year 2005–06.

Item	Amount
2660-102-0042—For local assistance, Department of Transportation, Non-State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund.....	99,669,000

Schedule:

- (1) 20.30-Highway Transportation..... 92,669,000
 - (a) Regional Surface Transportation Program Exchange..... (46,000,000)
 - (b) Local Assistance..... (46,669,000)
- (2) 40-Transportation Planning 7,000,000

Provisions:

- 1. Funds appropriated in Schedule (1) shall be available for allocation by the California Transportation Commission through fiscal year 2005–06 and available for encumbrance and liquidation through June 30, 2009.
- 2. Notwithstanding other provisions of law, funds appropriated in this item may be transferred intraschedule or to Item 2660-301-0042 or 2660-101-0042. These transfers shall require the prior approval of the Department of Finance and the California Transportation Commission.

2660-102-0890—For local assistance, Department of Transportation, Non-State Transportation Improvement Program (STIP), payable from the Federal Trust Fund.....	991,670,000
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Schedule:

- (1) 20-Highway Transportation910,533,000
- (2) 30-Mass Transportation 37,137,000
- (3) 40-Transportation Planning 44,000,000

Provisions:

- 1. Notwithstanding other provisions of law, funds appropriated in this item may be transferred intraschedule or to Item 2660-101-0890 or 2660-301-0890. These transfers shall require the prior approval of the Department of Finance and the California Transportation Commission. Funds appropriated in Schedules (1) and (2) shall be available for allocation by the California Transportation Commission through fiscal year 2005–06.
- 2. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all

Item	Amount
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.	
2660-105-0046—For local assistance, Department of Transportation, Program 30-Mass Transportation, payable from the Public Transportation Account, State Transportation Fund, for water transit operations managed through the Metropolitan Transportation Commission	2,850,000
2660-115-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund to the Local Transportation Loan Account, State Transportation Fund.....	(389,000)
2660-295-0042—For local assistance, Department of Transportation, 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, for disbursement by the Controller.....	2,000
Schedule:	
(1) 98.01.064—Airport Land Use Commissions/Plans (Ch. 644, Stats. 1994)	2,000
(2) 98.01.129—Two-way Traffic Signal Communication (Ch. 1297, Stats. 1994)	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 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	

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(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.	
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 2003–04 fiscal year:	
(2) 98.01.129—Two-way Traffic Signal Communication (Ch. 1297, Stats. 1994)	
2660-301-0042—For capital outlay, Department of Transportation, State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund.....	53,560,000
Schedule:	
(1) 20-Highway Transportation.....	44,991,000
(a) Regional Improvements	(27,445,000)
(b) Interregional Improvements	(17,546,000)
(2) 30-Mass Transportation	8,569,000
Provisions:	
1. These funds shall be available for allocation by the California Transportation Commission through fiscal year 2005–06 and available for encumbrance and liquidation through June 30, 2009.	
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intra-schedule or to Item 2660-101-0042 or 2660-302-0042. These transfers shall require the prior approval of the Department of Finance and the California Transportation Commission.	
3. Notwithstanding any other provision of law, funds appropriated in this item may be supplemented with federal funding appropriation authority and	

Item	Amount
with prior year State Highway Account appropriation balances at a level determined by the department as required to process claims utilizing federal advance construction through the plan of financial adjustment process under Sections 11251 and 16365 of the Government Code.	
2660-301-0890—For capital outlay, Department of Transportation, State Transportation Improvement Program (STIP), payable from the Federal Trust Fund	214,500,000
Schedule:	
(1) 20-Highway Transportation.....	214,500,000
(a) Regional Improvements	(130,845,000)
(b) Interregional Improvements	(83,655,000)
Provisions:	
1. Notwithstanding any other provision of law, amounts scheduled in this item may be transferred intraschedule or to Item 2660-101-0890 or 2660-302-0890. 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 California Transportation Commission through fiscal year 2005–06.	
2. 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. 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.	
2660-302-0042—For capital outlay, Department of Transportation, Non-State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund.....	111,240,000
Schedule:	
(1) 20-Highway Transportation.....	929,748,000
(a) State Highway Operation and Protection Program.....	(929,748,000)
(2) Reimbursements	-818,508,000

Item	Amount
Provisions:	
1. These funds shall be available for allocation by the California Transportation Commission through fiscal year 2005–06 and available for encumbrance and liquidation through June 30, 2009.	
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-102-0042 or 2660-301-0042. These transfers shall require the prior approval of the Department of Finance and the California Transportation Commission.	
2660-302-0046—For capital outlay, Department of Transportation, payable from the Public Transportation Account, State Transportation Fund.....	0
Schedule:	
(1) 30-Mass Transportation	25,000,000
(2) Reimbursements	–25,000,000
2660-302-0890—For capital outlay, Department of Transportation, Non-State Transportation Improvement Program (STIP), payable from the Federal Trust Fund.....	445,500,000
Schedule:	
(1) 20-Highway Transportation.....	445,500,000
(a) State Highway Operation and Transportation Program.....	(445,500,000)
Provisions:	
1. Notwithstanding any other provision of law, amounts scheduled in this item may be transferred to Item 2660-102-0890 or 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 California Transportation Commission through fiscal year 2005–06.	
2. 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. 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.	

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2660-311-0042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund	200,000
Schedule:	
(1) 20-Highway Transportation.....	200,000
(a) 20.20.500-State-wide: Studies, pre-planning and budget packages.....	(200,000)
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 and the Department of Finance. 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.	
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, 2004.....	5,000,000
2660-399-0890—For the Department of Transportation, for state operations, local assistance, or capital outlay, payable from the Federal Trust Fund	31,000,000
Provisions:	
1. \$31,000,000 is available for Corridor Improvement and Formula Section 163 grants.	
2660-490—Reappropriation, Department of Transportation. 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 encumbrance and expenditure until June 30, 2004.	
0660—Public Building Construction Fund	
Item 2660-311-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 20.20.510-San Diego Office Building: Replacement—Construction	

Item

Amount

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, 2004. The unencumbered balance shall not be available for encumbrance.

0001—General Fund

- (1) Item 2660-101-0001, Budget Act of 1999 (Ch. 50, Stats. 1999)
- (2) Item 2660-104-0001, Budget Act of 1999 (Ch. 50, Stats. 1999)
- (3) Item 2660-101-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)

0042—State Highway Account

- (1) Item 2660-125-042, Budget Act of 1995 (Ch. 303, Stats. 1995)
- (2) Item 2660-101-042, Budget Act of 1995 (Ch. 303, Stats. 1995)
- (3) Item 2660-325-042, Budget Act of 1995 (Ch. 303, Stats. 1995)
- (4) Item 2660-101-0042, Budget Act of 1996 (Ch. 162, Stats. 1996)
- (5) Item 2660-125-0042, Budget Act of 1996 (Ch. 162, Stats. 1996)
- (6) Item 2660-325-0042, Budget Act of 1996 (Ch. 162, Stats. 1996)
- (7) Item 2660-101-0042, Budget Act of 1997 (Ch. 282, Stats. 1997)
- (8) Item 2660-301-0042, Budget Act of 1997 (Ch. 282, Stats. 1997)
- (9) Item 2660-101-0042, Budget Act of 1998 (Ch. 324, Stats. 1998)
- (10) Item 2660-301-0042, Budget Act of 1998 (Ch. 324, Stats. 1998)

0045—Bicycle Transportation Account

- (1) Item 2660-101-0045, Budget Act of 1996 (Ch. 162, Stats. 1996)
- (2) Item 2660-101-0045, Budget Act of 1997 (Ch. 282, Stats. 1997)
- (3) Item 2660-101-0045, Budget Act of 1998 (Ch. 324, Stats. 1998)
- (4) Item 2660-101-0045, Budget Act of 1999 (Ch. 50, Stats. 1999)

Item	Amount
(5) Item 2660-101-0045, Budget Act of 2000 (Ch. 52, Stats. 2000)	
0046—Public Transportation Account	
(1) Item 2660-125-046, Budget Act of 1992 (Ch. 587, Stats. 1992)	
(2) Item 2660-302-046, Budget Act of 1992 (Ch. 587, Stats. 1992)	
(3) Item 2660-125-046, Budget Act of 1993 (Ch. 55, Stats. 1993)	
(4) Item 2660-302-046, Budget Act of 1993 (Ch. 55, Stats. 1993)	
(5) Item 2660-101-046, Budget Act of 1994 (Ch. 139, Stats. 1994)	
(6) Item 2660-125-046, Budget Act of 1994 (Ch. 139, Stats. 1994)	
(7) Item 2660-302-046, Budget Act of 1995 (Ch. 303, Stats. 1995)	
(8) Item 2660-125-0046, Budget Act of 1996 (Ch. 162, Stats. 1996)	
(9) Item 2660-302-0046, Budget Act of 1998 (Ch. 324, Stats. 1998)	
0853—Petroleum Violation Escrow Account	
(1) Chapter 186, Statutes of 1986	
(2) Chapter 1427, Statutes of 1988	
(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	
(8) Chapter 980, Statutes of 1995	
0890—Federal Trust Fund	
(1) Item 2660-101-890, Budget Act of 1995 (Ch. 303, Stats. 1995)	
(2) Item 2660-301-890, Budget Act of 1995 (Ch. 303, Stats. 1995)	
(3) Item 2660-101-0890, Budget Act of 1996 (Ch. 162, Stats. 1996)	
(4) Item 2660-101-0890, Budget Act of 1997 (Ch. 282, Stats. 1997)	
(5) Item 2660-101-0890, Budget Act of 1998 (Ch. 324, Stats. 1998)	

Item	Amount
2660-492—Reappropriation, Department of Transportation. The balance of the funds for the appropriations provided in the following citations is reappropriated for the purposes provided for in the appropriations and shall be available for encumbrance and expenditure until June 30, 2004.	
0042—State Highway Account, State Transportation Fund.	
(1) Item 2660-001-0042, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by 2660-492, Budget Act of 2002 (Ch. 379, Stats. 2002), 20-10—Highway Transportation—Capital Outlay Support, \$7,057,000 shall be available for the Project Resourcing and Schedule Maintenance System.	
(2) Item 2660-001-0042, Budget Act of 2001 (Ch. 106, Stats. 2001) as reappropriated by 2660-492, Budget Act of 2002 (Ch. 379, Stats. 2002), 50.00 Administration, \$501,000 shall be available for development of the Budget Planning Modeling System.	
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, 2003. These appropriations are not available for encumbrance or liquidation and shall revert on June 30, 2004:	
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)	
(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)	

Item	Amount
(9) Item 2660-001-890, Budget Act of 1995 (Ch. 303, Stats. 1995)	
(10) Item 2660-301-890, Budget Act of 1992 (Ch. 587, Stats. 1992)	
(11) Item 2660-001-0890, Budget Act of 1996 (Ch. 162, Stats. 1996)	
(12) Item 2660-001-0890, Budget Act of 1997 (Ch. 282, Stats. 1997)	
(13) Item 2660-001-0890, Budget Act of 1998 (Ch. 324, Stats. 1998)	
2660-494—Reappropriation—Department of Transportation. Notwithstanding any other provision of law, the balance of the appropriation provided in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation.	
0042—State Highway Account	
Item 2660-311-0042, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(1) 20.20.514-Los Angeles Office Bldg: Working Drawings and Construction	
2660-496—Reversion, Department of Transportation, as of June 30, 2003, the following appropriation amounts in the following citations shall revert to the fund from which the appropriation was made.	
0042—State Highway Account	
(1) Item 2660-102-0042, Budget Act of 2002 (Ch. 379, Stats. 2002), 20.30-Highway Transportation—Local Assistance.....	15,500,000
(2) Item 2660-302-0042, Budget Act of 2002 (Ch. 379, Stats. 2002).....	88,000,000
(3) Item 2660-101-0042, Budget Act of 2000 (Ch. 52, Stats. 2000), 20.30-Highway Transportation—Local Assistance, as reappropriated by Item 2660-490, Budget Act of 2002 (Ch. 379, Stats. 2002).....	389,000
0890—Federal Trust Fund	
(4) Item 2660-102-0890, Budget Act of 2002 (Ch. 379, Stats. 2002), 20-Highway Transportation	50,000,000
(5) Item 2660-302-0890, Budget Act of 2002 (Ch. 379, Stats. 2002).....	354,000,000

Item	Amount
2665-001-0046—For support of High-Speed Rail Authority, payable from the Public Transportation Account, State Transportation Fund	2,597,000
Schedule:	
(1) 10-High-Speed Rail Authority	3,839,000
(2) Amount payable from Federal Trust Fund (Item 2665-001-0890).....	-1,242,000
2665-001-0890—For support of High-Speed Rail Authority, for payment to Item 2665-001-0046, payable from the Federal Trust Fund	1,242,000
2700-001-0044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund.....	383,000
Schedule:	
(1) 10-California Traffic Safety	58,266,000
(2) Amount payable from the Federal Trust Fund (Item 2700-001-0890).-	57,883,000
Provisions:	
1. It is the intent of the Legislature that the Director of the Office of Traffic Safety be a uniformed member of the California Highway Patrol.	
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	57,883,000
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	26,384,000
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	43,787,000
2720-001-0044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund.....	1,006,297,000
Schedule:	
(1) 10-Traffic Management.....	1,065,766,000
(2) 20-Regulation and Inspection	134,586,000
(3) 30-Vehicle Ownership Security	30,217,000
(4) 40.01-Administration.....	145,848,000
(5) 40.02-Distributed Administration	-145,848,000
(6) Reimbursements.....	-63,309,000
(7) Unallocated Reduction.....	(-100,041,000)
(8) Amount payable from the State Highway Account (Item 2720-001-0042).....	-43,787,000

Item	Amount
(9) Amount payable from the Motor Carrier Safety Improvement Fund (Item 2720-001-0293)	-1,190,000
(10) Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-0840)	-1,573,000
(11) Amount payable from the Federal Trust Fund (Item 2720-001-0890).....	-12,077,000
(12) Amount payable from the Hazardous Substance Account, Special Deposit Fund (Item 2720-001-0942).....	-208,000
(13) Amount payable from the Asset Forfeiture Account, Special Deposit Fund (Item 2720-011-0942).....	-2,087,000
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	1,190,000
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.....	1,573,000
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.....	12,077,000
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	208,000
2720-003-0044—For support of Department of the California Highway Patrol for rental payments on lease-revenue bonds, payable from Motor Vehicle Account, State Transportation Fund.....	932,000
Schedule:	
(1) Base Rental and Fees	951,000
(2) Insurance	4,000
(3) Reimbursements.....	-23,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	

Item	Amount
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	2,087,000
2720-012-0903—For transfer by the Controller from the State Penalty Fund to the California Motorcyclist Safety Fund.....	(250,000)
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 2003–04 fiscal year, for delivery beginning in the 2004–05 fiscal year, payable from the Motor Vehicle Account, State Transportation Fund.....	(5,000,000)
2720-101-0974—For local assistance, Department of California Highway Patrol, payable from the Peace Officer Memorial Foundation Fund	400,000
2720-301-0044—For capital outlay, Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund.....	3,089,000
Schedule:	
(1) 50.16.106-Williams: Replacement Facility—Construction	2,969,000
(2) 50.90.901-Statewide: Studies, pre-planning, and budget packages	120,000
2740-001-0001—For support of Department of Motor Vehicles, for payment to Item 2740-001-0044	1,114,000
Provisions:	
1. Of the amount appropriated in this item, \$60,000 is for the Anatomical Donor Designation Program.	
2740-001-0042—For support of Department of Motor Vehicles, for payment to Item 2740-001-0044, payable from the State Highway Account, State Transportation Fund.....	38,608,000
2740-001-0044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund	361,135,000
Schedule:	
(1) 11-Vehicle/Vessel Identification and Compliance.....	384,799,000
(2) 22-Driver Licensing and Personal Identification	172,468,000
(3) 25-Driver Safety	87,336,000
(4) 32-Occupational Licensing and Investigative Services.....	36,876,000
(5) 35-New Motor Vehicle Board.....	1,708,000

Item	Amount
(6) 41.01-Administration.....	81,685,000
(7) 41.02-Distributed Administration ...	-81,685,000
(8) Reimbursements	-12,524,000
(9) Amount payable from the General Fund (Item 2740-001-0001).....	-1,114,000
(10) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-001-0042).....	-38,608,000
(11) Amount payable from the New Motor Vehicle Board Account (Item 2740-001-0054)	-1,708,000
(12) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-0064).....	-263,595,000
(13) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-0516)	-4,503,000
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 ..	1,708,000
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	263,595,000
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	4,503,000
Provisions:	
1. The funds appropriated in this item are for undocumented vessel registration and fee collection.	
2740-301-0042—For capital outlay, Department of Motor Vehicles, for payment to Item 2740-301-0044, payable from the State Highway Account, State Transportation Fund.....	1,231,000
2740-301-0044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund.....	10,507,000
Schedule:	
(1) 71.03.019-Sacramento Headquarters: 3rd Floor Asbestos Removal and Seismic Retrofit—Construction	7,006,000

Item	Amount
(2) 71.03.020-Sacramento Headquarters: 5th Floor Asbestos Removal and Seismic Retrofit—Working drawings.....	325,000
(3) 71.03.022-Sacramento Headquarters: 6th and 7th Floor Asbestos Removal and Seismic Retrofit—Preliminary plans.....	513,000
(4) 71.46.010-San Ysidro: Field Office Replacement—Construction.....	5,865,000
(5) 71.53.010-South Sacramento: Field Office Replacement—Construction	5,854,000
(6) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-301-0042).....	-1,231,000
(7) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-301-0064)	-7,825,000
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.....	7,825,000
2780-001-0683—For support of Stephen P. Teale Data Center, payable from the Stephen P. Teale Data Center Revolving Fund.....	100,299,000
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.	
2. Expenditure authority provided in this item to support data center infrastructure projects may not be utilized for items outside the approved project scope. In addition, the data center shall report to the Department of Finance actual expenditures associated with the projects when purchase agreements have been executed.	

Item	TECHNOLOGY, TRADE, AND COMMERCE	Amount
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2920-001-0001—For support of Technology, Trade, and Commerce Agency		2,222,000
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Schedule:

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|---|------------|
| (1) 10-Boards and Commissions..... | 1,222,000 |
| (2) 30-Tourism | 929,000 |
| (3) Manufacturing Technology Program..... | 126,000 |
| (4) Administration | 1,000,000 |
| (5) Reimbursements..... | -1,055,000 |

Provisions:

1. Of the amount appropriated in this item, the Technology, Trade, and Commerce Agency may transfer funds to Item 2920-012-0001, consistent with Provision 1 of that item.
2. It is the intent of the Legislature that the Technology, Trade, and Commerce Agency shall be abolished effective January 1, 2004. It is further the intent of the Legislature that the Film Commission, Small Business Loan Guarantee Program, Manufacturing Technology Program, Tourism Program, and the Infrastructure Bank be transferred to the Business, Transportation and Housing Agency; the Military Base Reuse and Retention Program be transferred to the Department of Housing and Community Development; and the Replacement of Underground Storage Tanks Program be transferred to the State Water Resources Control Board. It is the intent of the Legislature that no later than October 1, 2003, the Director of Finance shall submit an interim plan to the Chairperson of the Joint Legislative Budget Committee for abolishing the Technology, Trade, and Commerce Agency and funding that would be transferred to other state entities to administer for the remainder of the 2003–04 fiscal year.
3. The Secretary shall proceed with the establishment of the office established pursuant to Section 15364.80 of the Government Code and shall complete the contract process by September 1, 2003.
4. The funds appropriated in this item for administration are exclusively for the personal services and operating expenses and equipment costs associated with the closure of the Technology, Trade, and Commerce Agency within the 2003–04 fiscal year. If unanticipated expenses re-

Item	Amount
lated to these activities occur, the Director of Finance is authorized to use Section 27.00 to address the deficiency from the General Fund or appropriate special fund.	
2920-001-0123—For support of Technology, Trade, and Commerce Agency, Program 05—Infrastructure and Business Finance, payable from the Rural Economic Development Fund	155,000
2920-001-0145—For support of Technology, Trade, and Commerce Agency, Program 20-Global Economic Development payable from the Commerce Marketing Fund	86,000
2920-001-0218—For support of Technology, Trade, and Commerce Agency, Program 07—Technology and Community Innovation, payable from the Rural Development Fund.....	30,000
2920-001-0440—For support of Technology, Trade, and Commerce Agency, payable from the Petroleum Underground Storage Tank Financing Account.....	896,000
Schedule:	
(1) 05-Infrastructure and Business Finance.....	727,000
(2) 40-Contracts, Grants, and Loans	169,000
2920-001-0649—For support of Technology, Trade, and Commerce Agency, payable from the California Infrastructure and Economic Development Bank Fund	3,749,000
Schedule:	
(1) 05-Infrastructure and Business Finance.....	3,660,000
(2) 40-Contracts, Grants, and Loans	89,000
2920-001-0890—For support of Technology, Trade, and Commerce Agency, Program 07—Technology and Community Innovation, payable from the Federal Trust Fund.....	278,000
2920-001-0918—For support of Technology, Trade, and Commerce Agency, payable from the Small Business Expansion Fund.....	401,000
2920-011-0001—For support of Technology, Trade, and Commerce Agency	4,692,000
Schedule:	
(1) For transfer to the Small Business Expansion Fund	4,662,000
(2) For transfer to the Rural Development Fund	30,000
2920-012-0001—For support of Technology, Trade, and Commerce Agency, Foreign Trade Offices Closure.	961,000

Item	Amount
Provisions:	
1. Funds appropriated in this item are exclusively for the personal services and operating expenses and equipment costs associated with the closure of state-operated Foreign Trade Offices within the 2003–04 fiscal year. If unanticipated expenses related to these activities occur, the Director of Finance is authorized to use Section 27.00 to address the deficiency from the General Fund.	
2920-101-0001—For local assistance, Technology, Trade, and Commerce Agency	0
Schedule:	
(1) 07-Technology and Community Innovation	2,000,000
(2) Reimbursements	–2,000,000
Provisions:	
1. The amount appropriated in Schedule (1) of this item shall be available for Manufacturing Technology Program grants.	
2920-101-0440—For local assistance, Technology, Trade, and Commerce Agency, Program 10—Boards and Commissions, payable from the Petroleum Underground Storage Tank Financing Account	4,000,000
2920-101-0890—For local assistance, Technology, Trade, and Commerce Agency, Program 07—Technology and Community Innovation, payable from the Federal Trust Fund	1,422,000

RESOURCES

3110-001-0140—For support of Special Resources Program, Program 30—Sea Grant Program, payable from the California Environmental License Plate Fund, 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	200,000
3110-101-0071—For local assistance, Special Resources Program, Program 20—Yosemite Foundation, payable from the Yosemite Foundation Account, California Environmental License Plate Fund	840,000
Provisions:	
1. There is hereby appropriated to the Special Resources Program for allocation by the State Controller to the Yosemite Foundation all moneys de-	

Item	Amount
<p>posited in the account for activities authorized pursuant to Section 5064 of the Vehicle Code (Chapter 1273, Statutes of 1992).</p>	
<p>3110-101-0140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund</p>	3,231,000
<p>3110-101-0516—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency payable from the Harbors and Watercraft Revolving Fund.....</p>	124,000
<p>Provisions:</p>	
<p>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.</p>	
<p>3125-001-0001—For support of California Tahoe Conservancy.....</p>	0
<p>Schedule:</p>	
<p>(1) 10-Tahoe Conservancy</p>	3,892,000
<p>(2) Reimbursements</p>	-33,000
<p>(3) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3125-001-0005).</p>	-827,000
<p>(3.5) Amount payable from the California Environmental License Plate Fund (Item 3125-001-0140).....</p>	-2,671,000
<p>(4) Amount payable from Habitat Conservation Fund (Item 3125-001-0262).....</p>	-17,000
<p>(5) Amount payable from the Lake Tahoe Conservancy Account (Item 3125-001-0286)</p>	-164,000
<p>(6) Amount payable from the Tahoe Conservancy Fund (Item 3125-001-0568).....</p>	-180,000
<p>3125-001-0005—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund...</p>	827,000
<p>3125-001-0140—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the California Environmental License Plate Fund.....</p>	2,671,000

Item	Amount
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	164,000
3125-001-0568—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Tahoe Conservancy Fund.....	180,000
Provisions:	
1. Of this amount, pursuant to Section 66908.3 of the Government Code, the conservancy shall pay \$41,000 to the County of Placer, and \$4,000 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.	
3125-101-0005—For local assistance, California Tahoe Conservancy, for soil erosion control grants, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	5,511,000
Schedule:	
(1) 10-Tahoe Conservancy	5,755,000
(2) Reimbursements	-244,000
Provisions:	
1. Notwithstanding any other provision of law, this appropriation shall be available for encumbrance, for local assistance or capital outlay, until June 30, 2006.	
2. Pursuant to Section 33702 of the Public Resources Code, the acquisition of real property or interests with funds appropriated in this item is not subject to the Property Acquisition Law (Part II (commencing with Section 15850) of Division 3 of Title 2 of the Government Code) when the value is \$250,000 or less, and, therefore, is not subject to approval by the State Public Works Board.	
3125-101-0286—For local assistance, California Tahoe Conservancy, Program 10—Tahoe Conservancy, payable from the Lake Tahoe Conservancy Account ..	713,000
Provisions:	
1. The amount appropriated in this item is available for expenditure for local assistance or for capital outlay until June 30, 2006.	

Item	Amount
<ul style="list-style-type: none"> 2. Pursuant to Section 33702 of the Public Resources Code, the acquisition of real property or interests with funds appropriated in this item is not subject to the Property Acquisition Law (Part II (commencing with Section 15850) of Division 3 of Title 2 of the Government Code) when the value is \$250,000 or less, and, therefore, is not subject to approval by the State Public Works Board. 	
<p>3125-101-6029—For local assistance, California Tahoe Conservancy, Program 10—Tahoe Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund</p>	5,249,000
<p>Provisions:</p> <ul style="list-style-type: none"> 1. The amount appropriated in this item is available for expenditure for local assistance or for capital outlay until June 30, 2006. 2. Pursuant to Section 33702 of the Public Resources Code, the acquisition of real property or interests with funds appropriated in this item is not subject to the Property Acquisition Law (Part II (commencing with Section 15850) of Division 3 of Title 2 of the Government Code) when the value is \$250,000 or less, and, therefore, is not subject to approval by the State Public Works Board. 	
<p>3125-301-0005—For capital outlay, California Tahoe Conservancy, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund</p>	8,517,000
<p>Schedule:</p> <ul style="list-style-type: none"> (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 (2) 50.30.003-Acquisition, restoration, and enhancement of habitat (3) 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 	<p>1,500,000</p> <p>1,517,000</p> <p>4,000,000</p>

Item	Amount
(4) 50.30.005-Land acquisition pursuant to Section 66907 of the Government Code	1,500,000
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 \$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 until June 30, 2006. 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.	
3125-301-0262—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 until June 30, 2006. 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.	
3340-001-0001—For support of California Conservation Corps	39,961,000
Schedule:	
(1) 10-Training and Work Program.....	42,906,000
(2) 10.55-Administration.....	(6,170,000)
(3) 10.55-Distributed Administration.....	(-6,170,000)

Item	Amount
(4) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3340-001-0005).	-625,000
(5) Amount payable from the California Environmental License Plate Fund (Item 3340-001-0140).....	-308,000
(6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3340-001-0235)	-285,000
(7) Amount payable from the Federal Trust Fund (Item 3340-001-0890).....	-503,000
(8) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (3340-001-6029) .	-1,224,000

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 \$6,558,000, to meet cashflow 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 moneys 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. Of the funds appropriated in this item, \$2,725,000 shall be available for use by the California Conservation Corps to respond to natural disasters and other emergencies, including the fighting of forest

Item	Amount
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.	
3. To the extent that funds in excess of the amount identified in Provision 2 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.	
3340-001-0005—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	625,000
3340-001-0140—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the California Environmental License Plate Fund	308,000
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.....	285,000
3340-001-0890—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the Federal Trust Fund	503,000
3340-001-6029—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund..	1,224,000
3340-101-0005—For local assistance, California Conservation Corps, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	2,900,000

Item	Amount
3340-101-6029—For local assistance, California Conservation Corps, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	4,000,000
3340-301-0660—For capital outlay, California Conservation Corps, payable from the Public Buildings Construction Fund	36,216,000

Schedule:

- (1) 20.10.170-Tahoe Base Center Relocation—Acquisition, preliminary plans, working drawings and construction 19,571,000
- (2) 20.10.200-Sequoia District Relocation—Preliminary plans, working drawings and construction..... 16,645,000

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 California Conservation Corps may obtain interim financing for the project costs authorized in this item from any appropriate source, including, but not limited to, Section 15849.1 of the Government Code and the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
3. The State Public Works Board may authorize the augmentation of the cost of construction of the projects scheduled in this item pursuant to the board's authority under Section 13332.11 of the Government Code. In addition, the State Public Works Board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing, including the payment of interest during construction of the project, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.
4. This department is authorized and directed to execute and deliver any and all leases, contracts,

Item

Amount

- agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
5. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10.5 (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.
 6. Notwithstanding Section 2.00 of the Budget Act, the funds appropriated in this item shall be available for expenditure until June 30, 2004, except appropriations for working drawings which shall be available for expenditure until June 30, 2005, appropriations for construction which shall be available for expenditure until June 30, 2008, and acquisition which shall be available for expenditure until June 30, 2006. In addition, the balance of funds appropriated for construction that have not been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 2006, shall revert as of that date to the fund from which the appropriation was made.
 7. Notwithstanding any other provision of law, the project authorized in Schedule (1) of this item may be acquired or constructed using any of the following project delivery methods: lease with a purchase option, build to suit, design-bid-build or design-build, subject to approval of the Department of Finance and the funds appropriated in Schedule (1) of this item shall be available to address the costs of the selected delivery method.
 8. Funds appropriated in Schedule (2) of this item shall only be available for expenditure if a related Department of Developmental Services capital outlay project in Schedule (2) of Item 4300-301-0660 is approved by the Legislature.

Item	Amount
9. Site acquisition funds appropriated in Schedule (1) shall be used to acquire a site for the Tahoe Base Center in the Meyers/South Lake Tahoe area.	
10. The Department of Finance shall provide written notification to the Joint Legislative Budget Committee, within 10 days of receipt, of any requests for an augmentation of project costs, change in project scope, and any related change in project schedule, for projects identified in Schedules (1) and (2).	
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	125,000
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	46,982,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated in this item shall be available for expenditure during the 2003–04 and 2004–05 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, 2009.	
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.	
4. Of the amount appropriated in this item, \$200,000 shall be made available for grants to the California Climate Action Registry to support program activities.	
3360-001-0382—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Renewable Resource Trust Fund	9,002,000

Item	Amount
Provisions:	
1. Notwithstanding any other provision of law, \$6,000,000 of the funds appropriated in this item shall be used to provide incentives to clean burning biomass plants that use agricultural waste that would otherwise be burned in open fields.	
3360-001-0465—For support of Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account	45,748,000
Schedule:	
(1) 10-Regulatory and Planning.....	25,918,000
(2) 20-Energy Resources Conservation.	17,542,000
(3) 30-Development	77,420,000
(4) 40.01-Policy, Management and Administration.....	12,007,000
(5) 40.02-Distributed Policy, Management and Administration	-12,007,000
(6) Reimbursements	-6,245,000
(7) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-0044)...	-125,000
(8) Amount payable from the Public Interest Research, Development and Demonstration Fund (Item 3360-001-0381)	-46,982,000
(9) Amount payable from the Renewable Resource Trust Fund (Item 3360-001-0382)	-9,002,000
(10) Amount payable from the Energy Technologies Research Development and Demonstration Account (Item 3360-001-0479)	-431,000
(11) Amount payable from the Local Government Geothermal Resources Revolving Subaccount, GRDA (Item 3360-001-0497).....	-286,000
(12) Amount payable from the Petroleum Violation Escrow Account (Item 3360-001-0853)	-434,000
(13) Amount payable from the Katz Schoolbus Fund (Item 3360-001-0854).....	-1,988,000
(14) Amount payable from the Federal Trust Fund (Item 3360-001-0890).	-9,024,000
(15) Amount payable from the Energy Facility License and Compliance Fund (Item 3360-001-3062).....	-615,000

Item	Amount
Provisions:	
1. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item for the Energy Technology Export Program shall be available for liquidation of encumbrances until June 30, 2007.	
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.....	431,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated in this item shall be available for expenditure during the 2003–04 and 2004–05 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, 2007.	
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	286,000
3360-001-0853—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Petroleum Violation Escrow Account	434,000
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	1,988,000

Item	Amount
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	9,024,000
3360-001-3062—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Energy Facility License and Compliance Fund	615,000
3360-011-0381—For transfer by the Controller, upon order of the Director of Finance, from the Public Interest Research, Development and Demonstration Fund to the General Fund	(20,000,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made by June 30, 2005.	
3360-011-0465—For transfer by the Controller, upon order of the Director of Finance, from the Energy Resources Programs Account to the California Consumer Power and Conservation Financing Authority Fund	(6,165,000)
Provisions:	
1. Of the amount transferred in this item, \$2,910,000 shall be available for loans to the California Consumer Power and Conservation Financing Authority Fund, as needed to finance approved 2003–04 fiscal year expenditures in Item 8665-001-9326. Loans shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer. It is intended that repayment be made to ensure that programs supported by this fund are not adversely affected by the loan.	
2. Of the amount transferred in this item, the California Consumer Power and Conservation Financing Authority shall repay \$3,255,000 to the Renewable Resource Trust Fund for loans provided in the 2002–03 fiscal year pursuant to Item 3360-013-0382 of the Budget Act of 2002 (Ch. 379, Stats. 2002).	
3. Of the amount transferred in this item, the California Consumer Power and Conservation Fi-	

Item	Amount
<p>ancing Authority shall repay at least \$1,000,000 of the amount loaned in this item by June 30, 2004.</p> <p>3360-011-0479—For transfer by the Controller, upon order of the Director of Finance, from the Energy Technologies Research, Development and Demonstration Account to the General Fund</p>	(1,288,000)
<p>3360-013-0465—For transfer by the Controller, upon order of the Director of Finance, from the Energy Resources Programs Account to the General Fund.....</p> <p>Provisions:</p> <p>1. Of the amount transferred in this item, \$1,000,000 of the transfer shall only be made upon repayment of \$1,000,000 to the Energy Resources Programs Account by the California Consumer Power and Conservation Financing Authority, as prescribed by Provision 3 of Item 3360-011-0465.</p>	(9,365,000)
<p>3360-111-0497—For transfer by the Controller, upon order of the Director of Finance, from the Local Government Geothermal Resources Revolving Subaccount, Geothermal Resources Development Account to the General Fund.....</p>	(1,594,000)
<p>3360-491—Reappropriation, Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, funds appropriated in the following citation are reappropriated for liquidation until June 30, 2004:</p> <p>0465—Energy Resources Programs Account</p> <p>(1) Item 3360-001-0465, Budget Act of 2000 (Ch. 52, Stats. 2000).</p>	
<p>3360-492—Reappropriation, Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, funds appropriated in the following citation are reappropriated for liquidation until June 30, 2005:</p> <p>0497—Geothermal Resources Development Account</p> <p>(1) Item 3360-101-0497, Budget Act of 1999 (Ch. 50, Stats. 1999).</p>	
<p>3360-495—Reversion, Energy Resources Conservation and Development Commission. The following amounts shall revert to the General Fund:</p> <p>(1) \$4,683,000 from Section 5 of Chapter 7 of the Statutes of 2001, First Extraordinary Session, as amended by Section 57 of Chapter 111 of the Statutes of 2001, consisting of unencumbered</p>	

Item	Amount
<p>funds and unliquidated encumbered balances that have not been committed to specific projects.</p> <p>(2) \$260,000 from Section 8 of Chapter 329 of the Statutes of 2000, consisting of unencumbered funds and unliquidated encumbered balances that have not been committed to specific projects.</p>	
<p>3460-001-0001—For support of Colorado River Board of California</p>	0
<p>Schedule:</p> <p>(1) 10-Protection of California’s Colorado River Rights and Interests 875,000</p> <p>(2) Reimbursements..... –861,000</p> <p>(3) Amount payable from the California Environmental License Plate Fund (Item 3460-001-0140)..... –14,000</p>	
<p>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.....</p>	14,000
<p>3480-001-0001—For support of Department of Conservation.....</p>	5,396,000
<p>Schedule:</p> <p>(1) 10-Geologic Hazards and Mineral Resources Conservation 26,592,000</p> <p>(2) 20-Oil, Gas, and Geothermal Resources 14,287,000</p> <p>(3) 30-Land Resource Protection..... 3,571,000</p> <p>(4) 40.01-Administration..... 9,627,000</p> <p>(5) 40.02-Distributed Administration ... –9,627,000</p> <p>(6) 50-Beverage Container Recycling and Litter Reduction Program 35,359,000</p> <p>(7) Reimbursements..... –8,476,000</p> <p>(8) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3480-001-0005). –473,000</p> <p>(9) Amount payable from the Surface Mining and Reclamation Account (Item 3480-001-0035) –1,124,000</p> <p>(10) Amount payable from the State Highway Account, State Transportation Fund (Item 3480-001-0042). –12,000</p> <p>(11) Amount payable from the California Beverage Container Recycling Fund (Item 3480-001-0133).....–35,284,000</p>	

Item	Amount
(13) Amount payable from the Soil Conservation Fund (Item 3480-001-0141).....	-1,308,000
(14) Amount payable from Hazardous and Idle-Deserted Well Abatement Fund (Section 3206, Public Resources Code).....	-100,000
(15) Amount payable from Mine Reclamation Account (Item 3480-001-0336).....	-3,801,000
(16) Amount payable from Seismic Hazards Identification Fund (Item 3480-001-0338)	-3,206,000
(17) Amount payable from the Strong Motion Instrumentation Special Fund (Item 3480-001-0398).....	-4,450,000
(18) Amount payable from the Federal Trust Fund (Item 3480-001-0890).	-1,685,000
(19) Amount payable from the Bosco Keene Renewable Resources Investment Fund (Item 3480-001-0940).....	-680,000
(20) Amount payable from the Oil, Gas, and Geothermal Administrative Fund (Item 3480-001-3046)...	-13,370,000
(21) Amount payable from the Agriculture and Open Space Mapping Subaccount (Item 3480-001-6004).....	-444,000

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 cashflow 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.

Item	Amount
3480-001-0005—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	473,000
3480-001-0035—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Surface Mining and Reclamation Account	1,124,000
Provisions:	
1. Of the amount appropriated in this item, \$125,000 shall be expended for mapping abandoned mines, and \$125,000 shall be expended for remediation and referrals to other agencies, including the State Water Resources Control Board, for cleanup activities utilizing these funds.	
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	35,284,000
3480-001-0141—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Soil Conservation Fund	1,308,000
3480-001-0336—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Mine Reclamation Account	3,801,000
Provisions:	
1. Of the funds appropriated in this item, \$2,300,000 may be expended only if Senate Bill 649 of the 2002–03 Regular Session is enacted to increase mine reporting fees.	
3480-001-0338—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Seismic Hazards Identification Fund	3,206,000
Provisions:	
1. Notwithstanding any other provision of law, the Department of Finance may authorize expenditures from the Seismic Hazards Identification Fund in excess of the amount appropriated not sooner than 30 days after notification in writing of	

Item	Amount
<p>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. 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.</p>	
<p>3480-001-0398—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Strong Motion Instrumentation Special Fund</p>	4,450,000
<p>Provisions:</p>	
<p>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 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. 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.</p>	
<p>3480-001-0890—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Federal Trust Fund</p>	1,685,000
<p>3480-001-0940—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Bosco Keene Renewable Resources Investment Fund.....</p>	680,000

Item	Amount
3480-001-3046—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Oil, Gas, and Geothermal Administrative Fund	13,370,000
3480-001-6004—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Agriculture and Open Space Mapping Sub-account.....	444,000
3480-011-0133—For transfer by the Controller, upon order of the Director of Finance, from the California Beverage Container Recycling Fund to the General Fund.....	(98,300,000)

Provisions:

1. Notwithstanding Section 14580 of the Public Resources Code, the amount specified in this item shall be available as a loan to the General Fund.
- 1.5. Upon written approval of the Director of Finance, funds may be transferred from the Beverage Container Recycling Fund to the General Fund. The transfer made by this item shall be fully repaid by June 30, 2009. This loan shall be repaid with interest at the rate earned by the Pooled Money Investment Account at the time of the transfer. The Controller shall, within 15 working days of receipt of written notification from the Director of Finance, transfer from the General Fund to the Beverage Container Recycling Fund the full amount of the loan or increments thereof as requested by the Director of Finance. It is the intent of the Legislature that the repayment is made so as to ensure that the programs supported by this fund are not adversely affected by the loan.
2. Upon written approval of the Director of Finance, funds from this loan shall be transferred back to the Beverage Container Recycling Fund in an amount necessary to provide operating funds for support of the Beverage Container Recycling Program. Once the monthly cashflow needs of the California Beverage Container Recycling Program are met, any excess General Fund moneys transferred to the California Beverage Container Recycling Fund during the 2003–04 fiscal year shall revert to the General Fund by June 30, 2004.

Item	Amount
3480-011-0269—For transfer by the Controller, upon order of the Department of Finance, from the Glass Processing Fee Account to the General Fund.....	(39,000,000)

Provisions:

1. Upon written approval of the Director of Finance, funds may be transferred from the Glass Processing Fee Account, Beverage Container Recycling Fund to the General Fund. The transfer made by this item is a loan to the General Fund and shall be fully repaid by June 30, 2009. This loan shall be repaid with interest at the rate earned by the Pooled Money Investment Account at the time of the transfer. The Controller shall, within 15 working days of receipt of written notification from the Director of Finance, transfer from the General Fund to the Glass Processing Fee Account, Beverage Container Recycling Fund the full amount of the loan or increments thereof as requested by the Director of Finance. It is the intent of the Legislature that the repayment is made so as to ensure that the programs supported by this fund are not adversely affected by the loan.
2. Upon written approval of the Director of Finance, funds from this loan shall be transferred back to the Glass Processing Fee Account, Beverage Container Recycling Fund in an amount necessary to provide operating funds for support of the Beverage Container Recycling Program. Once the monthly cashflow needs of the California Beverage Container Recycling Program are met, any excess General Fund moneys transferred to the Glass Processing Fee Account, Beverage Container Recycling Fund during the 2003–04 fiscal year shall revert to the General Fund by June 30, 2004.

3480-011-0278—For transfer by the Controller, upon order of the Department of Finance, from the PET Processing Fee Account to the General Fund.....	(45,000,000)
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Provisions:

1. Upon written approval of the Director of Finance, funds may be transferred from the PET Processing Fee Account to the General Fund. The transfer made by this item is a loan to the General Fund and shall be fully repaid by June 30, 2009. This loan shall be repaid with interest at the rate earned by the Pooled Money Investment Account at the time of the transfer. The Controller shall, within

Item	Amount
<p>15 working days of receipt of written notification from the Director of Finance, transfer from the General Fund to the PET Processing Fee Account the full amount of the loan or increments thereof as requested by the Director of Finance. It is the intent of the Legislature that the repayment is made so as to ensure that the programs supported by this fund are not adversely affected by the loan.</p> <p>2. Upon written approval of the Director of Finance, funds from this loan shall be transferred back to the PET Processing Fee Account in an amount necessary to provide operating funds for support of the Beverage Container Recycling Program. Once the monthly cashflow needs of the California Beverage Container Recycling Program are met, any excess General Fund moneys transferred to the PET Processing Fee Account during the 2003–04 fiscal year shall revert to the General Fund by June 30, 2004.</p>	
<p>3480-101-6029—For local assistance, Department of Conservation, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund, to be available for expenditure in the 2003–04, 2004–05, and 2005–06 fiscal years</p>	10,000,000
<p>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 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 disbursement by the State Controller</p> <p>Schedule:</p> <p>(1) 98.01.113.175-Mineral resources policies (Ch. 1131, Stats. 1975)....</p>	0
<p>Provisions:</p> <p>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 are specifically identified by the Legislature for suspension during the 2003–04 fiscal year:</p> <p>(1) Mineral resources policies (Ch. 1131, Stats. 1975)</p>	

Item	Amount
3540-001-0001—For support of Department of Forestry and Fire Protection	282,415,000
Schedule:	
(1) 100000-Personal services.....	385,105,000
(2) 300000-Operating expenses and equipment.....	213,138,000
(3) Reimbursements	-144,038,000
(3.5) Amount payable from the General Fund (Item 3540-006-0001).....	-70,000,000
(4) Less funding provided by capital outlay	-325,000
(5) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3540-001-0005).	-231,000
(6) Amount payable from the State Emergency Telephone Number Account (Item 3540-001-0022).....	-2,568,000
(7) Amount payable from the Unified Program Account (Item 3540-001-0028).....	-301,000
(8) Amount payable from the State Fire Marshal Licensing and Certification Fund (Item 3540-001-0102)...	-1,810,000
(9) Amount payable from the California Environmental License Plate Fund (Item 3540-001-0140).....	-618,000
(10) Amount payable from the California Fire and Arson Training Fund (Item 3540-001-0198)	-1,564,000
(11) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 3540-001-0209)	-2,211,000
(12) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-0235)	-384,000
(13) Amount payable from the Professional Forester Registration Fund (Item 3540-001-0300)	-188,000
(14) Amount payable from the Federal Trust Fund (Item 3540-001-0890).....	-22,508,000
(15) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-0928)	-11,314,000

Item	Amount
(16) Amount payable from the Timber Tax Fund (Item 3540-001-0965)...	-28,000
(16.5) Amount payable from the Forest Practice Regulatory Fund (Item 3540-001-3032)	-5,000,000
(16.6) Amount payable from the State Responsibility Area Fire Protection Fund (Item 3540-001-3063).....	-52,500,000
(17) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3540-001-6031)	-240,000
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 refutation costs.	
3540-001-0005—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	231,000
3540-001-0022—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the State Emergency Telephone Number Account	2,568,000
Provisions:	
1. Notwithstanding any other provision of law, moneys in this item shall be available for the Computer Aided Dispatch system.	
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 ..	301,000
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	1,810,000
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	618,000
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.....	1,564,000

Item	Amount
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.....	2,211,000
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.....	384,000
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.....	188,000
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	22,508,000
Provisions:	
1. Any federal funds that may become available in addition to the funds appropriated in this item for emergency fire suppression are exempt from Section 28.00 of this act.	
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.....	11,314,000
Provisions:	
1. Notwithstanding any other provision of law, moneys in this item shall be available for forest land and wildlife habitat assessment, biodiversity, forest and rangeland research, and forest and range resources assessment programs.	
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.....	28,000
3540-001-3032—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001.....	5,000,000
3540-001-3063—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001.....	52,500,000
3540-001-6031—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....	240,000
3540-003-0001—For support of Department of Forestry and Fire Protection for rental payments on lease-revenue bonds	1,677,000

Item	Amount
Schedule:	
(1) Base Rental and Fees	1,664,000
(2) Insurance	13,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
3540-006-0001—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001.....	70,000,000
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, the Chairperson of the Joint Legislative Budget Committee, and the fiscal and appropriate policy committees of each house. Notwithstanding Section 27.00, the Director of Finance may authorize expenditures in excess of the amount appropriated in this item by an amount necessary to fund emergency fire suppression costs. This authorization shall occur not less than 30 days after the receipt by the Legislature of the quarterly expenditure report from the Department of Forestry and Fire Protection.	
3540-101-0005—For local assistance, Department of Forestry and Fire Protection, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	1,175,000
3540-295-0001—For local assistance, Department of Forestry and Fire Protection, 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 cost of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the State Controller.....	0

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Schedule:

- (1) 98.01.118.892-Very High Fire Hazard Severity Zones (Ch. 1188, Stats. 1992) 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 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 appropriations, and the Chairperson of the Joint Legislative Budget Committee or his or her designee.

3540-301-0001—For capital outlay, Department of Forestry and Fire Protection..... 491,000

Schedule:

- (1) 30.80-Minor capital outlay 491,000

Provisions:

1. The funds appropriated by Schedule (1) 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 the Department of Forestry and Fire Protection personnel in completion of the projects.

Item	Amount
3540-301-0660—For capital outlay, Department of Forestry and Fire Protection, payable from the Public Buildings Construction Fund.....	33,221,000
Schedule:	
(1) 30.10.005-Alma Helitack Base: Replace Facility—Preliminary plans, working drawings, and construction.....	5,216,000
(1.5) 30.10.035-Stevens Creek Forest Fire Station: Replace Facility—Construction	483,000
(1.6) 30.10.090-Pacheco Forest Fire Station: Replace Facility—Construction	591,000
(1.7) 30.20.030-Harts Mill Forest Fire Station: Relocate Facility—Construction	639,000
(1.8) 30.20.040-Manton Forest Fire Station: Relocate Facility—Construction	333,000
(2) 30.20.065-Lassen Lodge Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction	4,028,000
(2.1) 30.20.130-Buckhorn Forest Fire Station: Replace Apparatus Building—Construction.....	472,000
(2.5) 30.30.015-Independence Forest Fire Station: Construct Facility—Construction	417,000
(2.6) 30.30.070-Valley Center Forest Fire Station: Relocate Facility—Construction	490,000
(3) 30.30.075-Warner Springs Forest Fire Station: Replace Facility—Preliminary plans, working drawings, and construction	2,212,000
(3.1) 30.30.120-Fenner Canyon Conservation Camp: Construct Vehicle Apparatus and Replace Office—Construction	699,000
(3.2) 30.30.150-Nipomo Forest Fire Station: Replace Facility—Construction	446,000

Item	Amount
(4) 30.40.020-Batterson Forest Fire Station: Relocate Facility— Working drawings and construction.....	2,406,000
(4.5) 30.40.035-Sand Creek Forest Fire Station: Relocate Facility— Construction	423,000
(4.6) 30.40.050-Rancheria Forest Fire Station: Replace Facility— Construction	450,000
(6) 30.40.110-Hollister Air Attack Base: Relocate Facility— Acquisition, working drawings, and construction.....	6,039,000
(6.1) 30.40.120-Dew Drop Forest Fire Station: Replace Facility— Construction	460,000
(7) 30.40.125-Twain Harte Forest Fire Station: Relocate Facility— Preliminary plans, working drawings, and construction	3,468,000
(8) 30.40.150-Baseline Conservation Camp: Remodel Facility— Working drawings and construction.....	3,949,000

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, design, and 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 State Public Works Board may authorize the augmentation of the cost of construction of the project scheduled in this item pursuant to the board's authority under Section 13332.11 of the Government Code. In addition, the State Public Works Board may authorize any additional amount necessary to establish a reasonable con-

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- struction reserve and to pay the cost of financing including the payment of interest during construction of the project, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.
4. Notwithstanding Section 2.00 of this act, the funds appropriated by Schedules (1), (2), (3), and (7) of this item shall be available for expenditure during the 2003–04 fiscal year, except appropriations for working drawings which shall be available for expenditure until June 30, 2005, and appropriations for construction which shall be available for expenditure until June 30, 2008. In addition, the balance of funds appropriated for construction by Schedules (1), (2), (3), and (7) that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2006, shall revert as of that date to the fund from which the appropriation was made.
 5. This department is authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
 6. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10.5 (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.
 7. Preliminary plans for Schedules (1), (2), (3), and (7) of this item are not yet complete. Due to the consistent design and components of these facilities, and to facilitate the use of the Public Buildings Construction Fund and related interim financing from the Pooled Money Investment Account, these projects are authorized to the ex-

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tent the scope and cost for Schedules (1), (2), (3), and (7) remain consistent with Department of General Services capital outlay budget packages B3CDF116A, Y3CDF19A, B3CDF112A, and B3CDF110A, respectively. Nothing in this provision shall be construed to limit the Public Works Board's authority pursuant to Section 13332.11 of the Government Code.

8. The funds appropriated in Schedule (2) of this item include funding for construction and pre-construction 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 that may be performed by the Department of Forestry and Fire Protection, subject to approval by the Department of Finance. While the Department of Forestry and Fire Protection may manage the project, the project is subject to the review of the State Public Works Board and requires authorization to proceed to bid by the Department of Finance. Funds may also be used by the Department of General Services for project monitoring and oversight.

3540-490—Reappropriation, Department of Forestry and Fire Protection. 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 by the appropriations:

0660—Public Buildings Construction Fund

- (1) Item 3540-301-0660, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3540-490, Budget Act of 2002 (Ch. 379, Stats. 2002)
 - (1) 30.10.035-Stevens Creek Forest Fire Station: Replace Facility—Construction
 - (2) 30.10.090-Pacheco Forest Fire Station: Replace Facility—Construction
 - (4) 30.30.020-San Luis Obispo Ranger Unit Headquarters: Replace Facility—Construction
 - (6) 30.30.060-Hemet-Ryan Air Attack Base: Replace Facility—Construction
 - (7) 30.30.175-Owens Valley Conservation Camp: Construct Facility Upgrades—Construction

Item	Amount
(9) 30.40.120-Dew Drop Forest Fire Station: Replace Facility—Construction	
(2) Item 3540-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 30.10.015-Ukiah Forest Fire Station: Re- place Facility—Construction	
(3) 30.10.110-Elk Camp Forest Fire Station: Re- locate Facility—Construction	
(5) 30.20.030-Harts Mill Forest Fire Station: Relocate Facility—Construction	
(8.5) 30.30.015-Independence Forest Fire Sta- tion: Construct Facility—Construction	
(9.5) 30.30.070-Valley Center Forest Fire Sta- tion: Relocate Facility—Construction	
(11) 30.30.120-Fenner Canyon Conservation Camp: Construct Vehicle Apparatus Building—Construction	
(12) 30.30.150-Nipomo Forest Fire Station: Re- place Facility—Construction	
(14) 30.40.015-Sonora Forest Fire Station: Re- locate Facility—Construction	
(15) 30.40.035-Sand Creek Forest Fire Station: Relocate Facility—Construction	
(16) 30.40.050-Rancheria Forest Fire Station: Replace Facility—Construction	
(17) 30.40.075-Usona Forest Fire Station: Re- place Facility—Construction	
(17.6) 30.40.105-Vallecito Conservation Camp: Replace Utilities/Construct Apparatus Building—Construction	
(21) 30.40.195-Altaville Forest Fire Station: Replace Facility—Working Drawings and Construction	
3560-001-0001—For support of State Lands Commis- sion.....	10,099,000
Schedule:	
(1) 10-Mineral Resources Manage- ment.....	6,203,000
(2) 20-Land Management.....	8,800,000
(3) 30.01-Executive and Administra- tion.....	3,041,000
(4) 30.02-Distributed Administration ...	-3,041,000
(5) 40-Marine Facilities Manage- ment.....	6,802,000
(6) Reimbursements.....	-2,981,000

Item	Amount
(7) Amount payable from the Exotic Species Control Fund (Item 3560-001-0212)	-631,000
(8) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3560-001-0320).....	-7,730,000
(9) Amount payable from the Land Bank Fund (Item 3560-001-0943).	-364,000
Provisions:	
1. Notwithstanding subdivision (d) of Section 4 of Chapter 138 of the Statutes of 1964, 1st Extraordinary Session, all commission costs for administering the 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.	
3560-001-0212—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the Exotic Species Control Fund.....	631,000
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	7,730,000
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.	
3560-001-0943—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the Land Bank Fund.....	364,000
3600-001-0001—For support of Department of Fish and Game	40,740,000
Schedule:	
(1) 20-Biodiversity Conservation Program.....	116,939,000
(2) 25-Hunting, Fishing and Public Use.....	43,469,000
(3) 30-Management of Department Lands and Facilities	39,654,000
(4) 40-Conservation Education and Enforcement	47,257,000

Item	Amount
(5) 50-Spill Prevention and Response..	28,050,000
(6) 70.01-Administration.....	31,872,000
(7) 70.02-Distributed Administration ..	-31,872,000
(8) Reimbursements.....	-28,535,000
(9) Amount payable from Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3600-001-0005).....	-701,000
(10) Amount payable from the California Environmental License Plate Fund (Item 3600-001-0140).....	-18,596,000
(11) Amount payable from the Fish and Game Preservation Fund (Item 3600-001-0200)	-90,913,000
(12) Amount payable from the Fish and Wildlife Pollution Account (Item 3600-001-0207)	-2,357,000
(13) Amount payable from the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund (Item 3600-001-0211)...	-207,000
(14) Amount payable from the Exotic Species Control Fund (Item 3600-001-0212).....	-877,000
(15) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-0320).....	-19,300,000
(16) Amount payable from the Environmental Enhancement Fund (Item 3600-001-0322)	-1,001,000
(17) Amount payable from the Central Valley Project Improvement Sub-account (Item 3600-001-0404).....	-53,000
(18) Amount payable from the Federal Trust Fund (Item 3600-001-0890).	-62,059,000
(19) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3600-001-6029).....	-8,000,000
(20) Amount payable from the Water Security Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3600-001-6031)	-2,030,000

Provisions:

1. The funds appropriated in this item may be increased with the approval of, and under the con-

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ditions set by, the Department of Finance to meet current obligations proposed to be funded in Schedules (8) and (19). The funds appropriated by 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 (8) and (19) shall be used in repayment of any funds used to meet current obligations pursuant to this provision.

2. The Department of Fish and Game, in consultation with local governments, state agencies, and representatives of sport fishing nonprofit associations, shall develop a long-term strategy to maintain sport fishing hatchery services to provide sport fishing opportunities and economic stimulus in rural areas. The strategy shall prioritize maintaining existing hatchery facilities and include consideration of the management and operations carried out in cooperation with local agencies and nonprofit sport fishing associations. The department shall not close existing sport fishing hatcheries prior to completion of the long-term hatchery strategy. The department shall complete the long-term Sport Fishing Hatchery Program planning process by January 1, 2004.

3600-001-0005—For support of the Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund...		701,000
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3600-001-0140—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the California Environmental License Plate Fund		18,596,000
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Provisions:

1. Of the funds appropriated \$800,000 shall be available to match private funds for expenditure for activities in support of protection and management of marine resources including: (a) facilitated regional workshops to identify potential sites for marine reserves, parks, and other candidate protected areas, (b) ecological and socioeconomic studies and data compilation pursuant to the Marine Life Protection Act, and (c) research, moni-

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toring, and planning efforts necessary to meet the goals of the Marine Life Protection Program.	
3600-001-0200—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Fish and Game Preservation Fund.....	90,913,000
Provisions:	
1. Of the funds appropriated in this item, \$203,000 is for reimbursement to the State Department of Health Services for shellfish monitoring activities.	
3600-001-0207—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Fish and Wildlife Pollution Account	2,357,000
3600-001-0211—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund	207,000
3600-001-0212—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Exotic Species Control Fund.....	877,000
3600-001-0320—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Oil Spill Prevention and Administration Fund	19,300,000
3600-001-0322—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Environmental Enhancement Fund	1,001,000
3600-001-0404—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Central Valley Project Improvement Sub-account.....	53,000
3600-001-0890—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Federal Trust Fund	62,059,000
3600-001-6029—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund..	8,000,000
Provisions:	
1. Funds appropriated in this item shall be expended pursuant to Section 6217.1 of the Public Resources Code.	
3600-001-6031—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	2,030,000

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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	600,000
Schedule:	
(1) 20-Biodiversity Conservation Program.....	600,000
3600-101-0207—For local assistance, Department of Fish and Game, Program 50-Spill Prevention and Response, payable from the Fish and Wildlife Pollution Account.....	35,000
3600-101-0320—For local assistance, Department of Fish and Game, Program 50-Spill Prevention and Response, payable from the Oil Spill Prevention and Administration Fund	961,000
3600-301-0005—For capital outlay, Department of Fish and Game, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	664,000
Schedule:	
(1) 90.07.100-Minor Projects	664,000
3600-301-0200—For capital outlay, Department of Fish and Game, payable from the Fish and Game Preservation Fund	430,000
Schedule:	
(1) 90.02.001-Elkhorn Slough Ecological Reserve Research and Education Center—Construction.....	370,000
(2) 90.88.020-Project Planning	160,000
(3) Reimbursements-Project Planning..	-100,000
3600-301-0235—For capital outlay, Department of Fish and Game, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	775,000
Schedule:	
(1) 90.07.100-Minor Projects	775,000
3600-301-0890—For capital outlay, Department of Fish and Game, payable from the Federal Trust Fund	1,230,000
Schedule:	
(1) 90.02.001-Elkhorn Slough Ecological Reserve Research and Education Center—Construction.....	1,230,000

Item	Amount
3600-490—Reappropriation, Department of Fish and Game. The balance of the appropriation provided in the following citation is reappropriated for the purposes, and subject to the limitations, unless otherwise specified, provided for the appropriations: 0005—Safe Neighborhood, Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (1) Item 3600-301-0005, Budget Act of 2002 (Ch. 379, Stats. 2002) (1) 90.02.01-Elkhorn Slough Ecological Reserve Research and Education Center—Working drawings	
3600-491—Reappropriation, Department of Fish and Game. The balance of the amount appropriated in the following citation is hereby reappropriated for the purposes and subject to the limitations, except as otherwise specified, provided for in that appropriation, and shall be available for expenditure until June 30, 2005: (a) Item 3600-001-6018, Budget Act of 2000 (Ch. 52, Stats. 2000). Provisions: 1. A portion of the funds appropriated by this item may be expended for projects that protect, restore and enhance salmon and steelhead trout fisheries affected by reduced riverflows and water quality in the Klamath Basin, including, but not limited to, cooperative projects within the watersheds of the Shasta and Scott Rivers, provided such expenditures are consistent with Section 6217.1 of the Public Resources Code.	
3640-001-0001—For support of Wildlife Conservation Board, payable to Item 3640-001-0447.....	321,000
3640-001-0140—For support of Wildlife Conservation Board, payable to Item 3640-001-0447, from the California Environmental License Plate Fund	215,000
3640-001-0262—For support of Wildlife Conservation Board, payable to Item 3640-001-0447, from the Habitat Conservation Fund.....	381,000
Provisions: 1. The amount appropriated in this item 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.	

Item	Amount
3640-001-0447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund	882,000
Schedule:	
(1) 10-Wildlife Conservation Board.....	6,696,000
(1.5) Reimbursements	-812,000
(2) Amount payable from the General Fund (Item 3640-001-0001).....	-321,000
(3) Amount payable from the California Environmental License Plate Fund (Item 3640-001-0140).....	-215,000
(4) Amount payable from the Habitat Conservation Fund (Item 3640-001-0262)	-381,000
(5) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3640-001-6029).....	-421,000
(6) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3640-001-6031)	-3,664,000
Provisions:	
1. Of the funds appropriated by this act from the General Fund, special funds, or bond funds to the Wildlife Conservation Board for local assistance or capital outlay, upon approval of the Department of Finance, the board may allocate an amount not to exceed 1.5 percent of each project's allocation to provide for the board's costs to administer the projects.	
3640-001-6029—For support of Wildlife Conservation Board, for payment to Item 3640-001-0447, from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Fund	421,000
3640-001-6031—For support of Wildlife Conservation Board, payable to Item 3640-001-0447, from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	3,664,000
3640-301-0262—For capital outlay, Wildlife Conservation Board, payable from the Habitat Conservation Fund	20,620,000

Item	Amount
Schedule:	
(1) 80.10.000-Wildlife Conservation Board Projects (Unscheduled)	20,620,000
Provisions:	
1. 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.	
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance until June 30, 2006.	
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	500,000
Schedule:	
(1) 80.10.010-Minor Projects	500,000
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.	
3640-301-6031—For capital outlay, Wildlife Conservation Board, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	32,500,000
Schedule:	
(1) 80.10.440-Colorado River Acquisition, Protection and Restoration Program.....	32,500,000
Provisions:	
1. The funds in this item are provided in accordance with the Wildlife Conservation Act 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 until June 30, 2006.	
3. The funds appropriated in this item shall only be available for encumbrance following the execution of the quantification settlement agreement. It is the intent of the Legislature to allocate \$32,500,000 from Proposition 50 bond funds to the Wildlife Conservation Board as a state contri-	

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Amount

bution or matching contribution for federal funds or funds obtained from other sources. This funding shall assist in the implementation of the preferred alternative or other related restoration activities, including an adaptive management program for restoration of the Salton Sea or the lower Colorado River, or to assist in the development of a natural community conservation plan that is consistent with the initiative and that is implemented to effectuate a quantification settlement agreement as set forth in the Colorado River Water Use Plan that is the framework developed to allow California to meet its Colorado River needs within its basic annual apportionment.

- 4. Of the funds contained in this appropriation, \$10,000,000 shall be for reimbursement to the Department of Water Resources for feasibility studies and related expenses to guide the restoration and permanent protection of the wildlife habitat of the Salton Sea. This funding shall be made available for appropriation to the Wildlife Conservation Board (and subsequent reimbursement authority to the department) for the establishment of a long-term stable aquatic habitat for fish and birds using the Salton Sea, the reduction of impacts on the Salton Sea resulting from water transfers related to a Colorado River quantification settlement agreement, the treatment, desalination, and reuse of a portion of agricultural wastewater and runoff flowing into the Salton Sea, the maintenance and restoration of the maximum amount of stable shoreline and recreation values associated with the Salton Sea, and the preparation of an adaptive management process for the long-term conservation of the species utilizing the Salton Sea.

3640-301-8011—For capital outlay, Wildlife Conservation Board, payable from the Oak Woodlands Conservation Fund..... 5,000,000

Schedule:

- (1) 80.10.410-Oak Woodlands Conservation 5,000,000

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.

Item	Amount
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance until June 30, 2006.	
3640-302-6029—For capital outlay, Wildlife Conservation Board, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Fund.....	8,500,000
Schedule:	
(1) 80.10.103-San Joaquin River Conservancy—Project and acquisition	10,500,000
(2) Reimbursements.....	-2,000,000
Provisions:	
1. The funds 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 until June 30, 2006.	
3. The funds appropriated in this item shall be allocated to the San Joaquin River Conservancy for purposes consistent with the conservancy’s mission.	
3640-311-6031—For transfer by the Controller from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 to the Habitat Conservation Fund.....	21,000,000
Provisions:	
1. The funds transferred in this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund and the requirements of Section 79565 of the Water Code.	
2. The amounts transferred by this item may be adjusted to reflect the requirements of subdivision (a) of Section 2796 of the Fish and Game Code.	
3640-312-0001—For transfer by the Controller to the Natural Resources Infrastructure Fund.....	7,900,000
Provisions:	
1. Notwithstanding any other provision of law, the funds transferred by this item to the Natural Resources Infrastructure Fund shall be used to retire obligations incurred prior to June 30, 2003. The balance of revenues that would have been deposited in the Resources Trust Fund, pursuant to Sec-	

Item	Amount
tion 6217 of the Public Resources Code, shall be deposited into the General Fund for the 2003–04 fiscal year.	
3640-490—Reappropriation, Wildlife Conservation Board. Notwithstanding any other provision of law, the balance of the amounts appropriated in the following citations are 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, 2005:	
0005—Payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	
(1) Item 3640-302-0005, Budget Act of 2000 (Chapter 52, Statutes of 2000)	
(1) 80.10.603.000-San Joaquin River Conservancy—Project and Acquisition.	
6015—Payable from the River Protection Sub-account	
(1) Item 3640-301-6015, Budget Act of 2000 (Chapter 52, Statutes of 2000)	
(a) 80.10.700.000-River Protection Project	
(3) San Joaquin River Conservancy.	
3680-001-0516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund	15,669,000
Schedule:	
(1) 10-Boating Facilities	15,065,000
(2) 20-Boating Operations.....	6,371,000
(3) 30-Beach Erosion Control	233,000
(4) 40.01-Administration.....	2,270,000
(5) 40.02-Distributed Administration ...	-2,270,000
(6) Reimbursements.....	-15,000
(7) Amount payable from the Federal Trust Fund (Item 3680-001-0890).	-5,653,000
(8) Less funding provided by capital outlay	-332,000
Provisions:	
1. Notwithstanding Section 85.2 of the Harbors and Navigation Code, \$233,000 of the funds appropriated in this item shall be expended for support of 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.....	5,653,000

Item	Amount
3680-101-0516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund.....	53,097,000
Schedule:	
(1) 10-Boating Facilities	45,153,000
(a) Launching Facility Grants	(19,581,000)
(1) Alviso Marina County Park BLF	(2,600,000)
(2) Black Point BLF....	(702,000)
(3) Buckley Cove BLF.	(928,000)
(4) Camp Far West Reservoir North Recreation Area....	(1,418,000)
(5) Canyon Dam BLF .	(510,000)
(6) Cottage Creek BLF.	(760,000)
(7) Crescent City Har- bor BLF	(740,000)
(8) Cuttings Wharf BLF	(708,000)
(9) Fair Oaks BLF.....	(572,000)
(10) Floating Rest- rooms.....	(500,000)
(11) Freshwater La- goon.....	(285,000)
(12) Granada BLF.....	(1,574,000)
(13) Jack Smith Park Bureau Bay BLF	(1,500,000)
(14) Lake Elsinore Recreation Area BLF	(817,000)
(15) Lake Ming BLF...	(153,000)
(16) North Harbor BLF	(214,000)
(17) Ramp Repair and Extension	(1,000,000)
(18) San Leandro Ma- rina BLF	(184,000)
(19) Scotts Flat Re- sevoir Cascade Shores BLF	(804,000)
(20) Signs	(50,000)
(21) Sly Park Recre- ation Area BLF	(489,000)
(22) South Harbor BLF	(1,900,000)
(23) Tahoe Vista Recre- ation Area	(1,073,000)
(24) Vessel Pumpouts..	(100,000)

Item	Amount
(b) Public Small Craft Harbor Loans..(20,919,000)	
(1) Alamitos Bay- Basin 1.....	(1,250,000)
(2) Alamitos Bay- Basin 4.....	(6,250,000)
(3) Berkeley Marina	(3,200,000)
(4) Emergency Loans ..	(500,000)
(5) National City Marina.....	(5,669,000)
(6) Planning Loans.....	(200,000)
(7) Sacramento Marina	(850,000)
(8) Stockton Down- town Marina.....	(3,000,000)
(c) Private Loans	(3,500,000)
(d) Clean Vessel Act Grant Program....	(753,000)
(e) Boating Trails	(300,000)
(f) Boating Infrastructure Grant Pro- gram.....	(100,000)
(2) 20-Boating Operations.....	9,575,000
(3) 30-Beach Erosion Control	997,000
(4) Amount payable from the Aban- doned Watercraft Abatement Fund (Item 3680-101-0577)	-500,000
(5) Amount payable from the Federal Trust Fund (Item 3680-101-0890).	-2,128,000
Provisions:	
1. Of the funds appropriated in Schedule (2), Pro- gram 20-Boating Operations, \$8,100,000 is for boating safety and enforcement programs pursu- ant to Section 663.7 of the Harbors and Naviga- tion Code.	
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	500,000
3680-101-0890—For local assistance, Department of Boating and Waterways, for payment to Item 3680- 101-0516, payable from the Federal Trust Fund.....	2,128,000
Provisions:	
1. Of the amount appropriated in this item, \$975,000 shall be for grants to local governments for boat- ing safety and law enforcement, 15 percent of which shall be allocated according to the depart- ment’s discretion, and 85 percent of which shall	

Item	Amount
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.	
3680-112-0516—For transfer by the Controller from the Harbors and Watercraft Revolving Fund to the Abandoned Watercraft Abatement Fund.....	(100,000)
3680-301-0516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund	8,659,000
Schedule:	
(1) 50.19.040-Castaic Lake, East Ramp Boat Launching Facility Rehabilitation and Expansion—Preliminary plans	260,000
(2) 50.24.040-San Luis Creek, Boat Launching Facility Rehabilitation and Expansion—Preliminary plans.....	299,000
(3) 50.30.040-Brannan Island SRA, Boat Launching Facility and Rehabilitation—Working drawings and construction.....	4,104,000
(4) 50.34.031-Lake Natoma: Boating Instruction and Safety Center, Phase II—Working drawings.....	169,000
(5) 50.36.010-Silverwood Lake: Boat Facility Renovation—Working drawings.....	121,000
(6) 50.99.010-Project Planning	225,000
(7) 50.99.020-Minor Projects	3,481,000

Item	Amount
Provisions:	
1. Funds appropriated in Schedule (6) are available for expenditure by the Department of Boating and Waterways upon approval of 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 2004-05 or 2005-06 fiscal year.	
3680-490—Reappropriation, Department of Boating and Waterways. 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 by the appropriations:	
0516—Harbors and Watercraft Revolving Fund	
(1) Item 3680-301-0516, Budget Act of 2000 (Ch. 52, Stats. 2000), as partially reappropriated by Item 3680-490, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(2) 50.10.010-Millerton Lake SRA, Crows Nest Area: Boat Launching Facility—Construction	
(2) Item 3680-301-0516, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(5) 50.56.010-Channel Islands: Boating Instruction and Safety Center—Working drawings	
3720-001-0001—For support of California Coastal Commission.....	10,587,000
Schedule:	
(1) 10-Coastal Management Program ..	14,116,000
(2) 20-Coastal Energy Program	888,000
(3) 30.01-Administration.....	1,653,000
(4) 30.02-Distributed Administration ...	-1,572,000
(5) Reimbursements	-1,172,000
(6) Amount payable from California Beach and Coastal Enhancement Account (Item 3720-001-0371).....	-384,000
(7) Amount payable from the Federal Trust Fund (Item 3720-001-0890).	-2,942,000
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	384,000

Item	Amount
3720-001-0890—For support of California Coastal Commission, for payment to Item 3720-001-0001, payable from the Federal Trust Fund	2,942,000
3720-101-0371—For local assistance, California Coastal Commission, payable from California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	740,000
Schedule:	
(1) 10-Coastal Management Program ..	740,000
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 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 disbursement by the 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 2003–04 fiscal year:	
(1) Local coastal plans (Ch. 1330, Stats. 1976)	
3760-001-0005—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.....	1,291,000
3760-001-0565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund	4,209,000
Schedule:	
(1) 15-Coastal Resource Development.	4,447,000
(2) 25-Coastal Resource Enhancement.	2,573,000
(3) 90.01-Administration and Support .	2,117,000
(4) 90.02-Distributed Administration.....	-2,117,000
(5) Reimbursements	-111,000
(7) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3760-001-0005).	-1,291,000

Item	Amount
(8) Amount payable from the Federal Trust Fund (Item 3760-001-0890).....	-117,000
(9) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3760-001-6029).....	-742,000
(10) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3760-001-6031)	-550,000
Provisions:	
1. 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 cashflow 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 moneys 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.	
2. Of the funds appropriated by this act from the General Fund, special funds, or bond funds to the State Coastal Conservancy for local assistance or capital outlay, upon approval of the Department of Finance, the conservancy may allocate an amount not to exceed 1.5 percent of each project's allocation to provide for the department's costs to administer the projects.	
3760-001-0890—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the Federal Trust Fund	117,000
3760-001-6029—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	742,000
3760-001-6031—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	550,000

Item	Amount
3760-301-0005—For capital outlay, State Coastal Conservancy, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	5,887,000

Schedule:

(1) 80.97.030-Conservancy Programs .. 5,887,000 Provisions:

1. The funds appropriated in this item are conditioned upon all of the following:
 - (a) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a reversionary interest to the state that 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) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms.
 - (c) Except for the above, the expenditures of funds for grants to nonstate 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 until June 30, 2006.
3. Funding for this appropriation (from the reversion of \$5,887,000 from Item 3760-302-0005 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000), appropriated for two projects located on the Central Coast) shall be used for projects in Santa Cruz County and Monterey County, the geographic area of the projects from which funding is being reverted. Funds appropriated in this item shall be consistent with the terms set forth in the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Act of 2000 (Proposition 12, as approved by the voters at the March 7, 2000, statewide primary election).

Item	Amount
3760-301-0262—For capital outlay, State Coastal Conservancy, payable from the Habitat Conservation Fund	4,000,000

Schedule:

- (1) 80.93.025-Coastal Resource Enhancement 4,400,000
- (2) Reimbursements..... -400,000

Provisions:

1. (a) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a reversionary interest to the state that 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) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms.
- (c) Except for the above, the expenditures of funds for grants to nonstate 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. 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 cashflow 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 moneys 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.

Item	Amount
3760-301-0371—For capital outlay, State Coastal Conservancy, payable from the California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	600,000
Schedule:	
(1) 80.00.020-Public Access.....	600,000
Provisions:	
1. (a) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a reversionary interest to the state that 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) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms.	
(c) Except for the above, the expenditure of funds for grants to nonstate public agencies and nonprofit organizations is 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 until June 30, 2006.	
3760-301-0565—For capital outlay, State Coastal Conservancy, payable from the State Coastal Conservancy Fund	500,000
Schedule:	
(1) 80.00.020-Public Access.....	500,000
Provisions:	
1. (a) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a reversionary interest to the state that 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.	

Item

Amount

<ul style="list-style-type: none"> (b) The State Coastal Conservancy may not enter into grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms. (c) Except for the above, the expenditure of funds for grants to nonstate public agencies and nonprofit organizations is exempt from State Public Works Board review. <p>2. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance until June 30, 2006.</p> <p>3760-301-0593—For capital outlay, State Coastal Conservancy, payable from the Coastal Access Account, State Coastal Conservancy Fund</p> <p>Schedule:</p> <p>(1) 80.00.020-Public Access..... 600,000</p> <p>Provisions:</p> <ul style="list-style-type: none"> 1. (a) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a reversionary interest to the state that 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) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms. (c) Except for the above, the expenditure of funds for grants to nonstate public agencies and nonprofit organizations is exempt from State Public Works Board review. <p>2. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance until June 30, 2006.</p>	<p>600,000</p>
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Item	Amount
3760-301-0890—For capital outlay, State Coastal Conservancy, payable from the Federal Trust Fund.....	2,000,000
Schedule:	
(1) 80.97.030-Conservancy Programs ..	2,000,000
Provisions:	
1. (a) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a reversionary interest to the state that 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) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms.	
(c) Except for the above, the expenditures of funds for grants to nonstate 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 until June 30, 2006.	
3760-301-6029—For capital outlay, State Coastal Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	32,000,000
Schedule:	
(1) 80.00.023-San Francisco Bay Conservancy Program	6,000,000
(2) 80.02.032-Watershed: Water Quality Protection and Enhancement Program.....	4,000,000
(3) 80.97.030-Conservancy Programs ..	23,400,000
(4) Reimbursements	-1,400,000
Provisions:	
1. (a) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a reversionary interest to the state that specifies	

Item	Amount
<p>that the property shall not revert to the state without review and approval by the State Coastal Conservancy and the State Public Works Board.</p> <p>(b) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms.</p> <p>(c) Except for the above, the expenditures of funds for grants to nonstate public agencies and nonprofit organizations shall be exempt from State Public Works Board review.</p> <p>2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance until June 30, 2006.</p>	
<p>3760-301-6031—For capital outlay, State Coastal Conservancy, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002</p>	31,500,000
<p>Schedule:</p> <p>(1) 80.97.030-Conservancy Programs ..</p>	31,500,000
<p>Provisions:</p> <p>1. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance until June 30, 2006.</p> <p>2. The funds appropriated in this item are conditioned upon all of the following:</p> <p>(a) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition unless the grant contract provides a reversionary interest to the state that 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.</p> <p>(b) The State Coastal Conservancy may not enter into a grant contract with a nonprofit organization or local government for property acquisition that provides for a state leasehold interest in property acquired by a nonstate</p>	

Item	Amount
<p>public agency with grant funds of the State Coastal Conservancy unless the Director of General Services approves the lease terms.</p> <p>(c) Except for the above, the expenditures of funds for grants to nonstate public agencies and nonprofit organizations shall be exempt from State Public Works Board review.</p>	
<p>3760-311-6031—For transfer by the Controller from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 to the Habitat Conservation Fund.....</p>	1,177,000
<p>Provisions:</p> <p>1. The funds transferred in this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund and the requirements of subdivision (a) of Section 79570 of the Water Code.</p> <p>2. The amounts transferred by this item may be adjusted to reflect the requirements of subdivision (a) of Section 2796 of the Fish and Game Code.</p>	
<p>3760-490—Reappropriation, State Coastal Conservancy. The balance of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations:</p> <p>0005—Safe Neighborhood Parks, Clean Water, and Coastal Protection Bond Fund</p> <p>(1) Item 3760-302-0005, Budget Act of 2000 (Ch. 52, Stats. 2000)</p> <p>(2) 80.97.030-Conservancy Programs (RX) Cachuma RCD and Santa Ynez RCD and SB County Water Agency: Salmonid Habitat Improvement</p>	
<p>3780-001-0001—For support of Native American Heritage Commission, Program 10</p>	588,000
<p>3790-001-0001—For support of Department of Parks and Recreation</p>	90,115,000
<p>Schedule:</p> <p>(1) For support of the Department of Parks and Recreation</p> <p>(2) Reimbursements.....</p> <p>(3) Less funding provided by capital outlay</p> <p>(4) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3790-001-0005).-</p>	282,526,000 -12,964,000 -4,744,000 -23,516,000

Item	Amount
(5) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140).....	-124,000
(6) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235)	-11,747,000
(7) Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263)	-28,373,000
(8) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392)	-96,747,000
(9) Amount payable from the Winter Recreation Fund (Item 3790-001-0449).....	-339,000
(10) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516)	-663,000
(11) Amount payable from the Federal Trust Fund (Item 3790-001-0890).	-2,938,000
(12) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3790-001-6029).....	-9,868,000
(13) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3790-001-6031)	-388,000

Provisions:

1. Of the funds appropriated by this act from the General Fund 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. It is the intent of the Legislature that salaries, wages, operating expenses, and positions associated 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

Item	Amount
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 appropriation.	
3790-001-0005—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	23,516,000
3790-001-0140—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the California Environmental License Plate Fund.....	124,000
3790-001-0235—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	11,747,000
3790-001-0263—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Off-Highway Vehicle Trust Fund	28,373,000
3790-001-0392—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the State Parks and Recreation Fund	96,747,000
3790-001-0449—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Winter Recreation Fund	339,000
3790-001-0516—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Harbors and Watercraft Revolving Fund	663,000
3790-001-0890—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Federal Trust Fund.....	2,938,000
3790-001-6029—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	9,868,000
3790-001-6031—For support of Department of Parks and Recreation, payable to Item 3790-001-0001, from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	388,000

Item	Amount
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)
3790-012-0061—For transfer by the Controller from the Motor Vehicle Fuel Account, Transportation Tax Fund to the State Parks and Recreation Fund	(26,649,000)
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.	
3790-101-0262—For local assistance, Department of Parks and Recreation, payable from the Habitat Conservation Fund, to be available for expenditure through fiscal year 2005–06.....	2,600,000
Schedule:	
(1) 80.25-Recreational Grants	2,000,000
(2) 80.28-Local Projects.....	600,000
(a) Monterey County, Monterey Peninsula Regional Park District-Santa Lucia Mountain Range.....	(600,000)
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.	
3790-101-0263—For local assistance, Department of Parks and Recreation, payable from the Off-Highway Vehicle Trust Fund, for grants to cities, counties, federal agencies or special districts, as specified in Section 5090.50 of the Public Resources Code, to be available for expenditure through fiscal year 2005–06	17,000,000

Item	Amount
Schedule:	
(1) 80.12-OHV Grants	17,000,000
3790-101-0858—For local assistance, Department of Parks and Recreation, payable from the Recreational Trails Fund, to be available for expenditure through fiscal year 2005–06	4,000,000
Schedule:	
(1) 80.12-OHV Grants	1,200,000
(2) 80.25-Recreational Grants	2,800,000
Provisions:	
1. The funds appropriated in Schedules (1) and (2) shall be available for expenditure for local assistance or capital outlay.	
2. Of the funds appropriated, the department may allocate, to the maximum extent allowable under federal law, the amount necessary to provide for the department’s costs to administer these grants.	
3. Grants may be made to nonprofit organizations and government entities.	
3790-101-0890—For local assistance, Department of Parks and Recreation, payable from the Federal Trust Fund, to be available for expenditure through fiscal year 2005–06	20,000,000
Schedule:	
(1) 80.25-Recreational Grants	18,800,000
(2) 80.30-Historic Preservation Grants	1,200,000
Provisions:	
1. The funds appropriated in Schedules (1) and (2) shall be available for expenditure for local assistance or capital outlay.	
3790-101-6029—For local assistance, Department of Parks and Recreation, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Bond Fund, to be available for expenditure until June 30, 2006.....	486,151,000
Schedule:	
(1) 80.25-Recreational Grants	486,151,000
(a) Per Capita	(326,725,000)
(b) Roberti-Z’berg-Harris Grants	(154,961,000)
(c) Urban Park Grants	(3,290,000)
(d) Murray-Hayden Competitive Grants	(1,175,000)

Item	Amount
Provisions:	
2. The funds appropriated in this item shall be available for encumbrance for three years after the date upon which it first became available for encumbrance. Disbursements in liquidation of encumbrance shall be made before or during five years following the last day the appropriation is available for encumbrance.	
3790-301-0005—For capital outlay, Department of Parks and Recreation, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	24,130,000
Schedule:	
(1) 90.AN.101-Empire Mine SHP: Public Underground Tour—Construction and equipment	2,222,000
(2) 90.BA.101-Big Basin Redwoods SP: Wastewater Collection/Treatment System Improvements—Construction	1,530,000
(3) 90.CG.101-Pfeiffer Big Sur SP: Park Entrance and Day Use Redevelopment—Construction and equipment	3,222,000
(4) 90.E4.103-Chino Hills SP: Visitor Center—Preliminary plans and working drawings	203,000
(5) 90.E9.101-La Purisima Mission SHP: Restore Historic Adobe Structures—Construction.....	1,148,000
(6) 90.EX.101-Malibu Creek SP: Restore Sepulveda Adobe—Preliminary plans	96,000
(7) 90.FJ.101-Will Rogers SHP: Restore Historic Ranch House—Construction	1,846,000
(8) 90.HA.106-Anza Borrego Desert SP: Visitor Center Exhibits—Construction	1,134,000
(9) 90.IL.101-Border Field SP: Develop and Rehabilitate Day Use Facilities—Construction and equipment.....	1,852,000
(10) 90.RS.235-Statewide: Volunteer Enhancement Program—Minor projects.....	305,000

Item	Amount
(11) 90.RS.240-Statewide: California Sno-Park Program—Minor projects.....	147,000
(12) 90.2W.101-Prairie Creek Redwoods SP: Public Use Improvements—Construction.....	1,810,000
(13) 90.3B.102-Humboldt Redwoods SP: Replace Five Restroom Buildings—Working drawings and construction	1,473,000
(14) 90.5N.101-Mount Diablo SP: Road System Improvements—Construction	4,797,000
(15) 90.5R.101-Fort Ross SHP: Reconstruct Historic Fur Warehouse—Construction	1,740,000
(16) 90.6F.101-Angel Island SP: Immigration Station Area Restoration—Working drawings.....	605,000
3790-301-0262—For capital outlay, Department of Parks and Recreation, payable from the Habitat Conservation Fund	1,900,000
Schedule:	
(1) 90.RS.406-Habitat Conservation: Proposed Additions—Acquisition .	1,000,000
(2) 90.RS.407-Santa Lucia Mountains: Proposed Additions—Acquisition.....	900,000
3790-301-0263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Trust Fund	52,626,000
Schedule:	
(1) 90.A7.102-Prairie City SVRA: Improvement Project—Preliminary plans.....	168,000
(2) 90.RS.206-Statewide: OHV Minors—Minor projects	1,658,000
(2.5) 90.RS.423-Statewide: OHV Park and Buffer Acquisition Projects—Acquisition	22,000,000
(3) 90.RS.405-Statewide: OHV Opportunity Purchase/Budget Package/Schematic Planning—Acquisition and study.....	400,000

Item	Amount
(4) 90.6S.101-Hollister Hills SVRA: Hudner/Renz Public Use Facility—Working drawings, construction and equipment	1,400,000
(5) 90.IG.100-Riverside OHV Park Project Acquisition and Development—Acquisition, preliminary plans, working drawings, construction, and equipment	27,000,000
Provisions:	
1. The funds appropriated in Schedule (3) of this item 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 2004–05 or 2005–06 fiscal year.	
2. The funds appropriated in Schedule (2.5) of this item shall be available for expenditure for local assistance or capital outlay for acquisitions of nonmotorized buffer lands in the vicinity of Prairie City SVRA and Jawbone Canyon off-highway vehicle facility for the purposes of reducing OHV conflicts with incompatible land uses, protecting habitat, and securing public access to existing OHV facilities. Funds shall be used to acquire new OHV facilities and associated buffer lands in the Central Valley. To the extent feasible, given the availability of land and project readiness, the department shall seek to ensure that funds are provided for each of these three projects that have been identified by the Off-Highway Motor Vehicle Recreation Commission.	
3790-301-0449—For capital outlay, Department of Parks and Recreation, payable from the Winter Recreation Fund	110,000
Schedule:	
(1) 90.RS.240-Statewide: California Sno-Park Program—Minor projects.....	110,000
3790-301-0728—For capital outlay, Department of Parks and Recreation, payable from the Recreation and Fish and Wildlife Enhancement Fund.....	419,000
Schedule:	
(1) 90.RS.205-Statewide: State Park System—Minor projects.....	419,000

Item	Amount
3790-301-0742—For capital outlay, Department of Parks and Recreation, payable from the State, Urban, and Coastal Park Fund	27,000
Schedule:	
(1) 90.RS.205-Statewide: State Park System—Minor projects.....	27,000
3790-301-0890—For capital outlay, Department of Parks and Recreation, payable from the Federal Trust Fund.....	3,700,000
Schedule:	
(1) 90.RS.801-Federal Trust Fund Program—Acquisition, preliminary plans, working drawings and construction	3,700,000
3790-301-6029—For capital outlay, Department of Parks and Recreation, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	58,611,000
Schedule:	
(1) 90.AC.101-Railroad Technology Museum: Rehabilitation and Facilities Plan—Study and preliminary plans.....	686,000
(1.5) 90.BA.101-Big Basin Redwoods SP: Wastewater Collection/Treatment System Improvements—Preliminary plans and working drawings	156,000
(2) 90.CB.102-Morro Bay SP: Sewer System Improvements—Preliminary plans and working drawings.....	155,000
(2.5) 90.EC.103-Kenneth Hahn State Recreation Area, Vista Pacifica Visitor Center—Study, preliminary plans, working drawings and construction	10,000,000
(3) 90.E4.104-Chino Hills SP: Entrance Road and Facilities—Preliminary plans.....	262,000
(4) 90.E4.105-Chino Hills SP: Coal Canyon Wildlife Corridor Restoration—Preliminary plans	164,000
(5) 90.FO.101-Huntington SB: Expand Lifeguard Headquarters/Training Facility—Preliminary plans	190,000

Item	Amount
(6) 90.GY.101-Doheny SB: New Lifeguard Headquarters—Preliminary plans and working drawings.....	191,000
(7) 90.IH.101-Lake Perris SRA: Replace Lifeguard Headquarters—Preliminary plans and working drawings.....	133,000
(8) 90.RS.205-Statewide: State Park System—Minor projects.....	4,610,000
(10) 90.RS.224-Statewide: 2002 Bond State Park System Acquisition Program—Acquisition.....	35,000,000
(11) 90.RS.235-Statewide: Volunteer Enhancement Program—Minor projects.....	250,000
(12) 90.RS.250-Statewide: Interpretive Exhibits—Minor projects	1,000,000
(13) 90.RS.260-Statewide: Recreational Trails—Minor projects	336,000
(14) 90.RS.601-Statewide: Budget Development—Study	500,000
(15) 90.RS.810-Capital Outlay Projects—Acquisition, preliminary plans, working drawings, and construction	3,000,000
(16) 90.42.101-MacKerricher SP: Rehabilitate Historic Pudding Creek Trestle—Preliminary plans and working drawings	235,000
(17) 90.5R.102-Fort Ross SHP: Water System Improvements—Preliminary plans and working drawings.....	220,000
(18) 90.6C.101-Ano Nuevo SR: Marine Education Center—Preliminary plans, working drawings, construction, and equipment	2,950,000
(20) 90.8D.102-Donner Memorial SP: New Visitor Center—Preliminary plans.....	457,000
(21) 90.8I.101-Calaveras Big Trees SP: New Visitor Center—Preliminary plans.....	192,000

Item	Amount
(23) 90.94.103-Leland Stanford Mansion SHP: Rehabilitation of Mansion Grounds—Preliminary plans, working drawings, construction, and equipment	2,807,000
(24) Reimbursement-Ano Nuevo SR: Marine Education Center.....	-1,475,000
(25) Reimbursement-Donner Memorial SP: New Visitor Center.....	-122,000
(26) Reimbursement-Statewide: Recreational Trails—Minor projects	-36,000
(27) Reimbursement-Statewide: State Park System—Minor projects	-250,000
(28) Reimbursement-Capital Outlay Projects	-3,000,000

Provisions:

1. Funds appropriated in Schedules (2.5), (18), and (24) of this item shall be available for expenditure until June 30, 2006.
2. The funds appropriated in Schedule (14) of this item 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 2004–05 and 2005–06 fiscal years.
3. Up to \$100,000 of the funds appropriated in Schedule (2.5) of this item may be encumbered to complete studies and planning for the project in this schedule. The remaining funds may not be encumbered until a suitable access and parking plan is developed and approved by the Department of Finance for the Kenneth Hahn State Recreation Area Vista Pacifica property. The plan must provide for suitable, permanent, unfettered access to the property. The plan shall also ensure the State of California acquires sufficient parking to accommodate the anticipated number of visitors to the proposed facilities.

3790-401—For the 2003–04 fiscal year, the balance as of July 1, 2003, 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	Amount
<p>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 cashflow needs of the Off-Highway Vehicle Trust Fund.</p>	
<p>3790-490—Reappropriation, Department of Parks and Recreation. The balance 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:</p>	
<p>0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund</p>	
<p>(1) Item 3790-301-0005, Budget Act of 2000 (Ch. 52, Stats. 2000) as partially reappropriated by Item 3790-490, Budget Act of 2001 (Ch. 106, Stats. 2001)</p>	
<p>(9) 90.RS.409-Statewide 2000 Bond Opportunity Purchases: State Park System—Acquisition</p>	
<p>(10) 90.RS.415-Statewide 2000 Bond Redwood Acquisition Program—Acquisition</p>	
<p>(14) 90.FW.100-Topanga State Park: Topanga Canyon—Acquisition</p>	
<p>(15) 90.C0.402-Henry W. Coe State Park: Mount Hamilton—Acquisition</p>	
<p>(16) 90.KV.100-Los Angeles River Parkway Project: Acquisition and Development—Acquisition</p>	
<p>(20) 90.C9.100-Montana de Oro State Park: Irish Hills—Acquisition</p>	
<p>(2) Item 3790-302-0005, Budget Act of 2000 (Ch. 52, Stats. 2000)</p>	
<p>(15) 90.CS.100-Monterey State Beach: Acquisition</p>	
<p>(16) 90.64.100-East Bay Regional Park District: Complete the community planning process, provide design services, and construct public park improvements in the East Bay Shoreline Project</p>	

Item	Amount
(3) Item 3790-301-0005, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(11) 90.CB.600 Morro Bay SP: Campground Day Use and Rehabilitation—Construction	
(19) 90.GG.101 Silverwood Lake SRA: Campground and Day Use Improvements—Working drawings and construction	
0263—Off-Highway Vehicle Trust Fund	
(4) Item 3790-301-0263, Budget Act of 2000 (Ch. 52, Stats. 2000) as reappropriated by Item 3790-490, Budget Act of 2001 (Ch. 106, Stats. 2001) and Item 3790-490, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 90.7K.601-Carnegie SVRA: Alameda/Tesla—Working drawings	
3810-001-0140—For support of Santa Monica Mountains Conservancy, payable from the California Environmental License Plate Fund	270,000
Schedule:	
(1) 10-Santa Monica Mountains Conservancy	676,000
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3810-001-6029).....	-206,000
(3) Amount payable from the Water Security, Clean Drinking Water, Coastal, and Beach Protection Fund of 2002 (Item 3810-001-6031).....	-200,000
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	

Item	Amount
<p>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.</p> <p>(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 funds thus far encumbered for interest, penalties, or other principal surcharges.</p>	
3810-001-6029—For support of the Santa Monica Mountains Conservancy, for payment to Item 3810-001-0140, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	206,000
3810-001-6031—For support of Santa Monica Mountains Conservancy, for payment to Item 3810-001-0140, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....	200,000
3810-301-0941—For capital outlay, Santa Monica Mountains Conservancy, payable from the Santa Monica Mountains Conservancy Fund.....	77,000
Schedule:	
(1) 50.20.001-Capital outlay acquisitions	77,000
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 until June 30, 2006.	
3810-301-6029—For capital outlay, Santa Monica Mountains Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	12,000,000

Item	Amount
Schedule:	
(1) 50.20.001-Capital outlay acquisitions	12,000,000
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2006.	
3810-301-6031—For capital outlay, Santa Monica Mountains Conservancy, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	9,500,000
Schedule:	
(1) 50.20.001-Capital outlay acquisitions	9,500,000
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2006.	
3820-001-0001—For support of San Francisco Bay Conservation and Development Commission	3,458,000
Schedule:	
(1) 10-Bay Conservation and Development.....	4,240,000
(2) Amount payable from the Bay Fill Clean-Up and Abatement Fund (Item 3820-001-0914)	-146,000
(3) Reimbursements.....	-636,000
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	146,000
3825-001-0140—For support of San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the California Environmental License Plate Fund.....	267,000
Schedule:	
(1) 10-San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy	797,000
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3825-001-6029).....	-530,000

Item	Amount
Provisions:	
1. Acquisitions and enhancements administered pursuant to this item shall not be undertaken if they would require increased state funds for management purposes.	
3825-001-6029—For support of San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, for payment to Item 3825-001-0140 payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	530,000
3825-301-6029—For capital outlay, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	12,400,000
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2006.	
3825-301-6031—For capital outlay, San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	4,500,000
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2006.	
3830-001-0140—For support of San Joaquin River Conservancy, payable from the California Environmental License Plate Fund	241,000
Schedule:	
(1) 10-San Joaquin River Conservancy.	355,000
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3830-001-6029).....	-114,000
Provisions:	
1. Acquisitions and enhancements administered pursuant to this item shall not be undertaken if they would require increased state funds for management purposes.	

Item	Amount
3830-001-6029—For support of San Joaquin River Conservancy, for payment to Item 3830-001-0140 payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	114,000
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	1,000,000
(2) Reimbursements	-1,000,000
3835-001-0140—For support of Baldwin Hills Conservancy, payable from the California Environmental License Plate Fund	258,000
Schedule:	
(1) 10-Baldwin Hills Conservancy	367,000
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3830-001-6029).....	-109,000
Provisions:	
1. Acquisitions and enhancements administered pursuant to this item shall not be undertaken if they would require increased state funds for management purposes.	
3835-001-6029—For support of Baldwin Hills Conservancy, for payment to Item 3835-001-0140, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund..	109,000
3835-301-6029—For capital outlay, Baldwin Hills Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	7,200,000
Schedule:	
(1) 20-Capital Outlay Acquisition and Improvement Program.....	8,200,000
(2) Reimbursements	-1,000,000
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2006.	
3840-001-0140—For support of Delta Protection Commission, payable from the California Environmental License Plate Fund	140,000

Item	Amount
Provisions:	
1. The funds appropriated in this item shall be available for expenditure after receipt by the Joint Legislative Budget Committee of the report required under Item 3840-001-0140 of the Supplemental Report of the Budget Act of 2003.	
3840-001-0516—For support of Delta Protection Commission, payable from the Harbors and Watercraft Revolving Fund.....	167,000
3845-001-0140—For support of San Diego River Conservancy, payable from the California Environmental License Plate Fund	265,000
Schedule:	
(1) 10-San Diego River Conservancy ..	265,000
Provisions:	
1. Acquisitions and enhancements administered pursuant to this item shall not be undertaken if they would require increased state funds for management purposes.	
3850-001-0140—For support of Coachella Valley Mountains Conservancy, payable from the California Environmental License Plate Fund	222,000
Schedule:	
(1) 10-Coachella Valley Mountains Conservancy	380,000
(2) Reimbursements.....	-18,000
(3) Amount payable from the Coachella Valley Mountains Conservancy Fund (Item 3850-001-0296).....	-32,000
(4) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3850-001-6029).....	-108,000
Provisions:	
1. Acquisitions and enhancements administered pursuant to this item shall not be undertaken if they would require increased state funds for management purposes.	
3850-001-0296—For support of Coachella Valley Mountains Conservancy, for payment to Item 3850-001-0140, payable from the Coachella Valley Mountains Conservancy Fund	32,000
3850-001-6029—For support of Coachella Valley Mountains Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	108,000

Item	Amount
3850-301-6029—For capital outlay, Coachella Valley Mountains Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	8,000,000
Schedule:	
(1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs.....	9,000,000
(2) Reimbursements	-1,000,000
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2006.	
3860-001-0001—For support of Department of Water Resources	31,794,000
Schedule:	
(1) 10-Continuing Formulation of the California Water Plan.....	241,546,000
(3) 20-Implementation of the State Water Resources Development System.....	3,260,000
(4) 30-Public Safety and Prevention of Damage	45,855,000
(4.5) 45-California Energy Resources Scheduling (CERS).....	54,585,000
(5) 40-Services	6,279,000
(6) 50.01-Management and Administration.....	63,700,000
(7) 50.02-Distributed Management and Administration	-63,700,000
(8) Reimbursements	-16,989,000
(9) Amount payable from the California Environmental License Plate Fund (Item 3860-001-0140).....	-218,000
(10) Amount payable from the Central Valley Project Improvement Subaccount (Item 3860-001-0404).....	-1,568,000
(11) Amount payable from the Delta Levee Rehabilitation Subaccount (Item 3860-001-0409)	-694,000
(12) Amount payable from the Feasibility Projects Subaccount (Item 3860-001-0445)	-1,446,000
(13) Amount payable from the Water Conservation and Groundwater Recharge Subaccount (Item 3860-001-0446)	-123,000

Item	Amount
(14) Amount payable from the Energy Resources Programs Account (Item 3860-001-0465)	-1,657,000
(15) Amount payable from the Local Projects Subaccount (Item 3860-001-0543)	-99,000
(16) Amount payable from the Sacramento Valley Water Management and Habitat Protection Subaccount (Item 3860-001-0544)	-384,000
(18) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3860-001-0744)	-184,000
(19) Amount payable from the 1988 Water Conservation Fund (Item 3860-001-0790)	-43,000
(20) Amount payable from the Federal Trust Fund (Item 3860-001-0890).....	-11,223,000
(21.4) Amount payable from the Dam Safety Fund (Item 3860-001-3057)	-7,200,000
(21.5) Amount payable from the Electric Power Fund (Item 3860-001-3100).....	-54,585,000
(21.7) Amount payable from the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund (Item 3860-001-6001)	-651,000
(22) Amount payable from the Flood Protection Corridor Subaccount (Item 3860-001-6005)	-957,000
(23) Amount payable from the Urban Stream Restoration Subaccount (Item 3860-001-6007)	-674,000
(24) Amount payable from the Yuba Feather Flood Protection Subaccount (Item 3860-001-6010).....	-957,000
(25.5) Amount payable from the River Protection Subaccount (Item 3860-001-6015)	-163,000
(26) Amount payable from the Water Conservation Account (Item 3860-001-6023)	-755,000
(26.1) Amount payable from Conjunctive Use Subaccount (Item 3860-001-6025)	-1,260,000

Item	Amount
(27) Amount payable from the Bay-Delta Multipurpose Water Management Subaccount (Item 3860-001-6026).....	-23,722,000
(28) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3860-001-6027).	-422,000
(30) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3860-001-6031).....	-193,757,000
Provisions:	
1. The amounts appropriated in Items 3860-001-0001 to 3860-001-6031, 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.	
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.....	218,000
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.....	1,568,000
3860-001-0409—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Delta Levee Rehabilitation Subaccount.....	694,000
3860-001-0445—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Feasibility Projects Subaccount.....	1,446,000
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.....	123,000
3860-001-0465—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Energy Resources Programs Account	1,657,000
3860-001-0543—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Local Projects Subaccount.....	99,000

Item	Amount
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.....	384,000
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.....	184,000
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.....	43,000
3860-001-0890—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Federal Trust Fund.....	11,223,000
3860-001-3057—For support of Department of Water Resources, for payments to Item 3860-001-0001, payable from the Dam Safety Fund.....	7,200,000
3860-001-3100—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Electric Power Fund.....	54,585,000
Provisions:	
1. The Legislature hereby directs the Department of Water Resources to continue negotiations with the Department of Personnel Administration to establish appropriate position classifications to carry out the work of the California Energy Resources Scheduling division of the department. In order to reduce the administrative costs of the division, the Legislature intends that the department, as soon as practicable, replace personal service contracts that have been retained by the department to conduct ongoing activities relating to the administration of the long-term electricity contracts with civil service employees.	
3860-001-6001—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund	651,000
3860-001-6005—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Flood Protection Corridor Sub-account.....	957,000
3860-001-6007—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Urban Stream Restoration Sub-account.....	674,000

Item	Amount
3860-001-6010—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Yuba Feather Flood Protection Subaccount.....	957,000
3860-001-6015—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the River Protection Subaccount.....	163,000
3860-001-6023—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Water Conservation Account.....	755,000
3860-001-6025—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Conjunctive Use Subaccount	1,260,000
3860-001-6026—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Bay-Delta Multipurpose Water Management Subaccount	23,722,000
3860-001-6027—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount.....	422,000
3860-001-6031—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	193,757,000
3860-011-0940—For transfer by the Controller, upon order of the Department of Finance, from the Renewable Resources Investment Fund to the General Fund	(652,000)
3860-101-0001—For local assistance, Department of Water Resources	116,000,000
Provisions:	
1. The amount appropriated in this item shall be considered an expenditure for the 2002–03 fiscal year for the Local Flood Control Subventions Program.	
3860-101-0446—For local assistance, Department of Water Resources, payable from the Water Conservation and Groundwater Recharge Subaccount.....	1,018,000
3860-101-0544—For local assistance, Department of Water Resources, payable from the Sacramento Valley Water Management and Habitat Protection Subaccount.....	2,240,000
3860-101-0545—For local assistance, Department of Water Resources, payable from the River Parkway Subaccount.....	290,000

Item	Amount
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.....	1,600,000
3860-101-0790—For local assistance, Department of Water Resources, Program 10.29—Conservation Loans, payable from the 1988 Water Conservation Fund	8,974,000
3860-101-6005—For local assistance, Department of Water Resources, payable from the Flood Protection Corridor Subaccount.....	7,300,000
3860-101-6007—For local assistance, Department of Water Resources, payable from the Urban Stream Restoration Subaccount.....	0
Schedule:	
(1) 10.10-Water Management Planning. 4,575,000	
(2) Reimbursements.....	-4,575,000
3860-101-6010—For local assistance, Department of Water Resources, payable from the Yuba Feather Flood Protection Subaccount.....	5,000,000
3860-101-6023—For local assistance, Department of Water Resources, payable from the Water Conservation Account.....	29,670,000
3860-101-6031—For local assistance, Department of Water Resources, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....	117,047,000
3860-301-0001—For capital outlay, Department of Water Resources.....	3,646,000
Schedule:	
(1) 30.95.105-Marysville/Yuba Levee Reconstruction	497,000
(2) 30.95.280-Terminus Dam, Lake Kaweah Project	2,587,000
(3) 30.95.297-Success Reservoir Enlargement Project	2,100,000
(4) Reimbursements-Marysville/Yuba Levee Reconstruction.....	-192,000
(5) Reimbursements-Terminus Dam, Lake Kaweah Project	-746,000
(6) Reimbursements-Success Reservoir Enlargement Project	-600,000
Provisions:	
1. The funds appropriated in this item may be expended for relocations and acquisition of land, easements, and rights-of-way, including, but not limited to, borrow pits, spoil areas, and easements	

Item

Amount

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 (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. Notwithstanding Section 12585.5 of the Water Code, prior to state and federal authorization of the project and appropriation of federal construction funds by Congress and subsequent to submittal of a report to the Legislature pursuant to Section 12582.7, the amounts appropriated in this item may be expended for state costs associated with preconstruction design and engineering work conducted by the federal government and others.

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 Bud-

Item	Amount
get 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.	
3860-490—Reappropriation, Department of Water Resources. The balance of the appropriations provided in the following citations are hereby reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations:	
0001—General Fund	
(1) Item 3860-301-0001, Budget Act of 1998 (Ch. 324, Stats. 1998), as reappropriated by Item 3860-490, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(4) 30.95.210-Tisdale Bridge Replacement	
(2) Item 3860-301-0001, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3860-490, Budget Act of 2001 (Ch. 106, Stats. 2001), and Item 3860-492, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(3.1) Yuba River Basin Project	
(6) 30.95.303-Tuolumne River Flood Control Project—Feasibility Study	
6008—State Capital Protection Subaccount	
(1) Item 3860-301-6008, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(2) Magpie Creek Small Flood Control Project	
(4) South Sacramento County Streams	
(5) Folsom Dam Modification Project	
6010—Yuba Feather Flood Protection Subaccount	
(1) Item 3860-301-6010, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(1) Colusa Basin Watershed Flood Protection Program	
3860-491—Reappropriation, Department of Water Resources. The balance of the appropriation provided in the following citation is reappropriated for purposes provided for in that appropriation and shall be available for encumbrance until June 30, 2006:	
0409—Delta Levee Rehabilitation Subaccount	
(1) Item 3860-101-0409, Budget Act of 2000 (Ch. 52, Stats. 2000)	
6014—Water and Watershed Education Subaccount	
(1) Item 3860-101-6014, Budget Act of 2000 (Ch. 52, Stats. 2000)	

Item	Amount
6027—Interim Water Supply and Water Quality Infrastructure and Management Subaccount	
(1) Item 3860-101-6027, Budget Act of 2000 (Ch. 52, Stats. 2000)	
3860-493—Reappropriation, Department of Water Resources. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2005.	
0001—General Fund	
(1) Item 3860-001-0001, Budget Act of 2000 (Ch. 52, Stats. 2000), (\$14,350,000) for purposes of the CALFED Bay-Delta Program.	
3860-495—Reversion, Department of Water Resources. As of June 30, 2003, the balances specified below, of the appropriations provided in the following citation shall revert to the balance in the fund from which the appropriation was made.	
0001—General Fund	
(1) Up to \$1,974,000 from Section 8 of Chapter 326 of the Statutes of 1998.	
3860-496—Reversion, Department of Water Resources. As of June 30, 2003, the unencumbered balance of the appropriation provided in the following citation shall revert to the General Fund:	
0050—Colorado River Management Account	
(1) Up to \$38,766,000 from the appropriation made pursuant to Section 12561 of the Water Code (Ch. 813, Stats. 1998) shall revert to the General Fund.	
Provisions:	
1. Notwithstanding any other provision of law, no funds shall be transferred from the General Fund to the Colorado River Management Account.	
3870-001-0001—For support of California Bay-Delta Authority.....	12,590,000
Schedule:	
(1) 10-CALFED Bay-Delta Program ...	193,609,000
(2) Reimbursements	-16,495,000
(3) Amount payable from the Bay-Delta Ecosystem Restoration Account (Item 3870-001-0546)	-48,531,000
(4) Amount payable from the Federal Trust Fund (Item 3860-001-0890).....	-29,352,000

Item	Amount
(5) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3860-001-6031)	-86,641,000
Provisions:	
1. It is the intent of the Legislature that the California Bay-Delta Authority submit a broad-based Bay-Delta user fee proposal for inclusion in the 2004-05 Governor's Budget, consistent with the beneficiary-pays principle specified in the CAL-FED Record of Decision.	
3870-001-0546—For support of California Bay-Delta Authority, for payment to Item 3870-001-0001, payable from the Bay-Delta Ecosystem Restoration Account.....	48,531,000
3870-001-0890—For support of California Bay-Delta Authority, for payment to Item 3870-001-0001, payable from the Federal Trust Fund	29,352,000
3870-001-6031—For support of California Bay-Delta Authority, for payment to Item 3870-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	86,641,000
Provisions:	
2. The funds received by other state agencies from this item are exempt from the reporting requirements of Section 28.50 of the Budget Act.	
3. The funds appropriated in this item for the CAL-FED Watershed and Ecosystem Restoration Programs are available for encumbrance for the purposes of support, local assistance or capital outlay until June 30, 2005.	

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

3900-001-0001—For support of State Air Resources Board, for payment to Item 3900-001-0044.....	5,016,000
3900-001-0044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund	56,898,000
Schedule:	
(1) 15-Mobile Source.....	106,386,000
(2) 25-Stationary Source	38,613,000
(3) 30.01-Program Direction and Support	10,547,000
(4) 30.02-Distributed Program Direction and Support	-10,547,000

Item	Amount
(5) Reimbursements.....	-4,886,000
(6) Amount payable from the General Fund (Item 3900-001-0001).....	-5,016,000
(7) Amount payable from the Air Pollution Control Fund (Item 3900-001-0115)	-32,510,000
(8) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-0421)	-10,554,000
(9) Amount payable from the Air Toxics Inventory and Assessment Account (Item 3900-001-0434).....	-1,118,000
(10) Amount payable from the Federal Trust Fund (Item 3900-001-0890).....	-11,017,000
(11) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3900-001-6029).....	-23,000,000
3900-001-0115—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Air Pollution Control Fund	32,510,000
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	10,554,000
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.....	1,118,000
3900-001-0890—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Federal Trust Fund	11,017,000
3900-001-6029—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund..	23,000,000
Provisions:	
1. Notwithstanding subdivision (b) of Section 44282, Section 44283, subdivision (e) of Section 44287, and Section 44299.1 of the Health and Safety Code, 20 percent of the funds made available to the State Air Resources Board in this item shall be allocated for the acquisition of clean, safe schoolbuses for use in California’s public schools that serve pupils in kindergarten and grades 1 to 12, inclusive.	

Item	Amount
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	10,637,000
Schedule:	
(1) 35-Subvention	10,637,000
Provisions:	
1. It is the intent of the Legislature that funds appropriated in this item shall not be used to reduce the fees paid by permittees to the local air quality management and air pollution control districts.	
3910-001-0005—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	152,000
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	4,128,000
Provisions:	
1. Notwithstanding subdivision (d) 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 2003–04 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	27,679,000
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.	
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	1,820,000

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	532,000
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 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.....	36,284,000
Schedule:	
(1) 11-Waste Reduction and Management.....	78,461,000
(2) 30.01-Administration.....	8,545,000
(3) 30.02-Distributed Administration ...	-8,545,000
(4) Reimbursements.....	-585,000
(5) Amount payable from Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3910-001-0005).....	-152,000
(6) Amount payable from California Used Oil Recycling Fund (Item 3910-001-0100)	-4,128,000
(7) Amount payable from California Used Oil Recycling Fund (paragraph (4) of subdivision (a) of Section 48653 of the Public Resources Code)	-2,182,000
(8) Amount payable from California Used Oil Recycling Fund (paragraph (1) of subdivision (a) of Section 48653 of the Public Resources Code)	-2,336,000
(9) Amount payable from California Tire Recycling Management Fund (Item 3910-001-0226)	-27,679,000
(10) Amount payable from Recycling Market Development Revolving Loan Account, Integrated Waste Management Fund (Item 3910-001-0281).....	-1,820,000

Item	Amount
(11) Amount payable from Solid Waste Disposal Site Cleanup Trust Fund (Item 3910-001-0386)	-532,000
(12) Amount payable from Integrated Waste Management Account, Integrated Waste Management Fund (Item 3910-006-0387)	-640,000
(13) Amount payable from Farm and Ranch Solid Waste Cleanup and Abatement Account (Item 3910-001-0558).....	-1,017,000
(14) Amount payable from Federal Trust Fund (Item 3910-001-0890).	-106,000
(15) Amount payable from Rigid Container Account (Item 3910-001-3024).....	-1,000,000
Provisions:	
1. Notwithstanding subdivision (h) of Section 42023.1 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 in 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.	
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.....	1,017,000
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	106,000
3910-001-3024—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Rigid Container Account	1,000,000

Item	Amount
3910-003-0100—For transfer by the Controller, upon notification by the board, of an amount not to exceed the appropriation in this item, 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, upon notification by the board, of an amount not to exceed the appropriation in this item, 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 (a) of Section 42023.2 of the Public Resources Code	(2,500,000)
3910-004-0226—For transfer by the Controller, upon order of the Director of Finance, from the California Tire Recycling Management Fund to the General Fund	(17,097,000)

Provisions:

1. The transfer made by this item is a loan to the General Fund. Notwithstanding any other provision of law, this loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan.
2. Notwithstanding any other provision of law, \$2,097,000 of the amount transferred by this item shall be repaid in the second half of the 2008–09 fiscal year, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan. The Director of Finance may therefore order that repayment be made prior to this date to avoid these adverse effects.

Item	Amount
3910-004-0281—For transfer by the Controller, upon order of the Director of Finance, from the Recycling Market Development Revolving Loan Subaccount to the General Fund.....	(1,853,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. Notwithstanding any other provision of the law, this loan shall be repaid in the second half of the 2008–09 fiscal year, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan. The Director of Finance may therefore order that repayment be made prior to this date to avoid these adverse effects.	
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 (c) of Section 48027 of the Public Resources Code.....	(5,000,000)
3910-005-0387—For transfer by the Controller, upon notification by the board, of an amount not to exceed the appropriation in this item, 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)
3910-006-0387—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Integrated Waste Management Account, Integrated Waste Management Fund.....	640,000
3910-007-0387—For transfer by the Controller, upon order of the Director of Finance, from the Integrated Waste Management Account to the General Fund...	(4,768,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. Notwithstanding any other provision of law, this loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be	

Item	Amount
made so as to ensure that the programs supported by this fund are not adversely affected by the loan.	
2. Notwithstanding any other provision of law, \$2,768,000 of the amount transferred by this item shall be repaid in the second half of the 2008–09 fiscal year, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan. The Director of Finance may therefore order that repayment be made prior to this date to avoid these adverse effects.	
3. 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 the provision is specifically identified by the Legislature for suspension during the 2003–04 fiscal year:	
(1) 98.01.118.892-Very High Fire Hazard and Severity Zones (Ch. 1188, Stats. 1992)	
3910-101-0226—For local assistance, California Integrated Waste Management Board, payable from the California Tire Recycling Management Fund.....	4,106,000
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.	
3910-101-0387—For local assistance, California Integrated Waste Management Board, payable from the Integrated Waste Management Account, Integrated Waste Management Fund.....	6,020,000
3930-001-0001—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0106.....	2,119,000
3930-001-0106—For support of Department of Pesticide Regulation.....	38,568,000
Schedule:	
(1) 12-Registration and Health Evaluation.....	18,158,000
(2) 17-Pest Management, Environmental Monitoring, Enforcement, and Licensing.....	26,037,000
(3) 20.10-Executive and Administrative Services.....	8,096,000

Item	Amount
(4) 20.20-Distributed Executive and Administrative Services.....	-8,096,000
(5) Reimbursements	-479,000
(5.5) Amount payable from the General Fund (Item 3930-001-0001).....	-2,119,000
(6) Amount payable from the California Environmental License Plate Fund (Item 3930-001-0140).....	-457,000
(7) Amount payable from the Food Safety Account (Item 3930-001-0224).....	-412,000
(8) Amount payable from the Federal Trust Fund (Item 3930-001-0890).	-2,160,000
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.	
3930-001-0140—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0106, payable from the California Environmental License Plate Fund.....	457,000
3930-001-0224—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0106, payable from the Food Safety Account.....	412,000
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 3930-001-0106, payable from the Federal Trust Fund.....	2,160,000
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	(402,000)
3930-101-0001—For local assistance, Department of Pesticide Regulation, for payment to Item 3930-101-0106.....	2,881,000
3930-101-0106—For local assistance, Department of Pesticide Regulation	3,469,000
Schedule:	
(1) 17-Pest Management, Environmental Monitoring, Enforcement, and Licensing.....	3,469,000

Item	Amount
(2) Amount payable from the General Fund (Item 3930-101-0001).....	-2,881,000
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, for disbursement by the State Controller	1,000
Schedule:	
(1) 98.01.120.089-Pesticide Use Reports (Ch. 1200, Stats. 89)	1,000
Provisions:	
1. Except as provided in Provision 2, 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 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.	

Item	Amount
3940-001-0001—For support of State Water Resources Control Board.....	41,385,000
Schedule:	
(1) 10-Water Quality.....	394,142,000
(2) 20-Water Rights	9,049,000
(3) 30.01-Administration.....	14,468,000
(4) 30.02-Distributed Administration ...	-14,468,000
(5) Reimbursements.....	-9,933,000
(6) Amount payable from the Unified Program Account (Item 3940-001-0028).....	-494,000
(7) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-0193)	-52,707,000
(8) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-0235)	-2,120,000
(9) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3940-001-0387) .	-5,339,000
(10) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-0417)	-492,000
(11) Amount payable from the Small Communities Grant Subaccount (Item 3940-001-0418)	-758,000
(12) Amount payable from the Water Recycling Subaccount (Item 3940-001-0419).....	-263,000
(13) Amount payable from the Drainage Management Subaccount (Item 3940-001-0422)	-509,000
(14) Amount payable from the Delta Tributary Watershed Subaccount (Item 3940-001-0423)	-224,000
(15) Amount payable from the Sewater Intrusion Control Subaccount (Item 3940-001-0424)	-37,000
(16) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-0436).....	-62,000
(17) Amount payable from the Underground Storage Tank Cleanup Fund (Item 3940-001-0439)....	-241,928,000

Item	Amount
(18) Amount payable from the Under-ground Storage Tank Fund (Item 3940-001-0475)	-1,021,000
(19) Amount payable from the Surface Impoundment Assessment Account (Item 3940-001-0482)	-181,000
(20) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-0740)	-322,000
(21) Amount payable from the Federal Trust Fund (Item 3940-001-0890).....	-33,968,000
(21.5) Amount payable from the Water Rights Fund (Item 3940-001-3058)	-4,399,000
(22) Amount payable from the Watershed Protection Subaccount (Item 3940-001-6013)	-678,000
(23) Amount payable from the Santa Ana River Watershed Subaccount (Item 3940-001-6016)	-991,000
(24) Amount payable from the Lake Elsinore and San Jacinto Watershed Subaccount (Item 3940-001-6017).....	-40,000
(25) Amount payable from the Non-point Source Pollution Control Subaccount (Item 3940-001-6019).	-883,000
(26) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-6020)	-81,000
(27) Amount payable from the Wastewater Construction Grant Subaccount (Item 3940-001-6021).....	-22,000
(28) Amount payable from the Coastal Nonpoint Source Control Subaccount (Item 3940-001-6022).....	-859,000
(29) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-001-6031)	-3,495,000

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.

Item	Amount
<p>Any such loans are to be repaid with interest at the rate earned in the Pooled Money Investment Account.</p> <p>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.</p>	
<p>3940-001-0028—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Unified Program Account.....</p>	494,000
<p>Provisions:</p> <p>1. It is intended that the total funding provided in this item and Item 3940-001-0475 be maintained in 2003–04 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.</p> <p>Any funding adjustments to this item or to Item 3940-001-0475 that 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.</p>	
<p>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.....</p>	52,707,000
<p>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.....</p>	2,120,000
<p>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.....</p>	5,339,000
<p>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 Sub-account.....</p>	492,000

Item	Amount
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.....	758,000
3940-001-0419—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Recycling Subaccount	263,000
3940-001-0422—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Drainage Management Subaccount.....	509,000
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.....	224,000
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.....	37,000
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	62,000
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.....	241,928,000
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	1,021,000
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 2003–04 fiscal year. This surcharge shall be transmitted to the State Water Resources Control Board and deposited in the Underground Storage Tank Fund.	

Item	Amount
3940-001-0482—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Surface Impoundment Assessment Account Fund.....	181,000
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	322,000
3940-001-0890—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Federal Trust Fund.....	33,968,000
3940-001-3058—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Rights Fund	4,399,000
3940-001-6013—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Watershed Protection Sub-account.....	678,000
3940-001-6016—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Santa Ana River Watershed Sub-account.....	991,000
3940-001-6017—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Lake Elsinore and San Jacinto Watershed Subaccount	40,000
3940-001-6019—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Nonpoint Source Pollution Control Subaccount.....	883,000
3940-001-6020—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the State Revolving Fund Loan Sub-account.....	81,000
3940-001-6021—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Wastewater Construction Subaccount.....	22,000
3940-001-6022—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Nonpoint Source Control Sub-account.....	859,000
3940-001-6031—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.	3,495,000

Item	Amount
3940-011-0439—For transfer by the Controller, upon order of the Director of Finance, from the Underground Storage Tank Cleanup Fund to the General Fund	(3,200,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan.	
3940-011-0740—For transfer by the Controller from the 1984 State Clean Water Bond Fund to the State Water Pollution Control Revolving Fund.....	1,151,000
3940-101-0001—For local assistance, State Water Resources Control Board	0
Schedule:	
(1) 10-Water Quality	231,413,000
(2) Amount payable from the Water Recycling Subaccount (Item 3940-101-0419).....	-5,600,000
(3) Amount payable from the Watershed Protection Subaccount (Item 3940-101-6013)	-21,800,000
(4) Amount payable from the Nonpoint Source Pollution Control Subaccount (Item 3940-101-6019).....	-23,000,000
(5) Amount payable from the Wastewater Construction Grant Subaccount (Item 3940-101-6021)	-15,500,000
(6) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-101-6031)	-165,513,000
3940-101-0419—For local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Water Recycling Subaccount to be available for expenditure during the 2003–04, 2004–05, and 2005–06 fiscal years.....	5,600,000
3940-101-0744—For local assistance, State Water Resources Control Board, payable from the 1986 Water Conservation and Water Quality Bond Fund to be available for expenditure during the 2003–04, 2004–05, and 2005–06 fiscal years	9,000,000

Item	Amount
3940-101-6013—For local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Watershed Protection Subaccount to be available for expenditure during the 2003–04, 2004–05, and 2005–06 fiscal years....	21,800,000
3940-101-6019—For local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Nonpoint Source Pollution Control Subaccount to be available for expenditure during the 2003–04, 2004–05, and 2005–06 fiscal years	23,000,000
3940-101-6021—For local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Wastewater Construction Subaccount to be available for expenditure during the 2003–04, 2004–05, and 2005–06 fiscal years	15,500,000
3940-101-6031—For local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	165,513,000
Provisions:	
1. Notwithstanding any other provision of law, the amount appropriated in this item shall be available for expenditure during the 2003–04, 2004–05, and 2005–06 fiscal years, and may be used to provide grants to local, state, federal, and private entities for projects.	
2. Notwithstanding any other provision of law, \$9,500,000 of the amount appropriated in this item shall be available for expenditure during the 2003–04 fiscal year to provide grants for projects to reduce or eliminate the discharge of agricultural pollutants pursuant to subdivision (d) of Section 30935 and Section 30940 of the Public Resources Code. These funds shall be available for grants to reduce agricultural discharges to surface or groundwater. Grants shall be given to projects with the greatest potential to reduce pollutants and protect water quality and that use qualified impartial experts to document and verify results through water quality monitoring or other means.	

Item	Amount
3960-001-0001—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014.....	20,106,000
Provisions:	
1. The Director of the Department of Toxic Substances Control may expend from this item: (a) \$9,217,000 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) \$8,816,000 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, \$750,000 shall be used for the purposes of emergency response activity pursuant to Section 25354 of the Health and Safety Code, in lieu of the appropriation made pursuant to that section.	
3960-001-0014—For support of Department of Toxic Substances Control, payable from the Hazardous Waste Control Account	47,534,000
Schedule:	
(1) 12-Site Mitigation	70,567,000
(2) 13-Hazardous Waste Management..	58,959,000
(3) 19.01-Administration.....	37,983,000
(4) 19.02-Distributed Administration ...	-37,983,000
(5) 20-Science, Pollution Prevention and Technology.....	11,324,000
(6) Reimbursements	-8,921,000
(7) Amount payable from General Fund (Item 3960-001-0001)	-20,106,000
(8) Amount payable from Unified Program Account (Item 3960-001-0028).....	-981,000
(9) Amount payable from Illegal Drug Lab Cleanup Account (Item 3960-001-0065).....	-1,970,000

Item	Amount
(10) Amount payable from California Used Oil Recycling Fund (Item 3960-001-0100)	-337,000
(11) Amount payable from Toxic Substances Control Account (Item 3960-001-0557)	-39,783,000
(12) Amount payable from Federal Trust Fund (Item 3960-001-0890).....	-20,688,000
(13) Amount payable from Environmental Quality Assessment Fund (Item 3960-001-3035)	-530,000
Provisions:	
1. Notwithstanding any other provision 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 provision 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.	
3960-001-0018—For support of Department of Toxic Substances Control, payable from the Site Remediation Account.....	7,850,000
Schedule:	
(1) 12-Site Mitigation	7,850,000
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. The Director of the Department of Toxic Substances Control shall report, in writing, not later than 90 days after the end of the fiscal year to the Chairperson of the Joint Legislative Budget Committee, the chairperson of the legislative fiscal	

Item	Amount
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 the Budget Act, this appropriation shall be available in accordance with the provisions of Section 25330.2 of the Health and Safety Code.	
3960-001-0028—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Unified Program Account ..	981,000
3960-001-0065—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Illegal Drug Lab Cleanup Account	1,970,000
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.....	337,000
3960-001-0456—For support of Department of Toxic Substances Control, payable from the Expedited Site Remediation Trust Fund.....	2,441,000
Schedule:	
(1) 12-Site Mitigation	2,441,000
Provisions:	
1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, and approval by the Department of Finance, the Controller shall augment the appropriation 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.	
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	39,783,000

Item	Amount
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. The amount appropriated in this item includes state oversight costs at military installations. 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.	
3960-001-0890—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Federal Trust Fund	20,688,000
3960-001-3035—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Environmental Quality Assessment Fund	530,000
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.	
3960-011-0557—For transfer by the Controller from the Toxic Substances Control Account to the Expedited Site Remediation Trust Fund.....	(461,000)
Provisions:	
1. Notwithstanding any other provision 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 2003–04 fiscal year, exclusive of the fines and penalties transferred to the Hazardous Substance Account pursuant to Section 25192 of	

Item	Amount
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 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.	
3960-011-1003—For transfer by the Controller from the Cleanup Loans and Environmental Assistance to Neighborhoods Account to the Toxic Substances Control Account	(424,000)
Provisions:	
1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, the Controller shall transfer up to \$424,000 to the Toxic Substances Control Account based on actual costs incurred by the department for its oversight of Cleanup Loans and Environmental Assistance to Neighborhoods loan projects, provided that sufficient funds are available for those purposes.	
3960-012-0557—For transfer by the Controller from the Toxic Substances Control Account to the Site Remediation Account	(7,756,000)
3960-490—Reappropriation, Department of Toxic Substance Control. The balance of the appropriations provided in the following citations are reappropriated for the purposes specified and shall be available for encumbrance and expenditure until June 30, 2006:	
0001—General Fund	
(1) \$450,000 in Item 3960-001-0001, Budget Act of 1999 (Ch. 50, Stats. 1999), as reappropriated by Item 3960-490, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(2) \$450,000 in Item 3960-001-0001, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3960-490, Budget Act of 2001 (Ch. 106, Stats. 2001)	

Item	Amount
Provisions:	
1. Pursuant to Provision 2 of Item 3960-490, Budget Act of 2001, a total of \$900,000 from the unencumbered balance of the Budget Act appropriations cited above are reappropriated to capital outlay for the purpose of site acquisition for a new pretreatment plant at the Stringfellow Federal Superfund site and shall be available for expenditure until June 30, 2006. This reappropriation is consistent with the remediation efforts authorized in the original appropriations.	
3980-001-0001—For support of Office of Environmental Health Hazard Assessment	10,126,000
Schedule:	
(1) 10-Health Risk Assessment.....	14,678,000
(2) Reimbursements	-1,689,000
(2.7) Amount payable from the California Used Oil Recycling Fund (Item 3980-001-0100)	-500,000
(2.9) Amount payable from the Department of Pesticide Regulation Fund (Item 3980-001-0106)	-800,000
(3) Amount payable from the California Environmental License Plate Fund (Item 3980-001-0140).....	-800,000
(4) Amount payable from the Integrated Waste Management Account (Item 3980-001-0387).....	-303,000
(4.5) Amount payable from the Underground Storage Tank Cleanup Fund (Item 3980-001-0439).....	-110,000
(6) Amount payable from the Safe Drinking Water and Toxic Enforcement Fund (Item 3980-001-3056) .	-350,000
3980-001-0100—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the California Used Oil Recycling Fund	500,000
3980-001-0106—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Department of Pesticide Regulation Fund.....	800,000
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	800,000

Item	Amount
3980-001-0387—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Integrated Waste Management Account, Integrated Waste Management Fund.....	303,000
3980-001-0439—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Underground Storage Tank Cleanup Fund	110,000
3980-001-3056—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Safe Drinking Water and Toxic Enforcement Fund	350,000

HEALTH AND HUMAN SERVICES

4100-001-0890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund.....	6,543,000
Schedule:	
(1) 10-State Council Planning and Administration.....	1,353,000
(2) 20-Community Program Development	1,987,000
(3) 40-Regional Offices and Local Area Boards	8,121,000
(4) Reimbursements	-4,918,000
4100-490—Reappropriation, State Council on Developmental Disabilities. Notwithstanding any other provision of law, the balance of the amount appropriated for the State Council on Developmental Disabilities, payable from the Federal Trust Fund, in Item 4100-001-0890 of the Budget Act of 2002 (Ch. 379 Stats. 2002) is reappropriated for transfer to and in augmentation of Item 4100-001-0890 of this Budget Act for the following purposes:	
(a) To augment the allocation to the Program Development Fund.	
(b) To fund the cost 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.	

Item	Amount
4120-001-0001—For support of Emergency Medical Services Authority	1,005,000
Schedule:	
(1) 10-Emergency Medical Services Authority	6,658,000
(2) Reimbursements.....	-2,708,000
(3) Amount payable from the Emergency Medical Services Training Program Approval Fund (Item 4120-001-0194)	-328,000
(4) Amount payable from the Emergency Medical Services Personnel Fund (Item 4120-001-0312).....	-1,095,000
(5) Amount payable from the Federal Trust Fund (Item 4120-001-0890).	-1,522,000
Provisions:	
1. It is the intent of the Legislature that any reduction taken in this item be obtained from state support only and not from local assistance. This may include efficiencies and savings obtained from personnel expenditures, operating expenditures, or equipment.	
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.....	328,000
4120-001-0312—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable for the Emergency Medical Services Personnel Fund.....	1,095,000
4120-001-0890—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable from the Federal Trust Fund	1,522,000
4120-101-0001—For local assistance, Emergency Medical Services Authority, grants to local agencies.....	9,786,000
Schedule:	
(1) 10-Emergency Medical Services Authority	11,790,000
(2) Amount payable from the Federal Trust Fund (Item 4120-101-0890).	-2,004,000
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 ser-	

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vices. The Director of the Emergency Medical Services Authority may contract with eligible poison control centers for the distribution of these funds.

- 2. 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 \$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.
- 3. 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.
- 4. Notwithstanding Provision 2(b), each region with a population of 300,000 or less as of June 30, 2002, 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.

4120-101-0890—For local assistance, Emergency Medical Services Authority, Program 10, for payment to Item 4120-101-0001 payable from the Federal Trust Fund 2,004,000

4130-001-0632—For support of California Health and Human Services Agency Data Center, payable from the California Health and Human Services Agency Data Center Revolving Fund..... 314,853,000

Schedule:

- (1) 25-Operations.....116,919,000
- (2) 30-Systems Management Services.....197,934,000

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Provisions:

1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for unanticipated workload resulting from services provided to client departments or as appropriated in a client department's budget for the California Health and Human Services Agency Data Center in excess of the amount appropriated 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. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 11797 of the Government Code.
3. Notwithstanding any other provision of law, the California Health and Human Services 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.
4. Expenditure authority provided in this item to support data center infrastructure projects may only be utilized for items outside the approved scope of those projects if these changes are supported by documentation prepared and processed in accordance with the state's established administrative and legislative reporting requirements. Changes in project scope must receive approval using the established administrative and legislative reporting requirements.
5. Notwithstanding Section 27.00 of this act, upon request by the Health and Human Services Agency Data Center, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the procurement of a new application maintenance contract for the Interim Statewide Automated Welfare System Consortium. The augmentation may be effected not sooner than 30 days after notification in writing of the necessity therefor to the

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<p>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 committee, or his or her designee, may in each instance determine. The funds appropriated by this provision shall be made available consistent with the amount approved by the Department of Finance based on its review of the special project report or equivalent document.</p> <p>6. The California Health and Human Services Agency Data Center shall reduce its rates by at least 8 percent, which shall result in a total savings in department budgets of approximately \$20,000,000 (total funds).</p> <p>4130-490—Reappropriation, California Health and Human Services Agency Data Center. Notwithstanding any other provision of law, the balance of the funds for the appropriations provided in the following citations are reappropriated for expenditure pursuant to Provision 1 and are available for expenditure until June 30, 2004:</p> <p>0632—Revolving Fund</p> <p>Item 4130-001-0632, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p>Provisions:</p> <p>1. It is the intent of this item to continue funding approved activities for the automation projects that, due to schedule changes, result in unexpended appropriations one year and the need for additional funding in the following year. Therefore, notwithstanding any other provision of law, the balance of the appropriations for these automation projects may, upon approval of the Department of Finance, be reappropriated for transfer to and in augmentation of the corresponding items in this act. The funds reappropriated by this provision shall be made available consistent with the amount approved by the Department of Finance based on an approved special project report or equivalent document 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 the Joint Legislative Budget Committee.</p>	

Item	Amount
4140-001-0001—For support of Office of Statewide Health Planning and Development	571,000
Schedule:	
(1) 10-Health Care Quality and Analysis	5,844,000
(2) 30-Health Care Workforce	5,262,000
(3) 42-Facilities Development	21,852,000
(4) 45-Cal-Mortgage Loan Insurance...	4,241,000
(5) 60-Health Care Information	9,451,000
(6) 80.01-Administration	9,374,000
(7) 80.02-Distributed Administration ...	-9,149,000
(8) Reimbursements	-2,943,000
(9) Amount payable from the Hospital Building Fund (Item 4140-001-0121)	-19,815,000
(10) Amount payable from the California Health Data and Planning Fund (Item 4140-001-0143)	-15,902,000
(11) Amount payable from the Registered Nurse Education Fund (Item 4140-001-0181)	-1,222,000
(12) Amount payable from the Federal Trust Fund (Item 4140-001-0890).	-285,000
(14) Amount payable from the Health Facilities Construction Loan Insurance Fund (Section 129200, Health and Safety Code)	-4,600,000
(15) Amount payable from the Health Professions Education Fund (Section 128355, Health and Safety Code)	-1,537,000
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	19,815,000
Provisions:	
1. Notwithstanding any other provision of law, upon request by the Office of Statewide Health Planning and Development, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the review of hospital building plans. The augmentation may be effected not sooner than 30 days after notification in writing of the necessity thereof to the chairperson of the committee in each house of the Legislature that considers appropriations and the Chairperson of the Joint Leg-	

Item	Amount
islative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may determine.	
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	15,902,000
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	1,222,000
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	285,000
4140-001-8007—For support of Office of Statewide Health Planning and Development, payable from the Specialty Care Fund	0
Provisions:	
1. Notwithstanding any other provision of law, upon request of the Office of Statewide Health Planning and Development, the Department of Finance may authorize expenditures of up to \$200,000 in excess of the amount appropriated in this item, if sufficient funds are available in the Specialty Care Fund, to pay costs associated with fundraising activities by a nonprofit organization as specified in Chapter 520, Statutes of 2001, 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 and the Chairperson of the Joint Legislative Budget Committee. The funds appropriated by this provision shall be made available consistent with the amount approved by the Department of Finance based on its review of the proposed contractual agreement for the fundraising activities.	
4140-017-0143—For support of Office of Statewide Health Planning and Development, payable from the California Health Data and Planning Fund	99,000
Schedule:	
(1) 60-Healthcare Information	99,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in Control Section 17.00. These funds are to be used in support of compli-	

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ance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.	
4140-101-0001—For local assistance, Office of State-wide Health Planning and Development	3,931,000
Schedule:	
(1) 30-Healthcare Workforce	5,331,000
(2) Reimbursements	-400,000
(3) 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 2004-05, 2005-06, and 2006-07 fiscal years.	
4140-101-0890—For local assistance, Office of State-wide 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 State-wide Health Planning and Development, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund.....	1,047,000
Schedule:	
(1) 10-Healthcare Quality and Analysis	1,047,000
Provisions:	
1. This item shall be reduced by \$1,047,000 if legislation that permits the Rural Health Demonstration Project program administered by the Managed Risk Medical Insurance Board (MRMIB) to use Proposition 99 funds to draw down federal matching funds is enacted.	

Item	Amount
4170-001-0001—For support of Department of Aging... Schedule:	3,969,000
(1) 10-Nutrition	2,747,000
(2) 20-Senior Community Employment Service	495,000
(3) 30-Supportive Services and Centers	5,309,000
(4) 40-Special Projects.....	6,135,000
(5) 50.01-Administration.....	7,164,000
(6) 50.02-Distributed Administration ...	-7,164,000
(7) Reimbursements.....	-3,041,000
(8) Amount payable from the State HICAP Fund (Item 4170-001- 0289).....	-186,000
(9) Amount payable from the Federal Trust Fund (Item 4170-001-0890).	-7,306,000
(10) Amount payable from the Federal Citation Penalties Account, Special Deposit Fund (Item 4170-003- 0942).....	-184,000
Provisions:	
1. It is the intent of the Legislature that reductions made to this item will not be made to staff that provide direct services for the Department of Ag- ing to the public or to staff that administer federal Older Americans Programs pursuant to the Older Americans Act of 1965 (P.L. 89-73, Title III, Sec. 301).	
4170-001-0289—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the State HICAP Fund	186,000
4170-001-0890—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the Federal Trust Fund.....	7,306,000
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 writ- ten 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 identifi- cation of the purposes for which the funds will be used; (3) documentation that the proposed activi-	

Item	Amount
ties 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.	
4170-003-0942—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the Federal Citation Penalties Account, Special Deposit Fund.....	184,000
4170-101-0001—For local assistance, Department of Aging	31,452,000
Schedule:	
(1) 10-Nutrition	72,384,000
(2) 20-Senior Community Employment Service	9,149,000
(3) 30-Supportive Services and Centers	69,458,000
(4) 40-Special Projects.....	20,254,000
(5) Reimbursements.....	-3,825,000
(6) Amount payable from the State HICAP Fund (Item 4170-101-0289).....	-1,418,000
(7) Amount payable from the Federal Trust Fund (Item 4170-101-0890)	-132,402,000
(8) Amount payable from the Federal Citation Penalties Account, Special Deposit Fund (Item 4170-103-0942).....	-2,148,000
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 response to budget revisions submitted by the Area Agencies on Aging.	
2. To the extent the United States enacts a minimum wage equal to or greater than that of California, state funding provided in this item for the Senior Community Service Employment Program shall revert to the General Fund.	
4170-101-0289—For local assistance, Department of Aging, for payment to Item 4170-101-0001, payable from the State HICAP Fund.....	1,418,000
4170-101-0890—For local assistance, Department of Aging, for payment to Item 4170-101-0001, payable from the Federal Trust Fund	132,402,000

Item	Amount
Provisions:	
1. Provision 1 of Item 4170-001-0890 is also applicable to this item.	
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 and Title VII 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.	
4170-103-0942—For local assistance, Department of Aging, for payment to Item 4170-101-0001, payable from the Federal Citation Penalties Account, Special Deposit Fund.....	2,148,000
Provisions:	
1. Notwithstanding any other provision of law, funds appropriated by this item shall be allocated by the Department of Aging to each local ombudsman program in accordance with a formula calculated on the number of beds in licensed skilled nursing home facilities in each program's area of service in proportion to the total number of beds in licensed skilled nursing homes in the state.	
4180-001-0983—For support of Commission on Aging, payable from the California Fund for Senior Citizens.....	263,000
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 balance of this item as well as the balance of prior year appropriations from the	

Item	Amount
California Fund for Senior Citizens may be carried over and expended in any following fiscal year.	
3. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures from the California Fund for Senior Citizens for the Commission on Aging 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.	
4180-002-0886—For support of Commission on Aging, payable from the California Seniors Special Fund	62,000
Provisions:	
1. Pursuant to Section 18773 of the Revenue and Taxation Code, the balance of this item as well as the balance of prior year appropriations from the California Seniors Special Fund may be carried over and expended in any following fiscal year.	
2. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures from the California Seniors Special Fund for the Commission on Aging 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.	
4180-002-0890—For support of Commission on Aging, payable from the Federal Trust Fund.....	286,000
4200-001-0001—For support of Department of Alcohol and Drug Programs.....	5,104,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	38,070,000
(2) 30.01-State Administration	10,918,000
(3) 30.02-State Administration— Distributed.....	-10,918,000
(4) Reimbursements.....	-4,352,000
(5) Amount payable from Driving-Under-the-Influence Program Licensing Trust Fund (Item 4200-001-0139).....	-1,573,000

Item	Amount
(6) Amount payable from Narcotic Treatment Program Licensing Trust Fund (Item 4200-001-0243).....	-1,550,000
(7) Amount payable from Audit Repayment Trust Fund (Item 4200-001-0816).....	-67,000
(8) Amount payable from the Federal Trust Fund (Item 4200-001-0890).....	-22,123,000
(9) Amount payable from Substance Abuse Treatment Trust Fund (Item 4200-001-3019)	-3,301,000
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	1,573,000
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.....	1,550,000
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.	

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4200-001-0367—For support of the Office of Problem and Pathological Gambling, payable from the Indian Gaming Special Distribution Fund to conduct a gambling prevalence study and implement a problem gambling prevention program.....	3,000,000
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	22,123,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4200-106-0890.	
2. Of the amount appropriated in this item, \$2,050,000 is available for information technology projects. These funds may not be expended without the prior approval of the required planning documents for technology projects by both the Department of Information Technology and the Department of Finance.	
4200-001-3019—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-0001, payable from the Substance Abuse Treatment Trust Fund.....	3,301,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to Section 11999.6 of the Health and Safety Code.	
2. Notwithstanding any other provision of law, the Department of Finance may authorize a loan from the General Fund to the Substance Abuse Treatment Trust Fund for administrative costs of the State Department of Alcohol and Drug Programs made necessary by the provisions of the Substance Abuse and Crime Prevention Act of 2000. The amounts so transferred are in augmentation of Item 4200-001-3019, as directed by the Department of Finance. The moneys shall be repaid to the General Fund without interest, from the next annual allocation of the Substance Abuse Treatment Trust Fund pursuant to Section 11999.6 of	

Item	Amount
the Health and Safety Code, prior to the distribution of trust funds to the counties and state departments.	
4200-017-0001—For support of Department of Alcohol and Drug Programs.....	988,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	1,975,000
(2) Reimbursements.....	-987,000
4200-101-0001—For local assistance, Department of Alcohol and Drug Programs	31,143,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	283,441,000
(2) Reimbursements.....	-13,595,000
(3) Amount payable from the Federal Trust Fund (Item 4200-101-0890)	-238,559,000
(4) Amount payable from Resident-Run Housing Revolving Fund (Item 4200-101-0977)	-144,000
Provisions:	
1. Upon approval by the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4200-001-0001, 4200-102-0001, 4200-103-0001, and 4200-104-0001. In determining which transfers are necessary pursuant to this provision, the director shall assess those programs and operations that have the most critical need. In making this assessment, the director shall consider such factors as caseload requirements, availability of personnel to provide essential services, other funding sources, and relevant information provided by affected state agencies. Approval of a transfer and the reasons therefor shall be 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 the appropriations at least 30 days prior to the effective date of the transfer.	
2. Upon approval by 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 Cali-	

Item	Amount
<p>fornia. 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.</p>	
<p>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.....</p>	238,559,000
<p>Provisions:</p>	
<p>1. Upon order of the Department of Finance, the Controller shall transfer funds as necessary between this item and Item 4200-001-0890. In determining which transfers are necessary pursuant to this provision, the director shall assess those programs and operations that have the most critical need. In making this assessment, the director shall consider such factors as caseload requirements, availability of personnel to provide essential services, other funding sources, and relevant information provided by affected state agencies. Approval of a transfer and the reasons therefor shall be 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 the appropriations at least 30 days prior to the effective date of the transfer.</p>	
<p>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.....</p>	144,000
<p>Provisions:</p>	
<p>1. To the extent that moneys available in the Resident-Run Housing Revolving Fund are less than the amount appropriated by this item, this appropriation shall be limited to that lesser amount.</p>	
<p>2. Notwithstanding any other provision of law, if revenues and loan repayments to the Resident-Run Housing Revolving Fund are sufficient to create addition 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</p>	

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<p>whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.</p> <p>4200-102-0001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs (Drug Medi-Cal)</p>	2,181,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	4,362,000
(2) Reimbursements.....	-2,181,000
Provisions:	
<p>1. Upon approval by the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4200-001-0001, 4200-101-0001, 4200-103-0001, and 4200-104-0001. In determining which transfers are necessary pursuant to this provision, the director shall assess those programs and operations that have the most critical need. In making this assessment, the director shall consider such factors as caseload requirements, availability of personnel to provide essential services, other funding sources, and relevant information provided by affected state agencies. Approval of a transfer and the reasons therefor shall be 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 the appropriations at least 30 days prior to the effective date of the transfer.</p> <p>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.</p> <p>3. 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.</p> <p>4. Notwithstanding subdivision (a) of Section 2.00 and Section 26.00, 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</p>	

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<p>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.</p>	
<p>4200-103-0001—For local assistance, Department of Alcohol and Drug Programs, Drug Medi-Cal Services</p>	52,566,000
<p>Schedule:</p>	
<p>(1) 15-Alcohol and Other Drug Services Program</p>	99,876,000
<p>(2) Reimbursements</p>	-47,310,000
<p>Provisions:</p>	
<p>1. Upon approval by the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4200-001-0001, 4200-101-0001, 4200-102-0001, and 4200-104-0001. In determining which transfers are necessary pursuant to this provision, the director shall assess those programs and operations that have the most critical need. In making this assessment, the director shall consider such factors as caseload requirements, availability of personnel to provide essential services, other funding sources, and relevant information provided by affected state agencies. Approval of a transfer and the reasons therefor shall be 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 the appropriations at least 30 days prior to the effective date of the transfer.</p>	
<p>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.</p>	
<p>3. Notwithstanding subdivision (a) of Section 2.00 and Section 26.00, 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</p>	

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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 program services, as defined in the Welfare and Institutions Code.

4200-104-0001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs 23,457,000

Schedule:

- (1) 15-Alcohol and Other Drug Services Program..... 40,511,000
- (2) Amount payable from the Federal Trust Fund (Item 4200-104-0890) .-17,054,000

Provisions:

- 1. Upon approval by the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Items 4200-001-0001, 4200-101-0001, 4200-102-0001, and 4200-103-0001. In determining which transfers are necessary pursuant to this provision, the director shall assess those programs and operations that have the most critical need. In making this assessment, the director shall consider such factors as caseload requirements, availability of personnel to provide essential services, other funding sources, and relevant information provided by affected state agencies. Approval of a transfer and the reasons therefor shall be 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 the appropriations at least 30 days prior to the effective date of the transfer.
- 2. Of the funds appropriated in this item, \$6,408,000 shall be used to fund existing residential perinatal treatment programs that were begun through federal Center for Substance Abuse Treatment grants

Item	Amount
<p>but whose grants have since expired and currently are constituted as Women and Children’s Residential Treatment Services. 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. Pursuant to Section 11840.1 of the Health and Safety Code, the treatment programs that were established through federal Center for Substance Abuse Treatment grants are not subject to the county 10-percent match. All of the funds allocated for programs shall be passed through those counties directly to the designated nine residential treatment programs in each county, respectively.</p>	
<p>3. Notwithstanding any specified amount in other provisions of this item, any general reduction in this item shall be made proportionately between the Women and Children’s Residential Treatment Services and other perinatal programs.</p>	
<p>4200-104-0890—For support of Department of Alcohol and Drug Programs, for payments to Item 4200-104-0001, payable from the Federal Trust Fund</p>	17,054,000
<p>4220-001-0001—For support of Child Development Policy Advisory Committee appointed pursuant to Section 8286 of the Education Code</p>	367,000
<p>Schedule:</p>	
<p>(1) 10-Child Development Policy Advisory Committee</p>	668,000
<p>(2) Reimbursements</p>	-301,000
<p>4260-001-0001—For support of Department of Health Services</p>	238,352,000
<p>Schedule:</p>	
<p>(1) 10-Public and Environmental Health</p>	261,552,000
<p>(2) 20-Health Care Services</p>	532,790,000
<p>(4) 30.01-Departmental Administration.....</p>	44,754,000
<p>(5) 30.02-Departmental Administration Distributed.....</p>	-41,335,000
<p>(6) Reimbursements</p>	-32,941,000
<p>(7) Amount payable from the Breast Cancer Research Account (Item 4260-001-0007)</p>	-1,581,000

Item	Amount
(8) Amount payable from the Breast Cancer Control Account (Item 4260-001-0009)	-7,025,000
(9) Amount payable from the Nuclear Planning Assessment Special Account (Item 4260-001-0029).....	-628,000
(10) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-0044)...	-1,004,000
(11) Amount payable from the Sale of Tobacco to Minors Control Account (Item 4260-001-0066).....	-2,278,000
(12) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 4260-001-0070).....	-2,645,000
(13) Amount payable from the Medical Waste Management Fund (Item 4260-001-0074)	-1,062,000
(14) Amount payable from the Radiation Control Fund (Item 4260-001-0075).....	-17,768,000
(15) Amount payable from the Tissue Bank License Fund (Item 4260-001-0076).....	-166,000
(16) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-0080).....	-10,090,000
(17) Amount payable from the Export Document Program Fund (Item 4260-001-0082)	-138,000
(18) Amount payable from the Clinical Laboratory Improvement Fund (Item 4260-001-0098)	-3,771,000
(19) Amount payable from the Health Statistics Special Fund (Item 4260-001-0099).....	-15,945,000
(20) Amount payable from the Wine Safety Fund (Item 4260-001-0116).....	-49,000
(21) Amount payable from the Water Device Certification Special Account (Item 4260-001-0129).....	-183,000
(22) Amount payable from the Food Safety Fund (Item 4260-001-0177).....	-4,076,000

Item	Amount
(23) Amount payable from the Environmental Laboratory Improvement Fund (Item 4260-001-0179).....	-3,360,000
(25) Amount payable from the Genetic Disease Testing Fund (Item 4260-001-0203).....	-64,281,000
(26) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0231)	-4,820,000
(27) Amount payable from the Research Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0234)	-4,738,000
(28) Amount payable from Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0236).....	-2,728,000
(29) Amount payable from Drinking Water Operator Certification Special Account (Item 4260-001-0247).....	-1,175,000
(30) Amount payable from Nursing Home Administrator's State License Examining Fund (Item 4260-001-0260).....	-464,000
(31) Amount payable from the Safe Drinking Water Account (Item 4260-001-0306)	-8,048,000
(33) Amount payable from the Registered Environmental Health Specialist Fund (Item 4260-001-0335).....	-220,000
(34) Amount payable from the Mosquito-borne Disease Surveillance Account (Item 4260-001-0478).....	-36,000
(35) Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-001-0622).....	-578,000
(36) Amount payable from the Domestic Violence Training and Education Fund (Item 4260-001-0642)...	-751,000
(37) Amount payable from the Emergency Services and Supplemental Payments Fund (Item 4260-001-0693).....	-128,000

Item	Amount
(38) Amount payable from the California Alzheimer's and Related Disorders Research Fund (Item 4260-001-0823).....	-742,000
(39) Amount payable from the Medical Inpatient Payment Adjustment Fund (Item 4260-001-0834).....	-3,155,000
(40) Amount payable from the Federal Trust Fund (Item 4260-001-0890)	-362,777,000
(41) Amount payable from the Birth Defects Research Fund (Item 4260-001-0919)	-402,000
(42) Amount payable from the Drug and Device Safety Fund (Item 4260-001-3018)	-993,000
(43) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4260-001-6031)	-2,105,000
(43.1) Amount payable from the Asthma and Lung Disease Research Fund (Item 4260-001-8003).....	-183,000
(44) Amount payable from the Lupus Foundation of America Fund (Item 4260-001-8006)	-250,000

Provisions:

1. 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 2003–04 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.

The General Fund fees of the State Department of Health Services (DHS) that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100425 of the Health and Safety Code shall be increased by 1.51 percent. The special fund fees of DHS that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100425 of the Health and Safety Code may be increased by 1.51 percent only if the fund condition statements project fund reserves to be less than

Item	Amount
<p>10 percent and the revenues projected for the 2002–03 fiscal year are less than the appropriation contained in this act.</p> <p>2. Effective July 1, 2003, the annual fee for a general acute care hospital, acute psychiatric hospital, special hospital, general acute care rehabilitation hospital and chemical dependency recovery hospital shall be \$132.01 per bed. Effective July 1, 2003, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is \$235.65 per bed.</p> <p style="padding-left: 2em;">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 0.21 percent, effective July 1, 2003.</p> <p style="padding-left: 2em;">Notwithstanding subdivision (b) of Section 100450 of the Health and Safety Code, departmental fees that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100450 of the Health and Safety Code shall not be increased for the 2003–04 fiscal year.</p> <p>3. The Department of Health Services may spend up to \$631,000 appropriated in this item to augment Lead-Related Construction Program regulatory activities. The amount spent shall be entirely supported by revenue collections above 1999–00 fee receipts.</p> <p>5. Provision 4 of Item 4260-111-0001 also applies to this item.</p> <p>6. The Department of Health Services shall limit expenditures in this item to implement the Uniform Anatomical Gift Act (Chapter 819, Statutes of 2000) to the amount of actual fees collected from tissue banks.</p> <p>7. Of the amount appropriated in this item, up to \$2,732,700 shall be available no sooner than 30 days after notification to the Joint Legislative Budget Committee and the Legislature’s fiscal committees is provided by the Department of Finance of its review and acceptance of an independent legal evaluation of the proposed contract for the Genetic Disease Branch Screening Information System. The independent legal review shall include, but is not limited to, evaluations of the state’s contractual legal protections, the contrac-</p>	

Item

Amount

- tor's obligations to comply with the Health Information Portability and Accountability Act (HIPAA), alternatives to reduce contract costs, and the proposed automation solution's compliance to the HIPAA. The independent legal review shall be provided to the Department of General Services, Office of Legal Services.
8. All loans, including accrued interest, made from the General Fund to the Low-Level Radioactive Waste Disposal Fund are deemed uncollectible. The fund is hereby relieved of its obligation of repayment, principal and interest. Repayment was to be made from the fees collected at the Ward Valley low-level radioactive waste disposal facility once operational. The Ward Valley site is no longer available for development of the disposal facility and therefore no fees will be collected.
 9. Of the amount appropriated in this item, \$5,000,000 shall be made available for the Prostate Cancer Treatment Program, and shall be available for encumbrance through June 30, 2005, and expenditure through December 31, 2006.
 10. \$7,380,000 of the funds appropriated in this item are intended to pay the General Fund portion of annual rents for the Capitol East End Office Complex.
 11. Effective February 1, 2004, the Department of Health Services shall report semiannually in writing on the results of the additional positions established under the 2003 Medi-Cal Anti-Fraud Initiative to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee. The report shall include the results of the error rate study and random claim sampling process, the number of positions filled by division, and, for each of the components of the initiative, the amount of savings and cost avoidance achieved and estimated, the number of providers sanctioned, and the number of claims and beneficiary records reviewed.
 12. It is the intent of the Legislature that any funds expended for the Infant Botulism Program shall be considered state support funds for the purposes of allocating any federal funds associated with bioterrorism and related matters.

Item	Amount
13. Of the amount appropriated in this item, \$750,000 shall be used for Valley Fever Research and vaccine-related activities.	
14. Of the amount appropriated in this item, \$3,125,000 shall be used for Cancer Research.	
4260-001-0007—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Breast Cancer Research Account	1,581,000
4260-001-0009—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Breast Cancer Control Account.....	7,025,000
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	628,000
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.....	1,004,000
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.....	2,278,000
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.	
4260-001-0070—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Occupational Lead Poisoning Prevention Account.....	2,645,000
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.	
4260-001-0074—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Medical Waste Management Fund	1,062,000
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.	

Item	Amount
4260-001-0075—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Radiation Control Fund	17,768,000
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.	
4260-001-0076—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Tissue Bank License Fund	166,000
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	10,090,000
Provisions:	
1. It is the intent of the Legislature that the department prepare a special project report and receive approval of that report from the Department of Finance prior to continued development of the RASSCLE II project.	
4260-001-0082—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Export Document Program Fund	138,000
4260-001-0098—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Clinical Laboratory Improvement Fund	3,771,000
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.	
4260-001-0099—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Health Statistics Special Fund.....	15,945,000
4260-001-0116—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Wine Safety Fund	49,000
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.....	183,000
4260-001-0177—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Food Safety Fund.....	4,076,000

Item	Amount
4260-001-0179—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Environmental Laboratory Improvement Fund.....	3,360,000
4260-001-0203—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Genetic Disease Testing Fund.....	64,281,000
Provisions:	
1. The loan provided by Item 4260-011-0001, Budget Act of 2002, to the Genetic Disease Testing Fund shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Principal and interest earned on the loan shall be repaid in full no later than June 30, 2009.	
2. On or before July 15, 2003, the Department of Health Services shall provide to the chairpersons of the budget committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee an updated project schedule and cost estimates for the Genetic Disease Branch Screening Information System.	
3. Beginning October 1, 2003, the Department of Health Services shall provide, on a quarterly basis, to the chairpersons of the budget committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee, the following:	
(a) Copies of the monthly status and oversight reports submitted to the Department of Finance for the Genetic Disease Branch Screening Information System.	
(b) A financial summary of the project, including, but not limited to, expenditures, revenues, and the overall condition of the Genetic Disease Testing Fund.	
4. On or before April 1, 2004, the Department of Finance shall provide to the chairpersons of the budget committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee an oversight report on the Department of Health Services' Genetic Disease Branch Screening Information System Project. The report shall include, but is not limited to, an overall project status report identifying the project's accomplishments and remaining activities, an assessment of the project's ability to meet critical	

Item	Amount
<p>deadlines, and actions the administration has taken or proposes to take to address issues identified by the project’s independent oversight consultant.</p>	
<p>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</p>	4,820,000
<p>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.....</p>	4,738,000
<p>Provisions:</p>	
<p>1. Of the funds appropriated in this item, \$500,000 shall be available for population-based cancer research and surveillance, and \$500,000 shall be available for cancer registry data collection.</p>	
<p>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.....</p>	2,728,000
<p>4260-001-0247—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Drinking Water Operator Certification Special Account.....</p>	1,175,000
<p>4260-001-0260—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Nursing Home Administrator’s State License Examining Fund.....</p>	464,000
<p>4260-001-0306—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Safe Drinking Water Account</p>	8,048,000
<p>Provisions:</p>	
<p>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.</p>	
<p>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</p>	220,000
<p>4260-001-0478—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Mosquitoborne Disease Surveillance Account</p>	36,000

Item	Amount
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.....	578,000
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	751,000
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.....	128,000
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.	
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	742,000
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.....	3,155,000
4260-001-0890—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Federal Trust Fund.....	362,777,000
Provisions:	
1. Of the funds appropriated in this item, \$54,014,000 shall be available for administration, research, and training projects. Notwithstanding	

Item	Amount
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. \$5,531,000 of the funds appropriated in this item are intended to pay the federal fund portion of annual rents for the Capitol East End Office Complex.	
3. The Department of Finance may authorize the transfer of amounts between this item and Item 4260-111-0890 to reflect modifications in the use of federal bioterrorism grants. The funds may not be approved 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 and the Chairperson of the Joint Legislative Budget Committee, or no sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.	
4260-001-0919—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Birth Defects Research Fund	402,000
4260-001-3018—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Drug and Device Safety Fund.....	993,000
4260-001-6031—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	2,105,000
Provisions:	
1. The funds available in this item are intended to provide support costs pursuant to the Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 (Proposition 50), associated with statewide water security improvements and the provision of safe drinking water grants and loans to local water agencies.	
4260-001-8003—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Asthma and Lung Disease Research Fund	183,000
Provisions:	
1. The funds appropriated in this item are for allocation to the American Lung Association of California, pursuant to Section 18833 of the Revenue	

Item	Amount
and Taxation Code, for research of specified lung diseases and asthma.	
4260-001-8006—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Lupus Foundation of America, California Chapters Fund	250,000
4260-002-0942—For support of Department of Health Services, payable from the Health Facilities Citation Penalties Account, Special Deposit Fund	5,002,000
4260-003-0001—For support of Department of Health Services, for rental payments on lease-revenue bonds (Richmond Laboratory).....	10,318,000
Schedule:	
(1) Base Rental and Fees	10,843,000
(2) Reimbursements	-525,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
4260-003-0044—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Motor Vehicle Account, State Transportation Fund	314,000
Schedule:	
(1) Base Rental and Fees	312,000
(2) Insurance	2,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
4260-003-0080—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Childhood Lead Poisoning Prevention Fund	198,000
Schedule:	
(1) Base Rental and Fees	197,000
(2) Insurance	1,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule	

Item	Amount
<p>shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.</p>	
<p>4260-003-0098—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Clinical Lab Improvement Fund</p>	82,000
<p>Schedule:</p>	
<p>(1) Base Rental.....</p>	82,000
<p>Provisions:</p>	
<p>1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.</p>	
<p>4260-003-0179—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Environmental Laboratory Improvement Fund</p>	4,000
<p>Schedule:</p>	
<p>(1) Base Rental.....</p>	4,000
<p>Provisions:</p>	
<p>1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.</p>	
<p>4260-003-0203—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Genetic Disease Testing Fund</p>	2,380,000
<p>Schedule:</p>	
<p>(1) Base Rental and Fees</p>	2,367,000
<p>(2) Insurance</p>	13,000
<p>Provisions:</p>	
<p>1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.</p>	
<p>4260-003-0890—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Federal Trust Fund.....</p>	48,000

Item	Amount
Schedule:	
(1) Base Rental.....	48,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
4260-003-0942—For support of Department of Health Services, payable from the Federal Citation Penalties Account, Special Deposit Fund	932,000
4260-004-0942—For support of Department of Health Services, payable from the Local Education Agency Medi-Cal Recovery Account, Special Deposit Fund	1,500,000
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.	
4260-010-0942—For transfer by the Controller from the Special Deposit Fund to the General Fund	(4,700,000)
Provisions:	
1. The Controller shall transfer to the General Fund the unencumbered funds as of June 30, 2003, of Special Deposit Fund number 0942-14 to the General Fund and terminate the 0942-14 account.	
4260-010-3020—For transfer by the Controller, from the Tobacco Settlement Fund, to the General Fund.....	(6,000,000)
4260-011-0001—For transfer by the Controller to the Genetic Disease Testing Fund	(5,300,000)
Provisions:	
1. The amount transferred by this item is a loan to the Genetic Disease Testing Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer. Principal and interest earned on the loan shall be repaid in full no later than June 30, 2009.	
4260-011-0622—For transfer by the Controller, upon order of the Director of Finance, from the Drinking Water Treatment and Fund, to the General Fund.....	(1,000,000)

Item	Amount
4260-011-0942—For support of Department of Health Services for the Gynecological Cancer Information Program, payable from the Nine West Settlement Special Deposit Fund.....	192,000
4260-012-0099—For transfer by the Controller, upon order of the Director of Finance, from the Health Statistics Special Fund, to the General Fund	(1,000,000)
4260-017-0001—For support of the Department of Health Services, for implementation of the Health Insurance Portability and Accountability Act	6,925,000
Schedule:	
(1) 10-Public and Environmental Health.....	440,000
(2) 20-Health Care Services	22,690,000
(3) Amount payable from the Genetic Disease Testing Fund (Item 4260-017-0203)	-2,183,000
(4) Amount payable from Federal Trust Fund (Item 4260-017-0890).....	-14,022,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in Control Section 17.00. These funds are to be used in support of compliance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.	
4260-017-0203—For support of Department of Health Services, for payment to Item 4260-017-0001, payable from the Genetic Disease Testing Fund, for implementation of the Health Insurance Portability and Accountability Act	2,183,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in Control Section 17.00. These funds are to be used in support of compliance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.	
4260-017-0890—For support of Department of Health Services, for payment to Item 4260-017-0001, payable from the Federal Trust Fund, for implementation of the Health Insurance Portability and Accountability Act	14,022,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in Control Section 17.00. These funds are to be used in support of compli-	

Item	Amount
ance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.	
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	10,432,537,000
Schedule:	
(1) 20.10.010-Eligibility (County Administration).....	1,970,049,000
(2) 20.10.020-Fiscal Intermediary Management	243,349,000
(3) 20.10.030-Benefits (Medical Care and Services).....	24,641,146,000
(4) Reimbursements	-1,049,000
(5) Amount payable from the Federal Trust Fund (Item 4260-101-0890)	-16,409,608,000
(7) Amount payable from Federal Trust Fund (Item 4260-103-0890).....	-11,350,000
Provisions:	
1. The aggregate principal amount of disproportionate share hospital general obligation debt that may be issued in the 2003–04 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 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.	

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<p>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.</p> <p>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; 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 by the Department of Finance.</p> <p>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.</p> <p>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 Commit-</p>	

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tee. 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. 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 (1), (2), (3) and Schedule (4). Schedule (4) 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 10 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.
11. To ensure the successful and timely completion of the programming of the Statewide Automated Welfare System Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium system to implement

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the Medi-Cal Section 1931(b) eligibility program category, the Continuous Eligibility for Children program category, and Medi-Cal Mail-In Applications, Los Angeles County shall ensure completion of the following within the timeframe specified for each:

- (a) Successful completion of Contract Amendment Number Six, Group 1 Design Specifications: Two months from enactment of the Budget Act of 2003.
- (b) Successful completion of Contract Amendment Number Six, Group 1 Code/Unit Testing: Four months from enactment of the Budget Act of 2003.
- (c) Successful completion of Contract Amendment Number Six, Group 1 System and Regression Testing: Five months from enactment of the Budget Act of 2003.
- (d) Successful completion of Contract Amendment Number Six, Group 2 Design Specifications: Five months from enactment of the Budget Act of 2003.
- (e) Successful completion of Contract Amendment Number Six, Group 2 Code/Unit Testing: Nine months from enactment of the Budget Act of 2003.
- (f) Successful completion of Contract Amendment Number Six, Group 2 System and Regression Testing: Twelve months from enactment of the Budget Act of 2003.

The Department of Health Services shall conduct regular review meetings with Los Angeles County regarding the progress of the required LEADER programming. If the department determines that any of the required steps described above are delayed by more than 90 days from the above schedule, the department shall notify the chairperson of the committee in each house that considers appropriations, the Chairperson of the Joint Legislative Budget Committee, and the Los Angeles County Board of Supervisors to request that prompt and effective corrective action is taken. Before issuing such notice, the department shall inform the Director of the Los Angeles County Department of Public Social Services and attempt to implement an immediate resolution.

Item	Amount
12. The Department of Health Services shall study the viability of contracting with business entities regarding the identification of Medi-Cal fraud activities, as well as the collection and recovery of payments owed to the state for such fraudulent activities.	
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.....	16,566,448,000
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.....	53,598,000
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.....	53,598,000
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	11,350,000
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.....	431,595,000
Schedule:	
(1) 10.10.010-Vital Records Improvement Project	300,000
(2) 10.20.010-Environmental Management.....	25,985,000
(3) 10.20.040-Drinking Water.....	98,454,000

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(4) 10.30.030-Childhood Lead Poisoning Prevention	11,000,000
(5) 10.30.040-Chronic Diseases.....	113,817,000
(6) 10.30.050-Communicable Disease Control	61,211,000
(7) 10.30.060-AIDS	310,400,000
(8) 20.40-Primary Care and Family Health.....	1,607,093,000
(10) Reimbursements.....	-102,516,000
(11) Amount payable from the Breast Cancer Control Account (Item 4260-111-0009).....	-7,091,000
(13) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-111-0080).....	-14,500,000
(14) Amount payable from the Health Statistics Special Fund (Item 4260-111-0099)	-510,000
(14.5) Amount payable from the California Health Data and Planning Fund (Item 4260-111-0143).....	-200,000
(15) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0231).....	-57,319,000
(15.2) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0232).....	-33,462,000
(15.4) Amount payable from the Physicians Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233).....	-2,213,000
(16) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236).....	-40,717,000
(17) Amount payable from the Child Health and Safety Fund (Item 4260-111-0279).....	-491,000
(18) Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-111-0622).....	-4,374,000
(19) Amount payable from the Domestic Violence Training and Education Fund (Item 4260-111-0642)...	-1,050,000

Item		Amount
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| (20) | Amount payable from the Federal Trust Fund (Item 4260-111-0890) | -1,175,804,000 |
| (21) | Amount payable from WIC Manufacturer Rebate Fund (Item 4260-111-3023)..... | -262,401,000 |
| (22) | Amount payable from the Water Security, Clean Drinking Water, Coastal, and Beach Protection Act of 2002 Fund (Item 4260-111-6031) | -94,017,000 |

Provisions:

1. 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.
2. Program 20.40-Primary Care and Family Health:
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.
3. 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.
4. Using \$20,000,000 in available one-time federal funds (reimbursements from the Department of Social Services), the funds appropriated in Schedule (5) of Item 4260-001-0001 (\$988,000) and Schedule (10) of Item 4260-111-0001

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(\$19,012,000) are for expenditure in the 2003–04 fiscal year to continue the Community Challenge Grant Program.	
5. It is the intent of the Legislature that counties should provide consideration to existing health care systems to continue funding for seasonal agricultural and migratory farm-worker clinic programs that had contracts with the state before State-Local Realignment. These clinics provide important public health safety net programs to rural and migratory clients who lack the transportation and other resources to seek and receive health care in larger cities and communities.	
6. Of the amount appropriated in this item for the HIV Therapeutic Monitoring Program, up to \$7,000,000 may be transferred by the department to the AIDS Drug Assistance Program for expenditure.	
4260-111-0009—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Breast Cancer Control Account	7,091,000
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	14,500,000
4260-111-0099—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Health Statistics Special Fund	510,000
4260-111-0143—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the California Health Data and Planning Fund	200,000
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	57,319,000
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 Product Surtax Fund	33,462,000
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	2,213,000

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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	40,717,000
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
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	4,374,000
4260-111-0642—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Domestic Violence Training and Education Fund.....	1,050,000
4260-111-0890—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Federal Trust Fund.....	1,175,804,000
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.	
4260-111-3023—For local assistance, State Department of Health Services, for payment to Item 4260-111-0001, payable from the WIC Manufacturer Rebate Fund	262,401,000
4260-111-6031—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Water Security, Clean Drinking Water, Coastal, and Beach Protection Fund of 2002	94,017,000
4260-113-0001—For local assistance, Department of Health Services, for the Healthy Families Program (Medi-Cal)	27,969,000
Schedule:	
(1) 20.10.010-Eligibility (County Administration)	4,123,000
(2) 20.10.020-Fiscal Intermediary Management	113,000
(3) 20.10.030-Benefits (Medical Care and Services).....	89,421,000

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(4)	Amount payable from the Federal Trust Fund (Item 4260-113-0890).....	-65,688,000
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Provisions:

1. 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 (1), (2), and (3). Schedule (4) may be used for the liquidation of prior years' excess obligations of Item 4260-113-0001.

The Director of Finance shall notify the Legislature within 10 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.

4260-113-0890—	For local assistance, Department of Health Services, for payment to Item 4260-113-0001, payable from the Federal Trust Fund	65,688,000
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4260-115-0890—	For transfer by the Controller from the Federal Trust Fund to the Safe Drinking Water State Revolving Loan Fund	125,461,000
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4260-115-6031—	For transfer by the Controller from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 to the Safe Drinking Water State Revolving Loan Fund.....	21,000,000
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4260-116-0890—	For transfer by the Controller to various federal funds	(12,128,000)
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Provisions:

1. Pursuant to Chapter 734, Statutes of 1997, the Department of Health Services may transfer funds appropriated in this item to the Administrative Account of the Safe Drinking Water State Revolving Fund (0625), Water System Reliability Account of the Safe Drinking Water State Revolving Fund (0626), Source Protection Account of the Safe Drinking Water State Revolving Fund (0627), Small System Technical Assistance Account of the Safe Drinking Water State Revolving Fund (0628), and Safe Drinking Water State Revolving Fund (0629) for the purpose of administering the California Safe Drinking Water Act. In addition, the Department of Health Services may transfer funds between the above-mentioned funds.

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2. Upon notification to the Department of Finance, the Department of Health Services may increase the amount appropriated in this item for transfer to the funds cited in Provision 1.	
4260-117-0001—For local assistance, Department of Health Services, for implementation of the Health Insurance Portability and Accountability Act	7,483,000
Schedule:	
(1) 20.10.010-Eligibility (County Administration)	3,218,000
(2) 20.10.020-Fiscal Intermediary Management	37,878,000
(4) Amount payable from the Federal Trust Fund (Item 4260-117-0890).—	33,613,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in Section 17.00 of this act. These funds are to be used in support of compliance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.	
4260-117-0890—For local assistance, Department of Health Services, for payment to Item 4260-117-0001, payable from the Federal Trust Fund, for implementation of the Health Insurance Portability and Accountability Act	33,613,000
Provisions:	
1. The funding appropriated in this item is limited to the amount specified in Control Section 17.00. These funds are to be used in support of compliance activities related to the federal Health Insurance Portability and Accountability Act (HIPAA) of 1996.	
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 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 disbursement by the State Controller	4,000
Schedule:	
(1) 98.01.026.891-SIDS Contacts by Local Health Officers (Ch. 268, Stats. 1991)	0
(2) 98.01.045.374-SIDS Notices (Ch. 453, Stats. 1974).....	0

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(3) 98.01.091.692-Pacific Beach Safety (Ch. 916, Stats. 1992)	0
(4) 98.01.095.589-SIDS Autopsies (Ch. 955, Stats. 1989)	1,000
(5) 98.01.108.888-AIDS Search War- rants (Ch. 1088, Stats. 1988)	1,000
(6) 98.01.116.381-Medi-Cal Benefi- ciary Death Notices (Ch. 102, Stats. 1981 and Ch. 1163, Stats. 1981)	1,000
(7) 98.01.159.788-Inmates AIDS Test- ing (Ch. 1597, Stats. 1988)	0
(8) 98.01.160.390-Perinatal services for alcohol/drug exposed infants (Ch. 1603, Stats. 1990)	1,000
(9) 98.01.111.189-SIDS Training for Firefighters (Ch. 1111, Stats. 1989)	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 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

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<p>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 2003–04 fiscal year:</p> <ol style="list-style-type: none"> (1) SIDS Contacts by Local Health Officers (Ch. 268, Stats. 1991) (2) SIDS Notices (Ch. 453, Stats. 1974) (3) SIDS Autopsies (Ch. 955, Stats. 1989) (4) Inmate AIDS testing (Ch. 1597, Stats. 1988) (5) SIDS Training for Firefighters (Ch. 1111, Stats. 1989) 	
<p>4260-401—Approximately \$3.4 million General Fund has been loaned to the Department of Health Services (DHS), Botulism Treatment and Prevention Fund, pursuant to Health and Safety Code, Section 123707 to support the development of the Botulism Immunoglobulin (BIG) vaccine. This loan was to be fully repaid once BIG was approved and licensed by the U.S. Food and Drug Administration. Licensure has not been secured and is no longer being pursued by the DHS. In recognition of the loss to the General Fund, a reduction of \$500,000 has been made in Item 4260-001-0001, Program 10, Public and Environmental Health. These funds will be restored after the debt to the General Fund has been satisfied.</p>	
<p>4260-490—Reappropriation, Department of Health Services. Notwithstanding any other provision of law, the balance of the funds for the appropriations provided in the following citations are reappropriated for expenditure pursuant to the following provisions and are available for expenditure until June 30, 2004:</p> <p>0001—General Fund</p> <ol style="list-style-type: none"> (1) Item 4260-101-0001, Budget Act of 2002 (Ch. 379, Stats. 2002) <p>0080—Childhood Lead Poisoning Prevention Fund</p> <ol style="list-style-type: none"> (1) Item 4260-001-0080, Budget Act of 2002 (Ch. 379, Stats. 2002). The amount of \$1,043,000 is reappropriated for the Response and Surveillance System for Childhood Lead Poisoning. <p>0890—Federal Trust Fund</p> <ol style="list-style-type: none"> (1) Item 4260-101-0890, Budget Act of 2002 (Ch. 379, Stats. 2002) <p>Provisions:</p> <ol style="list-style-type: none"> 1. It is the intent of this item to continue funding approved activities for the automation projects that, due to schedule changes, result in unexpended appropriations one year and the need for additional 	

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funding in the following year. Therefore, notwithstanding any other provision of law, the balance of the appropriations for these automation projects may, upon approval of the Department of Finance, be reappropriated for transfer to and in augmentation of the corresponding items in this act. The funds reappropriated by this provision shall be made available consistent with the amount approved by the Department of Finance based on an approved special project report or equivalent document 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 the Joint Legislative Budget Committee.

4260-491—Reappropriation, Department of Health 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, 2004, as specified.

0001—General Fund

(1) Item 4260-001-0001, Budget Act of 2000, (Ch. 52, Stats. 2000) Schedule (1) 10—Public and Environmental Health. The balance of the \$250,000 for the interagency agreement or contract for the planning and development of a scientific protocol for the study of the effect of diet on the disease management of multiple sclerosis is reappropriated for the program in the 2003–04 fiscal year, subject to the limitations provided in the appropriation.

0203—Genetic Disease Testing Fund

(1) The balance of the \$2,617,000 appropriation for genetic testing by use of tandem mass Spectrography as authorized in Chapter 803, Statutes of 2000, is reappropriated for the program in the 2003–04 fiscal year, subject to the limitations provided in the appropriation.

0589—Cancer Research Fund

(1) Item 4260-001-0589, Budget Act of 2002 (Ch. 379, Stats. 2002). Funds appropriated in this item for the Cancer Research Program are made available for the 2003–04 fiscal year, subject to the provisions for the appropriation, and shall be

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continuously appropriated without regard to fiscal year until such time that each project currently funded has fulfilled their contractual obligation with the Department of Health Services.	
3020—Tobacco Settlement Fund	
(1) Item 4260-001-3020, Budget Act of 2001 (Ch. 106, Stats. 2001). Notwithstanding any other provision of law, the balance as of June 30, 2003, for the Prostate Cancer Treatment Program is reappropriated and is available for expenditure through June 30, 2004.	
(2) Item 4260-001-3020, Budget Act of 2002 (Ch. 379, Stats. 2002). The balance of the \$10,000,000 for the Prostate Cancer Treatment Program is reappropriated for the program in the 2003–04 fiscal year, subject to the limitations provided in the appropriation and is available for expenditure through June 30, 2004.	
4260-492—Reappropriation, Department of Health Services. The balance of the appropriation provided in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in that appropriation:	
0660—Public Buildings Construction Fund	
Item 4260-301-0660, Budget Act of 1998 (Ch. 324, Stats. 1998)	
(1) 94.60.040-Phase II Replacement Laboratory Facilities, Richmond—Construction	
4260-495—Reversion, Department of Health Services. As of June 30, 2003, the sum of \$6,000,000 from the appropriation provided in the following citation shall revert to the General Fund:	
3020—Tobacco Settlement Fund	
(1) Item 4260-111-3020, Budget Act of 2002 (Ch. 379, Stats. 2002).	
4270-001-0001—For support, California Medical Assistance Commission	1,132,000
Schedule:	
(1) 10-California Medical Assistance Commission.....	2,446,000
(2) Reimbursements.....	-1,223,000
(3) Amount payable from Emergency Services and Supplemental Payments Fund (Item 4270-001-0693).....	-91,000

Item	Amount
4270-001-0693—For support, California Medical Assistance Commission, for payment to Item 4270-001-0001, payable from the Emergency Services and Supplemental Payments Fund.....	91,000
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 California Medical Assistance 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.	
4280-001-0001—For support of Managed Risk Medical Insurance Board	1,705,000
Schedule:	
(1) 10-Major Risk Medical Insurance Program.....	938,000
(2) 20-Access for Infants and Mothers Program.....	991,000
(3) 40-Healthy Families Program	5,263,000
(3.5) 50-Children’s Health Initiative Matching Fund Program	280,000
(4) Reimbursements.....	-149,000
(5) Amount payable from Perinatal Insurance Fund (Item 4280-001-0309).....	-991,000
(6) Amount payable from Major Risk Medical Insurance Fund (Item 4280-001-0313)	-938,000
(7) Amount payable from Federal Trust Fund (Item 4280-001-0890).....	-3,409,000
(8) Amount payable from Federal Trust Fund (Item 4280-003-0890).....	-182,000

Item	Amount
(9) Amount payable from Children’s Health Initiative Matching Fund (Item 4280-003-3055)	-98,000
Provisions:	
1. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4280-103-0890 or Item 4280-103-3055 in order to effectively administer the County Health Initiative Matching Fund program.	
2. To provide for the effective use of federal State Children’s Health Insurance Program funds in the County Health Initiative Matching Fund program, notwithstanding Sections 27.00 and 28.00 of this act, this item may be reduced or increased by the Department of Finance not 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. This provision shall not apply to any General Fund increases or reductions.	
4280-001-0309—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from the Perinatal Insurance Fund....	991,000
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, for payment to Item 4280-001-0001, payable from the Major Risk Medical Insurance Fund	938,000
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.	

Item	Amount
4280-001-0890—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from Federal Trust Fund, for Healthy Families Program	3,409,000
4280-003-0890—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from Federal Trust Fund, for Children’s Health Initiative Matching Fund Program.....	182,000
Provisions:	
1. Provisions 1 and 2 of Item 4280-001-0001 also apply to this item.	
4280-003-3055—For support of Managed Risk Medical Insurance Board, for payment of Item 4280-001-0001, payable from Children’s Health Initiative Matching Fund, for Children’s Health Initiative Matching Fund Program	98,000
Provisions:	
1. Provisions 1 and 2 of Item 4280-001-0001 also apply to this item.	
4280-101-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program	279,333,000
Schedule:	
(1) 20-Access for Infants and Mothers Program.....	22,006,000
(2) 40-Healthy Families Program	738,367,000
(2.5) Reimbursements	-950,000
(3) Amount payable from the Federal Trust Fund (Item 4280-101-0890)	-480,090,000
Provisions:	
1. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4280-102-0001 in order to effectively administer the Healthy Families Program.	
4280-101-0890—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-101-0001, payable from the Federal Trust Fund, for the Healthy Families Program.....	480,090,000
Provisions:	
1. Upon order of the Director of Finance, the State Controller shall transfer such funds, as are necessary between this item and Item 4280-102-0890 in order to effectively administer the Healthy Families Program.	

Item	Amount
4280-102-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program administrative contracts.....	22,713,000
Schedule:	
(1) 40-Healthy Families Program	58,822,000
(2) Reimbursements	-7,658,000
(3) Amount payable from the Federal Trust Fund (Item 4280-102-0890)	-28,451,000
Provisions:	
1. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4280-101-0001 in order to effectively administer the Healthy Families Program.	
4280-102-0890—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-102-0001, payable from the Federal Trust Fund, for Healthy Families Program administrative contracts.....	28,451,000
Provisions:	
1. Upon order of the Director of Finance, the State Controller shall transfer such funds, as are necessary between this item and Item 4280-101-0890 in order to effectively administer the Healthy Families Program.	
4280-103-0890—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-103-3055, payable from the Federal Trust Fund, for the Children’s Health Initiative Matching Fund Program	99,818,000
Provisions:	
1. Provisions 1, 2, and 3 of Item 4280-103-3055 also apply to this item.	
4280-103-3055—For local assistance, Managed Risk Medical Insurance Board, for the Children’s Health Initiative Matching Fund Program.....	53,748,000
Schedule:	
(1) 50-Children’s Health Initiative Matching Fund Program.....	153,566,000
(2) Amount payable from Federal Trust Fund (Item 4280-103-0890).....	-99,818,000
Provisions:	
1. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4280-003-0890 or Item 4280-003-3055 in order to effectively ad-	

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minister the County Health Initiative Matching Fund program. The Department of Finance may also authorize the establishment of positions in order to allow the Managed Risk Medical Insurance Board to effectively administer the County Health Initiative Matching Fund program.

- 2. Funds in this item are subject to the availability, as determined by the Department of Finance, of federal State Children’s Health Insurance Program funds not needed for state-funded health programs, including, but not limited to, the Healthy Families Program and, as funded by the federal State Children’s Health Insurance Program, the Access for Infants and Mothers Program and the Medi-Cal Program. To determine the availability of funds, all entities participating in the County Health Initiative Matching Fund program shall submit, on or before August 1 and February 1 of each year, an estimate of expenditures under this item to the Managed Risk Medical Insurance Board. The Managed Risk Medical Insurance Board shall submit, by September 10 and March 1 of each year, an estimate of expenditures under this item to the Department of Finance.
- 3. To provide for the effective use of federal State Children’s Health Insurance Program funds in the County Health Initiative Matching Fund program, notwithstanding Sections 27.00 and 28.00, this item may be reduced or increased by the Department of Finance not 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.

4280-104-0236—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program Rural Health Demonstration Project

1,047,000

Schedule:

(1) 40-Healthy Families Program 2,887,000

(2) Amount payable from Federal Trust

Fund (Item 4280-104-0890)..... -1,840,000

Provisions:

- 1. The amount appropriated in this item shall be reduced by \$1,047,000 if legislation is not enacted

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to permit Proposition 99 funds to be used to qualify for matching federal funds for the Rural Health Demonstration Project program administered by the Managed Risk Medical Insurance Board.	
4280-104-0890—For local assistance, Managed Risk Medical Insurance Board, for payment to Item 4280-104-0236, payable from the Federal Trust Fund, for the Healthy Families Program Rural Health Demonstration Project.	1,840,000
Provisions:	
1. The amount appropriated in this item shall be reduced by \$1,840,000 if legislation is not enacted to permit Proposition 99 funds to be used to qualify for matching federal funds for the Rural Health Demonstration Project program administered by the Managed Risk Medical Insurance Board.	
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	(50,660,000)
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	(13,768,000)
4280-111-0236—For transfer by the Controller from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund to the Perinatal Insurance Fund, for the Access for Infants and Mothers Program	(26,872,000)
4280-112-0232—For transfer by the Controller from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund to the Major Risk Medical Insurance Fund, for the Major Risk Medical Insurance Program	(6,393,000)
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 Major Risk Medical Insurance Program	(3,607,000)
4300-001-0001—For support of Department of Developmental Services	20,435,000
Schedule:	
(1) 10-Community Services Program...	18,510,000
(2) 20-Developmental Centers Program	13,780,000

Item	Amount
(3) 35.01-Administration.....	23,630,000
(4) 35.02-Distributed Administration ...	-23,630,000
(5) Reimbursements	-9,411,000
(6) Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-0172).....	-331,000
(7) Amount payable from the Federal Trust Fund (Item 4300-001-0890).....	-2,113,000
Provisions:	
1. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4300-003-0001 in order to appropriately align General Fund and Medi-Cal reimbursements from the Department of Health Services with budgeted activities. Within 10 working days after approval of a transfer as authorized by this provision, 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 of the transfer, including the amount transferred, how the amount was determined, and how the amount will be utilized.	
2. The General Fund shall make a loan available to the State Department of Developmental Services not to exceed a cumulative total of \$2,000,000. The loan funds will be transferred to this item as needed to meet cashflow needs due to delays in collecting reimbursements for the Health Care Deposit Fund, and is subject to the repayment provisions in Section 16351 of the Government Code.	
3. The State Department of Developmental Services may promulgate regulations specifically for implementing proposals to increase federal funding to the state. These regulations shall be deemed emergency regulations necessary for the immediate preservation of the public peace, health and safety, or general welfare for purposes of subdivision (b) of Section 11346.1 of the Government Code.	
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.....	331,000

Item	Amount
4300-001-0890—For support of Department of Developmental Services, for payment to Item 4300-001-0001, payable from the Federal Trust Fund	2,113,000

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	352,545,000
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Schedule:

- | | |
|--|--------------|
| (1) 20-Developmental Centers Program..... | 662,684,000 |
| (2) Reimbursements | -307,449,000 |
| (3) Amount payable from the California State Lottery Education Fund (Item 4300-003-0814) | -2,057,000 |
| (4) Amount payable from the Federal Trust Fund (Item 4300-003-0890)..... | -633,000 |

Provisions:

1. The General Fund shall make a loan available to the State Department of Developmental Services not to exceed a cumulative total of \$78,000,000. The loan funds will be transferred to this item as needed to meet cashflow 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. Upon order of the Director of Finance, the State Controller shall transfer such funds as are necessary between this item and Item 4300-001-0001 in order to appropriately align General Fund and Medi-Cal reimbursements from the Department of Health Services with budgeted activities. Within 10 working days after approval of a transfer as authorized by this provision, 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 of the transfer, including the amount transferred, how the amount was determined, and how the amount will be utilized.

Item	Amount
<ol style="list-style-type: none"><li data-bbox="211 201 827 374">3. Of the amount appropriated in Schedule (1), \$444,000 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.<li data-bbox="211 374 827 583">4. 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.<li data-bbox="211 583 827 670">5. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-0001.<li data-bbox="211 670 827 1399">6. The State Department of Developmental Services (DDS) shall notify the chairperson of each fiscal committee and policy committee of each house of the Legislature 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 non-profit 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.<li data-bbox="211 1399 827 1520">7. Pursuant to Section 13332.04 of the Government Code, the notification requirement in Section 27.00 (b) of this act is not applicable to caseload increases in developmental services.	

Item	Amount
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	2,057,000
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	633,000
Provisions:	
1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-0890 in order to effectively administer the Foster Grandparent Program.	
4300-004-0001—For support of Department of Developmental Services (Proposition 98), for Developmental Centers	11,482,000
Schedule:	
(1) 20-Developmental Centers Program.....	16,985,000
(a) 20.17-AB 1202 Contracts	3,000,000
(b) 20.66-Medi-Cal Eligible Education Services	13,985,000
(2) Reimbursements.....	-5,503,000
Provisions:	
1. Of the amount appropriated in this item, \$5,258,000 is to be used to provide the General Fund match for Medi-Cal Eligible Education Services.	
4300-017-0001—For support of Department of Developmental Services	234,000
Schedule:	
(1) 20-Developmental Centers Program	386,000
(2) Reimbursements	-152,000

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4300-101-0001—For local assistance, Department of Developmental Services, for Regional Centers	1,722,773,000
Schedule:	
(1) 10.10.010-Operations.....	427,629,000
(2) 10.10.020-Purchase of Services	2,113,118,000
(3) 10.10.060-Early Intervention Programs	20,095,000
(3.5) 10.70-Habilitation Services	21,230,000
(5) Reimbursements	-808,782,000
(6) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-0172).....	-1,400,000
(7) Amount payable from Federal Trust Fund (Item 4300-101-0890).....	-49,117,000
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.	
2. 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 cashflow 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.	
3. 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 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.	
4. Pursuant to Section 13332.04 of the Government Code, the notification requirement in Section 27.00 (b) of this act is not applicable to caseload increases in developmental services.	
5. Upon order of the Director of Finance, in order to meet client services needs, the Controller shall transfer the General Fund share of budgeted client costs as necessary between this item and Items 5160-001-0001 and 5160-101-0001 to provide for the transfer of clients between the Department of	

Item	Amount
Developmental Services and the Department of Rehabilitation resulting from program closures. The amount transferred shall be based on the amount budgeted per client by each department for the remainder of the fiscal year.	
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	1,400,000
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.	
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.....	49,117,000
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. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-003-0890 in order to effectively administer the Foster Grandparent Program.	
4300-117-0001—For local assistance, Department of Developmental Services	708,000
Schedule:	
(1) 10.10.010-Regional Centers: Operations.....	1,416,000
(2) Reimbursements	-708,000
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 Section 17561 of the Government Code, of the costs of any	

Item	Amount
new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the State Controller.....	4,000
Schedule:	
(1) 98.01.064.480-Judicial Proceedings (Ch. 644, Stats. 1980)	1,000
(2) 98.01.069.475-Attorney Fees (Ch. 694, Stats. 1975)	1,000
(3) 98.01.125.380-MR Representation (Ch. 1253, Stats. 1980)	1,000
(4) 98.01.130.480-Conservatorship (Ch. 1304, Stats. 1980)	1,000
(5) 98.01.135.776-Guardianship/ Conservatorship filings (Ch. 1357, Stats. 1976)	0
Provisions:	
1. Except as provided in Provision 2, 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 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.	
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	

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specifically identified by the Legislature for suspension during the 2003–04 fiscal year: (5) Guardianship/Conservatorship filings (Ch. 1357, Stats. 1976)	
4300-301-0660—For capital outlay, Department of Developmental Services, payable from the Public Buildings Construction Fund.....	63,319,000
Schedule:	
(1) 55.50.340-Porterville: Recreation Complex—Forensic—Preliminary plans, working drawings, and construction	6,495,000
(2) 55.50.370-Porterville: 96 Bed Expansion—Forensic—Preliminary plans, working drawings, and construction	56,824,000
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 Developmental Services may obtain interim financing for the project costs authorized in this item from any appropriate source, including, but not limited to, Section 15849.1 of the Government Code and the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.	
3. The State Public Works Board may authorize the augmentation of the cost of construction of the projects scheduled in this item pursuant to the board’s authority under Section 13332.11 of the Government Code. In addition, the State Public Works Board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing, including the payment of interest during construction of the project, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.	
4. This department is authorized and directed to execute and deliver any and all leases, contracts,	

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- agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
5. The State Public Works Board shall not be deemed to be the lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.
 6. Notwithstanding Section 2.00 of the Budget Act, the funds appropriated in this item shall be available for expenditure during the 2003–04 fiscal year, except appropriations for working drawings which shall be available for expenditure until June 30, 2005, and appropriations for construction which shall be available for expenditure until June 30, 2008. In addition, the balance of funds appropriated for construction that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2006, shall revert as of that date to the fund from which the appropriation was made.
 7. The Department of Finance will provide written notification to the Joint Legislative Budget Committee, within 10 days of receipt, of any requests for an augmentation of project costs, change in project scope, and any related change in project schedule, for projects identified in Schedules (1) and (2).
 8. It is the intent of the Legislature that the 96-bed Forensic Residential Expansion and Forensic Recreation and Activity Center projects at the Porterville Developmental Center be completed in a manner that would support the efforts of the Department of Developmental Services to secure federal Medicaid certification and the recovery of federal Medicaid reimbursements. The Department of Developmental Services shall make every effort to secure federal certification of the forensic facilities at the Porterville Developmental Center.

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4300-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, as of June 30, 2003, the balances of the appropriations provided in the following citations are reappropriated for the purposes specified and shall be available for expenditure until June 30, 2004, unless otherwise stated.	
0001—General Fund	
(1) Item 4300-101-0001 (1) 10.10.010 and (2) 10.10.020, Budget Act of 2002 (Ch. 379, Stats. 2002) for the Life Quality Assessment Inter-agency Agreement.	
(2) Up to \$5,000,000 appropriated for the Developmental Centers Program in Item 4300-003-0001 (1) 20-Developmental Centers Program, Budget Act of 2002 (Ch. 379, Stats. 2002), for the Bay Area Project.	
4440-001-0001—For support of Department of Mental Health	29,840,000
Schedule:	
(1) 10-Community Services	32,504,000
(2) 20-Long-Term Care Services	14,458,000
(3) 35.01-Departmental Administration.....	17,809,000
(4) 35.02-Distributed Departmental Administration.....	-17,809,000
(5) Reimbursements	-13,565,000
(6) Amount payable from the Traumatic Brain Injury Fund (Item 4440-001-0311).....	-347,000
(7) Amount payable from the Federal Trust Fund (Item 4440-001-0890).	-3,210,000
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.	
4440-001-0311—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Traumatic Brain Injury Fund.....	347,000
4440-001-0890—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Federal Trust Fund	3,210,000

Item	Amount
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.	
4440-003-0001—For support of the Department of Mental Health for rental payments on lease revenue bonds	3,513,000
Schedule:	
(1) Base Rent and Fees.....	3,487,000
(2) Insurance	26,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
4440-011-0001—For support of the State Hospitals, Department of Mental Health	493,013,000
Schedule:	
(1) 20.10-Long-Term Care Services— Lanterman-Petris-Short.....	89,143,000
(2) 20.20-Long-Term Care Services— Penal Code and Judicially Committed.....	492,013,000
(3) 20.30-Long-Term Care Services— Other State Hospital Services	49,704,000
(4) Reimbursements	-136,202,000
(5) Amount payable from the California State Lottery Education Fund (Item 4440-011-0814)	-1,645,000
Provisions:	
1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 5240-001-0001.	
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 services, 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 (2) shall be available to reimburse counties for the cost of treatment and legal services to	

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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 (4) 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 2003–04 fiscal year to patient-generated collections for LPS patients, the Controller shall transfer \$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. Funds appropriated to accommodate projected hospital population levels in excess of those that actually materialize, if any, shall revert to the General Fund. However, the Director of Finance may approve an increase in expenditures that are not related to caseload for the state hospitals through the redirection of funding that is reasonably believed not to be needed for accommodating projected hospital population levels if the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairperson of each house of the Legislature that considers appropriations not later than 30 days prior to the effective date of the approval, or prior to whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. All notifications shall include (a) the reason for the proposed redirection of caseload funding to expenditures that are not related to caseload, (b) the approved amount, and (c) the ba-

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<p>sis of the director’s determination that the funding is not needed for accommodating projected hospital population levels.</p> <p>7. Consistent with Section 13332.04 of the Government Code, the notification requirement in Section 27.00 (b) of this act is not applicable to caseload increases in state mental hospitals.</p> <p>8. Notwithstanding Section 26.00 of this act, the Department of Finance may authorize transfer of expenditure authority between Schedules (1), (2), and (3) in order to accurately reflect caseload in these programs.</p>	
<p>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... Provisions:</p> <p>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.</p>	1,645,000
<p>4440-012-0001—For support of the State Hospitals (Proposition 98), Department of Mental Health Schedule:</p> <p>(1) 20.10-Long-Term Care Services— Lanterman-Petris-Short..... 3,400,000</p> <p>Provisions:</p> <p>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.</p>	3,400,000
<p>4440-016-0001—For support of Department of Mental Health, for Conditional Release Services Schedule:</p> <p>(1) 20-Long-Term Care Services 20,460,000</p> <p>Provisions:</p> <p>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.</p>	20,460,000

Item	Amount
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.	
4440-017-0001—For support of Department of Mental Health	1,077,000
Schedule:	
(1) 10-Community Services	1,313,000
(2) 20-Long-Term Care Services	842,000
(3) 35.01-Departmental Administration	1,523,000
(4) 35.02-Distributed Departmental Administration	-1,523,000
(5) Reimbursements	-1,078,000
4440-101-0001—For local assistance, Department of Mental Health.....	80,326,000
Schedule:	
(1) 10.25-Community Services—Other Treatment	1,139,412,000
(1.5) 10.47-Community Services—Children’s Mental Health Services	20,000,000
(2) 10.85-Community Services—AIDS.....	1,500,000
(3) 10.97-Community Services—Healthy Families.....	13,843,000
(4) Reimbursements	-1,082,245,000

Item	Amount
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 eligible individuals serve as the match to draw down maximum federal financial participation to continue the Short-Doyle/Medi-Cal program.	
3. This item shall be reduced by up to \$74,900,000 if legislation that realigns the Children’s System of Care and the Integrated Services for the homeless programs costs to counties and provides counties revenues to fund the programs is enacted.	
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.....	1,219,000
Schedule:	
(1) 10.87-Community Services— Traumatic Brain Injury Projects....	1,451,000
(2) Reimbursements.....	-232,000
4440-101-0890—For local assistance, Department of Mental Health, payable from the Federal Trust Fund	57,885,000
Schedule:	
(1) 10.25-Community Services—Other Treatment	52,290,000
(2) 10.75-Community Services— Homeless Mentally Disabled	5,595,000
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. 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 2003–04 fiscal year.	

Item	Amount
3. Upon order of the Department of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4440-001-0890.	
4. Of the funds appropriated in this item, the department shall provide \$2,000,000 to fund model Adult System of Care programs established by Chapter 982 of the Statutes of 1988.	
4440-102-0001—For local assistance, Department of Mental Health (Proposition 98) for early mental health services	10,000,000
4440-103-0001—For local assistance, Department of Mental Health, Program 10.25-Community Services: Other Treatment for Mental Health Managed Care	217,776,000
Provisions:	
1. The allocation of funds appropriated in this item shall be determined based on a methodology developed by the 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 Department of Mental Health and the Department of Health Services, the 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.	
4440-111-0001—For local assistance, Department of Mental Health, for caregiver resource centers serving families of adults with acquired brain injuries ..	11,747,000
4440-295-0001—For local assistance, Department of Mental Health, 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 disbursement by the State Controller	6,000

Item	Amount
Schedule:	
(1) 98.01.049.877-Coroner's Costs (Ch. 498, Stats. 1977)	1,000
(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).....	1,000
(4) 98.01.111.479-Not Guilty By Reason of Insanity (Ch. 1114, Stats. 1979).....	1,000
(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).....	1,000
(8) 98.01.076.295-Sexually Violent Predators (Chs. 762 and 763, Stats. 1995).....	1,000
(9) 98.01.065.496-Seriously Emotionally Disturbed Pupils (Ch. 654, Stats. 1996).....	1,000
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 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 amount therein. No order may be	

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<p>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.</p> <p>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 2003–04 fiscal year:</p> <p style="padding-left: 20px;">(2) Short-Doyle Case Management (Ch. 815, Stats. 1979)</p> <p style="padding-left: 20px;">(5) Short-Doyle Audits (Ch. 1327, Stats. 1984)</p> <p style="padding-left: 20px;">(6) Residential Care Services (Ch. 1352, Stats. 1985)</p>	
<p>4440-301-0001—For capital outlay, Department of Mental Health</p>	325,000
<p>Schedule:</p> <p style="padding-left: 20px;">(1) 55.10.205-Minor Project</p>	325,000
<p>4440-301-0660—For capital outlay, Department of Mental Health, payable from the Public Building Construction Fund</p>	60,297,000
<p>Schedule:</p> <p style="padding-left: 20px;">(1) 55.18.255-Sexually Violent Predator Facility—Equipment</p> <p style="padding-left: 20px;">(2) 55.35.295-Metropolitan: Construct New Kitchen and Remodel Satellite Serving Kitchens—Preliminary plans, working drawings, and construction</p> <p style="padding-left: 20px;">(3) 55.45.270-Patton: Renovate Admission Suite and Fire and Life Safety and Environmental Improvements Phases II and III, EB Building—Construction</p> <p style="padding-left: 20px;">(4) 55.45.275-Patton: Upgrade Electrical Generator Plant—Working drawings and construction.....</p>	<p>16,955,000</p> <p>18,726,000</p> <p>21,060,000</p> <p>3,556,000</p>
<p>Provisions:</p> <p>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.</p>	

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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, Section 15849.1 of the Government Code and the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
3. The State Public Works Board may authorize the augmentation of the cost of construction of the projects scheduled in this item pursuant to the board's authority under Section 13332.11 of the Government Code. In addition, the State Public Works Board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing, including the payment of interest during construction of the project, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.
4. This department is authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
5. The State Public Works Board shall not be deemed to be the lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.
6. Notwithstanding Section 2.00 of the Budget Act, the funds appropriated in this item shall be available for expenditure during the 2003–04 fiscal year, except appropriations for working drawings and equipment which shall be available for expenditure until June 30, 2005, and appropriations for construction which shall be available for expen-

Item	Amount
<p>diture until June 30, 2008. In addition, the balance of funds for construction that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2006, shall revert as of that date to the fund from which the appropriation was made.</p> <p>7. The Department of Finance shall provide written notification to the Joint Legislative Budget Committee, within ten days of receipt, of any requests for an augmentation of project costs, change in project scope, or any related change in project schedule, for projects identified in Schedule 2.</p> <p>4440-401—Notwithstanding Section 14666 of the Government Code, the Department of General Services may grant an easement, subject to Department of Finance approval, to the Napa Sanitation District at Napa State Hospital for the installation of reclaimed water piping and a storage tank.</p> <p>4440-491—Reappropriation, Department of Mental Health. The balance of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations:</p> <p>0660—Public Buildings Construction Fund</p> <p>(1) Item 4440-301-0660, Budget Act of 1998 (Ch. 324, Stats. 1998)</p> <p style="padding-left: 2em;">(1) 55.18.245-Atascadero: New 250 Bed Hospital Addition I—Construction</p> <p style="padding-left: 2em;">(2) Item 4440-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p style="padding-left: 4em;">(1) 55.18.235-Atascadero: Construct Multi-purpose Building—Construction</p> <p style="padding-left: 4em;">(2) 55.35.305-Metropolitan: Construct School Building—Construction</p> <p>4440-495—Reversion, Department of Mental Health. As of June 30, 2003, the balances specified below of the appropriations provided in the following citations shall revert to the balance of the fund from which the appropriation was made:</p> <p>0001—General Fund</p> <p>(1) Item 4440-103-0001, Budget Act of 2001 (Ch. 106, Stats. 2001). Up to \$478,000 reappropriated in 10.25—Community Services-Other Treatment.</p>	

Item	Amount
4700-001-0890—For support of the Department of Community Services and Development, payable from the Federal Trust Fund	8,832,000
Schedule:	
(1) 20-Energy Programs.....	8,068,000
(2) 40-Community Services	2,848,000
(3) 50.01-Administration.....	3,142,000
(4) 50.02-Distributed Administration ...	-3,142,000
(5) Reimbursements.....	-2,084,000
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
2. Any unexpended federal funds from Item 4700-001-0890, Budget Act of 2002 (Ch. 379, Stats. 2002), shall be in augmentation of Item 4700-001-0890 of this act and not subject to the provisions of Section 28.00.	
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	147,003,000
Schedule:	
(1) 20-Energy Programs.....	86,985,000
(2) 40-Community Services	62,132,000
(3) 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 are subject to standard state contracting procedures required under the program.	
2. Funds collected by the department from energy contractors as a result of overpayments shall be used for local assistance for energy programs, and	

Item	Amount
<p>funds collected from community service block grant (CSBG) contractors as a result of overpayments shall be used for local assistance for CSBG programs in the 2003–04 fiscal year.</p> <p>3. Funds schedule 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.</p> <p>4. Any unexpended federal funds from Item 4700-101-0890 of the Budget Act of 2002 (Ch. 379, Stats. 2002), shall be in augmentation of Item 4700-101-0890 of this act and are not subject to the provisions of Section 28.00.</p>	
5160-001-0001—For support of Department of Rehabilitation.....	46,070,000
Schedule:	
(1) 10-Vocational Rehabilitation Services.....	323,705,000
(1.5) 20-Habilitation Services.....	2,329,000
(2) 30-Support of Community Facilities	5,874,000
(3) 40.01-Administration.....	24,010,000
(4) 40.02-Distributed Administration ...	-24,010,000
(5) Reimbursements.....	-7,947,000
(6) Amount payable from the Vending Stand Fund (Item 5160-001-0600).....	-3,421,000
(7) Amount payable from the Federal Trust Fund (Item 5160-001-0890)	-274,470,000
Provisions:	
1. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-0001 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.	
2. The department shall maximize its use of certified time as a match for federal vocational rehabilitation funds. To the extent that certified time is available, it shall be used in lieu of the General Fund moneys.	
3. Upon order of the Director of Finance, the Controller shall transfer the General Fund share of budgeted client costs as necessary between this	

Item	Amount
<p>item and Item 4300-101-0001 to provide for the net transfer of clients, resulting from program closures, between the Department of Rehabilitation and the Department of Developmental Services. The amount transferred shall be based on the amount budgeted per client by each department for the remainder of the fiscal year.</p>	
5160-001-0600—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Vending Stand Fund	3,421,000
5160-001-0890—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Federal Trust Fund	274,470,000
Provisions:	
<ol style="list-style-type: none"> 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. 	
5160-101-0001—For local assistance, Department of Rehabilitation	104,349,000
Schedule:	
(1) 10-Vocational Rehabilitation Services.....	538,000
(1.5) 20-Habilitation Services.....	125,644,000
(2) 30-Support of Community Facilities	16,696,000
(2.5) Reimbursements	-21,295,000
(3) Amount payable from Federal Trust Fund (Item 5160-101-0890).....	-17,234,000
Provisions:	
<ol style="list-style-type: none"> 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 eligible to become vocational rehabilitation clients. 2. Upon order of the Director of Finance, the Controller shall transfer the General Fund share of budgeted client costs as necessary between this 	

Item	Amount
<p>item and Item 4300-101-0001 to provide for the net transfer of clients, resulting from program closures, between the Department of Rehabilitation and the Department of Developmental Services. The amount transferred shall be based on the amount budgeted per client by each department for the remainder of the fiscal year.</p> <p>3. A loan may be made available from the General Fund to the Department of Rehabilitation not to exceed a cumulative total of \$5,128,000. The loan funds may be transferred to this item as required to meet cashflow needs due to delays in collection reimbursements from the Department of Developmental Services for costs associated with services provided under the Home and Community-Based Services Waiver, and are subject to the repayment provisions of Section 16351 of the Government Code.</p>	
<p>5160-101-0890—For local assistance, Department of Rehabilitation, for payment to Item 5160-101-0001, payable from the Federal Trust Fund.....</p>	17,234,000
<p>5160-495—Reversion, Department of Rehabilitation. As of June 30, 2003, \$6,436,000 of the unencumbered balance of the appropriations provided in the following citations shall revert to the fund from which the appropriation was made:</p>	
<p>0001—General Fund</p>	
<p>(1) Item 5160-001-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)</p>	
<p style="padding-left: 20px;">(1) 10-Vocational rehabilitation services..</p>	736,000
<p>(2) Item 5160-101-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)</p>	
<p style="padding-left: 20px;">(2) 20-Habilitation services</p>	5,700,000
<p>5170-001-0001—For support of State Independent Living Council</p>	0
<p>Schedule:</p>	
<p style="padding-left: 20px;">(1) 10-State Council Services.....</p>	515,000
<p style="padding-left: 20px;">(2) Reimbursements.....</p>	-515,000
<p>5175-001-0001—For support of Department of Child Support Services.....</p>	10,708,000
<p>Schedule:</p>	
<p style="padding-left: 20px;">(1) 10-Child Support Services</p>	32,460,000
<p style="padding-left: 20px;">(2) Reimbursements.....</p>	-122,000

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(3) Amount payable from the Federal Trust Fund (Item 5175-001-0890).....	-21,630,000

Provisions:

1. It is the intent of the Legislature to continue to provide funding for those activities necessary for the child support state administrative hearing process, to ensure compliance with statutory timeframes. Notwithstanding any other provision of law, upon request by the Department of Child Support Services, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the state administrative hearing process. Concurrent with the Department of Finance’s approval, written notification shall be provided to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations.
2. Notwithstanding any other provisions of law, upon request by the Department of Child Support Services, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the implementation of the California Child Support Automation System Project. The augmentation may be effected 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 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. The funds appropriated by this provision shall be consistent with the amount approved by the Department of Finance based on its review and approval of the required feasibility study reports, or equivalent documents.
3. Notwithstanding any other provision of law, upon request by the Department of Child Support Services, the Department of Finance may augment the amount available for expenditure in this item and establish new positions as necessary, if the revenues generated by the Child Support Enhanced Collection Reforms and the associated

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workload justify such an increase. The augmentation may be effected 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 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.	
4. Of the amount appropriated in this item, the \$245,000 allocated for child support collection reform for information technology related activities shall not be expended until the Department of Finance approves the Feasibility Study Report or related technical documents. In the event that any proposed enhancements are not approved for federal financial participation, the Department of Child Support Services shall submit a revised plan to the Department of Finance detailing how it will reprioritize projects to remain within existing General Fund expenditure authority.	
5175-001-0890—For support of Department of Child Support Services, for payment to Item 5175-001-0001, payable from the Federal Trust Fund	21,630,000
Provisions:	
1. It is the intent of the Legislature to provide sufficient funding to ensure that Child Support State Administrative Hearings are conducted to meet statutory timeframes. Notwithstanding the 30-day notification requirement set forth in subdivision (d) of Section 28.00 of this act, upon request by the Department of Child Support Services, the Department of Finance may augment expenditure authority in this item to fund increased hearings' costs at the time the request is made. Concurrent with the Department of Finance approval, written notification shall be provided to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations.	
2. Provision 2 of Item 5175-001-0001 shall also apply to this item.	
3. Provisions 3 and 4 of Item 5175-001-0001 also apply to this item.	

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5175-002-0001—For support of Department of Child Support Services.....	23,271,000

Schedule:

- (1) 10-Child Support Services 82,819,000
- (2) Amount payable from the Federal Trust Fund (Item 5175-002-0890)-59,548,000

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. Notwithstanding any other provision of law, the Department of Finance may augment this item to reimburse the Judicial Council for the increased costs associated with salary adjustments for child support commissioners and family law facilitators pursuant to Section 70141(e) of the Government Code, in the event such salary adjustments are provided to superior court judges, no 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 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.
3. Notwithstanding Section 27.00, 28.00, or 28.50 of this act, or any other provision of law, upon request of the Department of Child Support Services, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the implementation of the California Child Support Automation System Project. The augmentation may be effected not sooner than 30 days after notification in writing of its necessity 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

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- whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine. The funds appropriated by this provision shall be consistent with the amount approved by the Department of Finance based on its review and approval of any required feasibility study report or equivalent document.
4. It is the intent of the Legislature to continue to provide funding for those activities necessary for the Child Support State Administrative Hearing Process to ensure compliance with statutory timeframes. Notwithstanding any other provision of law, upon request by the Department of Child Support Services, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the State Administrative Hearing Process. Concurrent with the Department of Finance approval, written notification will be provided to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations.
 5. Notwithstanding any other provision of law, upon request by the Department of Child Support Services, the Department of Finance may augment the amount available for expenditure in this item and establish new positions as necessary, if the revenues generated by the Child Support Enhanced Collection Reforms and the associated workload justify such an increase. The augmentation may be effected 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 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.
 6. Of the amount appropriated in this item, the \$1,413,000 allocated for child support collection reform for information technology related activities shall not be expended until the Department of Finance approves the Feasibility Study Report or related technical documents. In the event that any proposed enhancements are not approved for federal financial participation, the Department of Child Support Services shall submit a revised plan

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to the Department of Finance detailing how it will reprioritize projects to remain within existing General Fund expenditure authority.	
5175-002-0890—For support of Department of Child Support Services, for payment to Item 5175-002-0001, payable from the Federal Trust Fund	59,548,000
Provisions:	
1. Provisions 1, 2, and 3 of Item 5175-002-0001 also apply to this item.	
2. It is the intent of the Legislature to provide sufficient funding to ensure that Child Support State Administrative Hearings are conducted to meet statutory timeframes. Notwithstanding the 30-day notice requirement set forth in subdivision (d) of Section 28.00 of this act, upon request by the Department of Child Support Services, the Department of Finance may augment expenditure authority in this item to fund increased costs associated with the state administrative hearing process at the time the request is made. Concurrent with the Department of Finance approval, written notification shall be provided to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations.	
3. Provisions 5 and 6 of Item 5175-002-0001 also apply to this item.	
5175-101-0001—For local assistance, Department of Child Support Services	434,156,000
Schedule:	
(1) 10-Child Support Services	1,064,583,000
(a) 10.01-Child Support Administration	1,051,008,000
(b) 10.03-Child Support Automation ...	13,575,000
(2) Reimbursements	-321,000
(3) Amount payable from the Federal Trust Fund (Item 5175-101-0890)	-324,958,000
(4) Amount payable from the Child Support Collections Recovery Fund (Item 5175-101-8004)....	-305,148,000
Provisions:	
1. No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every child support services letter or similar	

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instruction issued by the Department of Child Support Services that adds to the cost of the child support 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 child support services letter that would increase the costs of the 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 child support services 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 and 28.00 of this act, the availability of funds contained in this item for child support program rules, regulations, or child support services 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 federal regulations 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 the child support program 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.

2. Notwithstanding any other provision of law, a loan not to exceed \$136,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of the program when the federal funds have not been received by this state prior to the

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- usual time for transmitting that federal share to the counties of this state or to cover the federal share of child support collections for which the federal funds have been reduced prior to the collections being received from the counties. This loan from the General Fund shall be repaid when the federal share of costs for the program becomes available or when the collections are received from the counties.
3. The Department of Finance may authorize the establishment of positions and transfer of amounts from this item to Item 5175-001-0001 in order to allow the state to perform the functions or oversee the functions of the local child support agency in the event a county fails to perform that function or is out of compliance with state performance standards.
 4. It is the intent of the Legislature that the California Child Support Automation Project receive the highest commitment and priority of all of the state's child support automation activities.
 5. Of the amount appropriated in this item, \$12,054,000 shall be available for approving funding for county-specific automation projects for the enhancements to existing county child support automation systems and for transitioning counties from existing legacy systems to one of the four selected consortia systems. The funds subject to this provision shall be available for expenditure by the Department of Child Support Services until June 30, 2005.
 6. Of the amount appropriated in this item, the \$12,054,000 allocated for enhancements to the existing county child support automation systems shall not be expended until the Department of Finance approves the Advance Planning Document that is submitted to the federal Administration of Children and Families. In the event that any proposed enhancements are not approved for federal financial participation, the Department of Child Support Services shall submit a revised plan to the Department of Finance detailing how it will reprioritize projects to remain within existing General Fund expenditure authority.
 7. Notwithstanding Sections 27.00, 28.00, and 28.50 of this act, or any other provision of law, upon request of the Department of Child Support Ser-

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vices, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the implementation of the California Child Support Automation System Project. The augmentation may be effected no sooner than 30 days after notification in writing of its necessity 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 no sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine. The funds appropriated by this provision shall be consistent with the amount approved by the Department of Finance based on its review and approval of any required feasibility study report or equivalent document.

5175-101-0890—For local assistance, Department of Child Support Services, for payment to Item 5175-101-0001, payable from the Federal Trust Fund..... 324,958,000

Provisions:

1. Provisions 1, 5, and 7 of Item 5175-101-0001 also apply to this item.
2. The Department of Finance may authorize the establishment of positions and transfer of amounts from this item to Item 5175-001-0890 in order to allow the state to perform the functions or oversee the functions of the local child support agency in the event a county fails to perform that function or is out of compliance with state performance standards.
3. Of the funds appropriated in this item, the Department of Child Support Services shall reimburse the Department of Social Services quarterly for the federal share of Foster Care Child Support Collections reported to the federal government.
4. Upon request of the Department of Child Support Services, the Department of Finance may increase or decrease the expenditure authority in this item pursuant to the provisions of Section 28.00 of this act to offset any increases or decreases in collections deposited in the Child Support Collections Recovery Fund and appropriated in Item 5175-101-8004.

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5175-101-8004—For local assistance, Department of Child Support Services, for payment to Item 5175-101-0001, payable from the Child Support Collections Recovery Fund.....	305,148,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may increase or decrease this appropriation, for the purposes of Section 17702.5 of the Family Code, not sooner than 30 days after notification in writing of the necessity thereof is provided to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house of the Legislature that considers appropriations, or not sooner than whatever lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. Adjustments to expenditure authority shall be consistent with those made pursuant to Provision 4 of Item 5175-101-890.	
5175-490—Reappropriation, Department of Child Support Services. The balances of the appropriations provided in the following citations are reappropriated for the purpose of conducting conversions of two county consortia automation systems and shall be available for expenditure until June 30, 2004:	
0001—General Fund	
(1) Item 5175-101-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)	
Up to \$934,000 appropriated in 10.01-Child Support Administration program.	
0890-Federal Trust Fund	
(1) Item 5175-101-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)	
Up to \$1,815,000 appropriated in 10.01-Child Support Administration program.	
5175-495—Reversion, Department of Child Support Services. As of June 30, 2003, the balances specified below of the appropriations provided in the following citation shall revert to the balance in the fund from which the appropriation was made:	
0001—General Fund	
Item 5175-101-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) (b) Up to \$1,762,000 of the funds appropriated in Section 10.02—Child Support Incentives program.	

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5180-001-0001—For support of Department of Social Services	87,622,000
Schedule:	
(1) 16-Welfare Programs.....	67,356,000
(2) 25-Social Services and Licensing...	134,896,000
(3) 35-Disability Evaluation and Other Services	216,434,000
(6) 60.01-Administration.....	33,808,000
(7) 60.02-Distributed Administration	-33,808,000
(8) Reimbursements.....	-20,388,000
(9) Amount payable from Foster Family Home and Small Family Home Insurance Fund (Item 5180-001-0131).....	-3,000,000
(10) Amount payable from the Federal Trust Fund (Item 5180-001-0890)	-307,676,000
Provisions:	
1. The Department of Finance may authorize the transfer of funds from Schedule (2) of this item to Schedule (3), 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 (2) of this item to Schedule (1)(b), 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. Notwithstanding paragraph (4) of subdivision (b) of Section 1778 of the Health and Safety Code, the State Department of Social Services may use no more than 20 percent of the fees collected pursuant to Chapter 10 (commencing with Section 1770) of Division 2 of the Health and Safety Code for overhead costs, facilities operation, and indirect department costs.	

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- 5. It is the intent of the Legislature to provide sufficient funding to ensure that Child Support State Administrative Hearings are conducted to meet statutory timeframes. Notwithstanding the 30-day notice requirement set forth in subdivision (d) of Section 28.00 of this act, upon request of the Department of Child Support Services, the Department of Finance may augment expenditure authority in this item to fund increased costs associated with the state administrative hearing process at the time the request is made. Concurrent with the Department of Finance approval, written notification shall be provided to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations.
- 6. It is the intent of the Legislature to provide sufficient funding to ensure that Electronic Benefit Transfer state administrative hearings are conducted to meet statutory timeframes. Notwithstanding the 30-day notice requirement set forth in subdivision (d) of Section 28.00 of this act, upon request by the Department of Social Services, the Department of Finance may augment expenditure authority in this item to fund increased costs associated with the state administrative hearing process at the time the request is made. Concurrent with the Department of Finance approval, written notification shall be provided to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations.
- 7. Expenditures incurred by the Department of Social Services for its implementation of Chapter 669, Statutes of 2002 (SB 646) shall not exceed the amount of revenue collected from charging substitute child care employee registries an administrative fee for participation.

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

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<p>Foster Family Home and Small Family Home Insurance Fund during the 2003–04 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.</p> <p>If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for the 2003–04 fiscal year, the department shall notify the Legislature. Upon notification the amount of the limitation for the 2003–04 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.</p>	
5180-001-0270—For support of Department of Social Services, payable from the Technical Assistance Fund	3,055,000
5180-001-0271—For support of Department of Social Services, payable from the Certification Fund	1,122,000
5180-001-0279—For support of Department of Social Services, payable from the Child Health and Safety Fund	818,000
5180-001-0803—For support of Department of Social Services, payable from the State Children's Trust Fund	155,000
5180-001-0890—For support of Department of Social Services, for payment to Item 5180-001-0001, payable from the Federal Trust Fund	307,676,000
<p>Provisions:</p> <ol style="list-style-type: none"> 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 adoption program functions, and the facilities evaluation function in Community Care Licensing in the Department of Social Services. 2. Provisions 5 and 6 of Item 5180-001-0001 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
<p>Provisions:</p> <ol style="list-style-type: none"> 1. Provision 1 of Item 5180-001-0131 also applies to this item. 	

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5180-011-0279—For transfer by the Controller from the Child Health and Safety Fund to the State Children’s Trust Fund.....	45,000
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.	
5180-017-0001—For support, Department of Social Services	205,000
5180-017-0890—For support, Department of Social Services, payable from the Federal Trust Fund	295,000
5180-101-0001—For local assistance, Department of Social Services	2,722,956,000
Schedule:	
(1) 16.30-CalWORKs.....	5,125,752,000
(a) 16.30.010-Assistance Pay- ments	2,949,169,000
(b) 16.30.025-Ser- vices, Administra- tion, and Child Care.....	1,890,513,000
(i) Services	(995,950,000)
(ii) Administration .	(407,554,000)
(iii) Child Care	(487,009,000)
(c) 16.30.050-County Probation Facili- ties	201,413,000
(d) 16.30.060-Kin- GAP Program.....	84,657,000
(2) 16.40-Foster Care.....	989,359,000
(3) 16.50-Adoption Assistance Pro- gram.....	448,051,000
(4) 16.55-Refugee Cash Assistance.....	5,870,000
(5) 16.60-Food Assistance Programs ...	11,241,000
(6) Reimbursements	-3,735,000
(7) Amount payable from the Emer- gency Food Assistance Program Fund (Item 5180-101-0122).....	-494,000
(8) Amount payable from the Employ- ment Training Fund (Item 5180- 101-0514)	-56,432,000
(9) Amount payable from the Federal Trust Fund (Item 5180-101- 0890)	-3,796,656,000

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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 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 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 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.

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

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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.

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 2003–04 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.

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. 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.

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8. Notwithstanding Section 26.00 of this act, the Department of Finance is authorized to approve the transfer of funds between Schedule (1)(a) 16.30.010-Assistance Payments and Schedule (1)(b) 16.30.025-Services, Administration, and Child Care in order to meet the Temporary Assistance for Needy Families maintenance-of-effort requirement.	
9. Pursuant to the Electronic Benefit Transfer (EBT) Act (Chapter 3 (commencing with Section 10065) of Part 1 of Division 9 of the Welfare and Institutions Code) and in accordance with the EBT System regulations (Manual of Policies and Procedures Section 16-401.15), in the event a county fails to reimburse the EBT contractor for settlement of EBT transactions made against the county's cash assistance programs, the state is required to pay the contractor. The Department of Social Services may use funds from this item to reimburse the EBT contractor for settlement on behalf of the county. The county shall be required to reimburse the Department of Social Services for county's settlement via direct payment or administrative offset.	
10. The Department of Finance is authorized to reduce this item if legislation is enacted that realigns CalWORKs and Foster Care program costs to counties and provides counties revenues to fund the programs.	
11. The Department of Social Services shall work with stakeholders, including representatives of providers, to consider options to enhance the flexibility of Foster Care Group Home providers without compromising quality of care or child safety, and report to the Legislature at budget hearings.	
5180-101-0122—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Emergency Food Assistance Program Fund.....	494,000
5180-101-0514—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Employment Training Fund.....	56,432,000
5180-101-0890—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Federal Trust Fund.....	3,796,656,000

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Provisions:	
1. Provisions 1, 4, 7, 8, and 9 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.	
3. The State Department of Social Services may transfer up to \$10,000,000 of the funds appropriated in this item for Program 16.30.025—Services, Administration, and Child Care, from the TANF block grant to the Social Services Block Grant (Title XX) pursuant to authorization in the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). The Title XX funds shall be pooled with TANF funds appropriated in this item for CalWORKs Child Care, for the purpose of broadening access to federal Child and Adult Care Food Program benefits for low-income children in proprietary child care centers. This transfer shall occur only if the Director of Finance approves the pooling of Title XX funds with CCDF and/or TANF funds.	
5180-102-0001—For local assistance, Department of Social Services	67,761,000
Schedule:	
(1) 16.30.025-CalWORKs Services, Administration, and Child Care	67,761,000
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, funds that are provided to counties shall be separately allocated and expended in a manner which meets the federal Welfare-to-Work grant matching requirements.	
2. The Department of Social Services shall monitor Welfare-to-Work grant expenditures within the Employment Development Department and ensure that no funds appropriated in this item are expended in excess of the amount needed to meet the matching requirements of the federal Welfare-to-Work grant.	

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5180-111-0001—For local assistance, Department of Social Services	4,648,678,000
Schedule:	
(1) 16.70-SSI/SSP	3,379,668,000
(2) 25.15-IHSS.....	3,219,208,000
(a) 25.15.010-Servi- ces	3,015,258,000
(b) 25.15.020-Admin- istration.....	203,950,000
(3) Reimbursements	-1,950,198,000
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.	
4. The State Department of Social Services shall provide technical assistance to counties to ensure that they maximize the receipt of federal funds for the In-Home Supportive Services Program, without compromising the quality of the services provided to In-Home Supportive Services recipients.	

Item	Amount
5180-141-0001—For local assistance, Department of Social Services	422,883,000
Schedule:	
(1) 16.80-County Administration	753,813,000
(2) 16.85-Automation Projects	285,140,000
(3) Reimbursements.....	-33,888,000
(4) Amount payable from the Federal Trust Fund (Item 5180-141-0890)	-582,182,000
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.	

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- 5. 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.
- 6. Section 11.00 of this act shall apply to contracts entered into for the development and implementation of the Consortium IV, Interim Statewide Automated Welfare System, Los Angeles Eligibility, Automated Determination, Evaluation, and Reporting, and Welfare Client Data Systems consortia of the Statewide Automated Welfare System.
- 7. Notwithstanding Sections 27.00 and 28.00 of this act, upon request of the Department of Social Services, the Department of Finance may augment the amount available for expenditure in this item to pay costs associated with the procurement of a new application maintenance contract for the Interim Statewide Automated Welfare System Consortium 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 and the Chairperson of the Joint Legislative Budget Committee. The funds appropriated by this provision shall be made available consistent with the amount approved by the Department of Finance based on its review of the special project report or equivalent document.
- 8. The Department of Finance is authorized to reduce this item if legislation is enacted that realigns CalWORKs and Foster Care program costs to counties and provides revenues to counties to fund the programs.

5180-141-0890—For local assistance, Department of Social Services, for payment to Item 5180-141-0001, payable from the Federal Trust Fund..... 582,182,000

Provisions:

- 1. Provisions 2, 3, 4, 6, and 7 of Item 5180-141-0001 also apply to this item.

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5180-151-0001—For local assistance, Department of Social Services	747,629,000

Schedule:

- (1) 25.25-Children’s Services..... 1,881,446,000
 - (a) 25.25.010-Child Welfare Services 1,783,168,000
 - (b) 25.25.020-Adoptions.....78,295,000
 - (c) 25.25.030-Child Abuse Prevention .19,983,000
- (2) 25.35-Special Programs116,721,000
 - (a) 25.35.010-Specialized Services 724,000
 - (b) 25.35.020-Access Assistance for the Deaf..... 5,804,000
 - (c) 25.35.030-Maternity Care 200,000
 - (d) 25.35.040-Refugee Assistance Services15,299,000
 - (e) 25.35.050-County Services Block Grant..... 94,694,000
- (3) 25.45-Community Care Licensing 13,263,000
- (4) Reimbursements.....-71,005,000
- (5) Amount payable from the Child Health and Safety Fund (Item 5180-151-0279) -445,000
- (6) Amount payable from the Federal Trust Fund (Item 5180-151-0890) -1,192,351,000

Provisions:

1. Provision 1 of Item 5180-101-0001 also applies 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 \$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 received 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

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be repaid when the federal share of costs for the program(s) becomes available.	
3. 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. 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.	
6. 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 adoptions function in the event that a county notifies the Department of Social Services that it intends to cease performing that function.	
7. Of the amount appropriated in this item, \$5 million for the Child Welfare Services/Case Management System shall not be encumbered until the Department of Finance reviews and approves the feasibility study reports or equivalent project documents for the design, development and installation of Title IV-E eligibility determinations; interfaces to TANF, child support and Medi-Cal systems; financial management for out-of-home care and Adoptions Assistance Payments; and, the Independent Living Program. At the time that it approves the funds availability, the Department of Finance shall provide written notification to the chairperson of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.	
8. The Department of Finance is authorized to reduce this item if legislation is enacted that realigns Child Welfare Services, Child Abuse Prevention, Intervention, and Treatment, and Adult Protective Services program costs to counties and provides counties revenues to fund the programs.	

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5180-151-0279—For local assistance, Department of Social Services, for payment to Item 5180-151-0001, payable from the Child Health and Safety Fund	445,000
5180-151-0803—For local assistance, Department of Social Services, payable from the State Children’s Trust Fund.....	1,832,000
5180-151-0890—For local assistance, Department of Social Services, for payment to Item 5180-151-0001, payable from the Federal Trust Fund	1,192,351,000
Provisions:	
1. Provisions 1, 3, 4, and 6 of Item 5180-151-0001 also apply to this item.	
2. Of the amount appropriated in this item, \$5 million for the Child Welfare Services/Case Management System shall not be encumbered until the Department of Finance reviews and approves the feasibility study reports or equivalent project documents for the design, development and installation of Title IV-E eligibility determinations; interfaces to TANF, child support and Medi-Cal systems; financial management for out-of-home care and Adoptions Assistance Payments; and, the Independent Living Program. At the time that it approves the funds availability, the Department of Finance shall provide written notification to the chairperson of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.	
5180-153-0001—For local assistance, Department of Social Services	1,368,000
Provisions:	
1. The Department of Finance is authorized to reduce this item if legislation is enacted that realigns Foster Care Transitional Housing program costs to counties and provides counties revenues to fund the programs.	
5180-295-0001—For local assistance, State Department of Social Services, 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, for disbursement by the State Controller	0

Item	Amount
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Schedule:

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| (1) 98.01.109.096—Child Abuse Treatment Services Authorization and Case Management (Ch. 1090, Stats. 1996) | 0 |
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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 2003–04 fiscal year:

- (1) Child Abuse Treatment Services Authorization and Case Management (Ch. 1090, Stats. 1996).

5180-402—The Director of Finance is authorized to approve transfers of \$534,928,000 from the federal Temporary Assistance for Needy Families (TANF) block grant to the Child Care and Development Fund (CCDF) administered by the State Department of Education, and the entire amount so transferred shall be used for CalWORKs local assistance Stage II child care. The moneys transferred to the Department of Education shall be used only for direct services to Stage II child care recipients, and the Department of Education shall use other existing funds available for child care quality expenditures to meet the 4 percent quality requirement of federal law associated with CCDF expenditures. Prior to any fund transfers from TANF to CCDF, the Department of Education shall certify that the transfer will not require additional quality expenditures beyond the existing expenditures. Should additional quality expenditures be required as a result of a transfer pursuant to this provision, these transfers shall become TANF funds and shall not be transferred to the CCDF. In the event of a TANF transfer pursuant to this item, the Department of Education shall comply with existing TANF and CalWORKs regulations and reporting requirements.

Provisions:

1. Upon request from the State Department of Education, and upon approval by the Director of Finance, the State Department of Social Services is authorized to transfer up to \$10,000,000 from the federal Temporary Assistance to Needy Families (TANF) block grant to the Social Services Block

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Grant (Title XX) pursuant to authorization in the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193). These funds shall be provided to the State Department of Education, to be pooled with moneys in the Child Care and Development Fund (CCDF), TANF, or both, for the purpose of broadening access to federal Child and Adult Care Food Program benefits for low-income children in proprietary child care centers. The total amount to be transferred to the State Department of Education from Title XX and TANF combined shall not exceed \$534,928,000. In the event Title XX funds are provided to the State Department of Education pursuant to this provision, the State Department of Education shall comply with all Title XX regulations and reporting requirements. The Department of Finance shall provide written notification to the chairperson of the fiscal committees of each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee at the time of the transfer.

5180-403—The Director of Finance is authorized to approve transfers not to exceed \$175,290,000 from the federal Temporary Assistance for Needy Families (TANF) block grant to and in augmentation of any program for which TANF funds have been appropriated in this act, only if the request (1) meets all of the conditions set forth in Section 28.00 of this act, or (2) is consistent with Provision 4 of Item 5180-101-0001. Any transfers pursuant to this paragraph shall require the respective legislative notification procedures set forth in Section 28.00 of this act or Provision 4 of Item 5180-101-0001, whichever is applicable.

5180-490—Reappropriation, Department of Social Services. Notwithstanding any other provision of law, the amount of the appropriation specified in the following citations is reappropriated for the purpose specified, and shall be available for encumbrance and expenditure until June 30, 2004:

0001—General Fund

- (1) Item 5180-001-0001, Budget Act of 2002 (Ch. 379, Stats. 2002), \$150,000 from Schedule (2) 25-Social Services and Licensing and \$50,000 from Schedule (6) Reimbursements to fund the State share of the remaining legal cost of nego-

Item	Amount
<p>tiating the Cash Management Information and Payrolling System contract.</p> <p>(2) Item 5180-141-0001, Budget Act of 2002 (Ch. 379, Stats. 2002), an amount not to exceed \$1,500,000 from Schedule (1) 16.80-County Administration appropriated for Food Stamp Sanction appeal and error rate reduction activities.</p>	
<p>5180-491—Reappropriation, Department of Social Services. Notwithstanding any other provision of law, the balance of the funds for the appropriations provided in the following citations are reappropriated for expenditure pursuant to Provision 1 and are available for expenditure until June 30, 2004:</p> <p>0001—General Fund</p> <p>(1) Item 5180-111-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p>(2) Item 5180-141-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p>(3) Item 5180-151-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p>0890—Federal Trust Fund</p> <p>(1) Item 5180-111-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p>(2) Item 5180-141-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p>(3) Item 5180-151-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p>Provisions:</p> <p>1. It is the intent of this item to continue funding approved activities for the automation projects that, due to schedule changes, result in unexpended appropriations one year and the need for additional funding in the following year. Therefore, notwithstanding any other provision of law, the balance of the appropriations for these automation projects may, upon approval of the Department of Finance, be reappropriated for transfer to and in augmentation of the corresponding items in this act. The funds reappropriated by this provision shall be made available consistent with the amount approved by the Department of Finance based on an approved special project report or equivalent document 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 the Joint Legislative Budget Committee.</p>	

Item	YOUTH AND ADULT CORRECTIONAL AGENCY	Amount
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5240-001-0001—For support of the Department of Corrections..... 4,739,474,000

Schedule:

- (1) 21-Institution Program 3,439,815,000
- (2) 22-Health Care Services Program907,098,000
- (3) 31-Community Correctional Program512,902,000
- (4) 41.01-Administration.....146,712,000
- (5) 41.02-Distributed Administration -146,712,000
- (6) Reimbursements.....-68,466,000
- (7) Amount payable from the Federal Trust Fund (Item 5240-001-0890).. -2,386,000
- (8) Amount payable from the Inmate Welfare Fund (Item 5240-001-0917).....-49,489,000

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, except that the Director of Finance may approve an increase in expenditures that are not related to caseload for the Department of Corrections through the redirection of funding that is reasonably believed not to be needed for accommodating projected institutional population levels if the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairperson of each house of the Legislature that considers appropriations not later than 30 days prior to the effective date of the approval, or prior to whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine. All notifications shall include (a) the reason for the proposed redirection of caseload funding to expenditures that are not related to caseload, (b) the approved amount, and (c) the basis of the director’s determination that the funding is not needed for accommodating projected institutional population levels.
2. Funds appropriated to accommodate projected parole population levels in excess of those that actually materialize, if any, shall revert to the Gen-

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eral Fund, except that the Director of Finance may approve an increase in expenditures that are not related to caseload for the Department of Corrections through the redirection of funding that is reasonably believed not to be needed for accommodating projected parole population levels if the approval is made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairperson of each house of the Legislature that considers appropriations not later than 30 days prior to the effective date of the approval, or prior to whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine. All notifications shall include (a) the reason for the proposed redirection of caseload funding to expenditures that are not related to caseload, (b) the approved amount, and (c) the basis of the director's determination that the funding is not needed for accommodating projected parole population levels.

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 leased 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, but subject to providing 30 days' prior notification to the Joint Legislative Budget Committee, funds appropriated in Schedule (1) or (3), or both, of this item may be transferred to Item 5240-101-0001, Schedule (2), 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.

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6.	Notwithstanding any other provision of law, upon approval of the Department of Finance, the Department of Corrections may transfer, between Schedules (1), (2), and (3) of this item, up to 5 percent of the amounts appropriated in these schedules. Any transfer of funds appropriated in Schedules (1), (2), and (3) 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.
7.	The Department of Corrections shall adjust the number of contracted beds with the Department of Mental Health necessary to house its offenders as part of its ongoing Coleman compliance effort. This revision shall be based on actual and reasonably projected bed usage, and be included in the Governor's Budget population-related request and adjusted in the May Revision as necessary.
8.	The California State Prison-Kern County at Delano shall be activated no later than April 30, 2005.
9.	The Department of Corrections shall submit to the Legislature by October 1, 2003, a plan for providing education programs in reception centers.
9.5.	The Department of Corrections shall provide priority placement in work, training, or education programs to inmates eligible for day-for-day worktime sentence reduction credit. Inmates currently in work, training, or education programs shall not be displaced.
10.	The Department of Corrections shall provide monthly updates to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the committees in each house of the Legislature that consider appropriations, and the Department of Finance, regarding the status of the implementation of the restructuring of the Academic and Vocational Education and Vocational Training program, the closure of three private Community Correctional Facilities, the increase of the Basic Correctional Officer Academy, the program to Reduce Recidivism through Pre-release Planning & Re-entry Programs, the Substance Abuse Treatment and Control Unit program and the Community Detention program for low level offenders, the Drug Treatment Furlough program, the Medical Parole program, and

Item	Amount
the expansion of the Mentally Ill Parolee program. In addition to the status of their implementation, these updates shall address the effect each program has on the Average Daily Population, and the savings that results from the programs.	
11. No later than January 12, 2004, the Director of Corrections shall submit to the chairperson and vice-chairperson of the Committee on Budget in both the Assembly and Senate and to the Legislative Analyst's Office, an operating budget for each of the correctional facilities under the control of the Department of Corrections. For every institution, the operating budget shall clearly identify the number of authorized and vacant employees, the estimated personal service costs, the estimated overtime budget, the estimated benefits budget, the estimated operating expense and equipment budget, and a list of all capital outlay projects occurring or projected to occur during the 2003-04 fiscal year.	
12. On or before January 12, 2004, the Director of Corrections shall provide a report to the Chairperson of the Budget Committees in the Senate and the Assembly on ways to achieve budget savings or ways to mitigate additional General Fund costs associated with the rising population of older and geriatric prisoners.	
5240-001-0890—For support of the Department of Corrections, for payment to Item 5240-001-0001, payable from the Federal Trust Fund	2,386,000
5240-001-0917—For support of the Department of Corrections, for payment to Item 5240-001-0001, payable from the Inmate Welfare Fund	49,489,000
5240-003-0001—For support of the Department of Corrections for rental payments on lease-revenue bonds	261,377,000
Schedule:	
(1) Base Rental and Fees	264,360,000
(2) Insurance	2,596,000
(3) Reimbursements	-5,579,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	

Item	Amount
5240-101-0001—For local assistance, Department of Corrections.....	109,570,000

Schedule:

- (1) 21-Institution Program..... 15,132,000
- (2) 31-Community Correctional Program..... 94,438,000

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, in-

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clusive, 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 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 (2) of this item may be transferred to Schedule (1) or (3), 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.

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5240-295-0001—For local assistance, Department of Corrections, 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, for disbursement by the State Controller	1,000
Schedule:	
(1) 98.01.082.091-Prisoner Parental Rights (Ch. 820, Stats. 1991)	1,000
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 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 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.	
5240-301-0660—For capital outlay, Department of Corrections, payable from the Public Buildings Construction Fund	271,710,000
Schedule:	
(1) 61.04.040-California Correctional Institution, Tehachapi: Wastewater Treatment Plant—Construction	15,743,000

Item	Amount
(2) 61.09.036-California Medical Facility, Vacaville: Mental Health Crisis Beds—Preliminary plans, working drawings, and construction	18,645,000
(3) 61.11.008-Richard J. Donovan Correctional Facility at Rock Mountain, San Diego: Substance Abuse Program Modular Replacement—Construction	2,074,000
(4) 61.12.027-California State Prison-San Quentin, San Quentin: Condemned Inmate Complex—Preliminary plans, working drawings, and construction	220,000,000
(5) 61.47.002-California State Prison-Sacramento, Represa: Psychiatric Services Unit/Enhanced Outpatient Care Phase II—Construction	15,248,000

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 projects authorized by this item.
2. The State Public Works Board and the Department of Corrections may obtain interim financing for the project costs authorized in this item from any appropriate source, including, but not limited to, Section 15849.1 of the Government Code and the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
3. The State Public Works Board may authorize the augmentation of the cost of construction of the projects scheduled in this item pursuant to the board's authority under Section 13332.11 of the Government Code. In addition, the State Public Works Board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing, including the payment of interest during construction of the projects, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional

Item	Amount
amount may include interest payable on any interim financing obtained.	
4. This department is authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.	
5. The State Public Works Board shall not itself be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is declarative of existing law.	
6. Notwithstanding Section 2.00 of the Budget Act, funds derived for Schedule (4) from the lease-purchase financing method deposited in the State Treasury, are hereby available for encumbrance until June 30, 2008, to the State Public Works Board on behalf of the Department of Corrections.	
5240-301-0746—For capital outlay, Department of Corrections, payable from the 1986 Prison Construction Bond Fund	1,551,000
Schedule:	
(1) 61.01.001-Statewide: Budget Packages and Advance Planning	1,000,000
(2) 61.06.024-Deuel Vocational Institution, Tracy: New Well—Construction	551,000
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	

Item	Amount
<p>the 2004–05 or 2005–06 Governor’s Budget, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 2004–05 and 2005–06 Governor’s Budgets, respectively. These funds may be used for all of the following: budget package development, environmental services, architectural programming, engineering assessments, schematic design, and preliminary plans. The amount appropriated in this item for that purpose is not to be construed as a commitment by the Legislature as to the amount of capital outlay funds it will appropriate in any future year.</p> <p>2. As used in this appropriation, studies shall include site studies and suitability reports, environmental studies, master planning, architectural programming and schematics.</p>	
<p>5240-301-0747—For capital outlay, Department of Corrections, payable from the 1988 Prison Construction Bond Fund</p>	3,500,000
<p>Schedule:</p> <p>(1) 61.01.030-Statewide: Evaluation of Mental Health Facilities—Study ... 1,000,000</p> <p>(2) 61.14.030-Minor Capital Outlay 2,500,000</p>	
<p>5240-301-0751—For capital outlay, Department of Corrections, payable from the 1990 Prison Construction Bond Fund</p>	2,500,000
<p>Schedule:</p> <p>(1) 61.14.030-Minor Capital Outlay 2,500,000</p> <p>Provisions:</p> <p>1. Notwithstanding any other provision of law, not more than \$600,000 of the funds in Schedule (1) may be used to complete construction of the New Potable Water Source project at the California Correctional Institution (Schedule (2.3) of Item 5240-301-0001 of Section 2.00 of the Budget Act of 1998 (Ch. 324, Stats. 1998)).</p>	
<p>5240-302-0747—For capital outlay, Department of Corrections, payable from the 1988 Prison Construction Fund</p>	2,776,000
<p>Schedule:</p> <p>(1) 61.06.021-Deuel Vocational Institution, Tracy: Infirmary Heating/Ventilation/Air-Conditioning—Construction</p>	1,060,000

Item	Amount
(2) 61.08.036-California Institution for Men, Chino: Cell Security Lighting/R.C. Central Facility—Working drawings and construction.....	1,250,000
(3) 61.08.037-California Institution for Men-East, Chino: Electrified Fence—Preliminary plans and working drawings	466,000
5240-303-0660—For capital outlay, Department of Corrections, payable from the Public Buildings Construction Fund	3,801,000
Schedule:	
(1) 61.34.426-Ironwood State Prison, Blythe: Correctional Treatment Center, Phase II—Construction.....	3,801,000

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 projects authorized by this item.
2. The State Public Works Board and the Department of Corrections may obtain interim financing for the project costs authorized in this item from any appropriate source including, but not limited to, Section 15849.1 of the Government Code and the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
3. The State Public Works Board may authorize the augmentation of the cost of construction of the projects scheduled in this item pursuant to the board's authority under Section 13332.11 of the Government Code. In addition, the State Public Works Board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing, including the payment of interest during construction of the projects, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.

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4. This department is authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
5. The State Public Works Board may not itself be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is declarative of existing law.

5240-490—Reappropriation, Department of Corrections.
The balance of the appropriations provided in the following citations is reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in the appropriations:

0001—General Fund

- (1) Item 5240-301-0001, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 5240-490, Budget Act of 2002 (Ch. 379, Stats. 2002)
 - (26) 61.16.021-Sierra Conservation Center, Jamestown: Effluent Disposal Pipeline—Working drawings and construction
- (2) Item 5240-301-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)
 - (1.5) 61.12.426-California State Prison, San Quentin, San Quentin: Correctional Treatment Center, Phase II—Preliminary plans
 - (6) 61.15.027-California Rehabilitation Center, Norco: Potable Water System Improvements—Construction
 - (7) 61.15.040-California Rehabilitation Center, Norco: Patton State Hospital Double Perimeter Security Fence—Working drawings
 - (9) 61.35.005-Salinas Valley State Prison, Soledad: Water Treatment Plant Installation—Construction

Item	Amount
0660—Public Buildings Construction Fund	
(1) Item 5240-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 61.03.021-California Correctional Center, Susanville: Replace Antelope Camp Dorms, Phase I—Construction	
(2) 61.09.015-California Medical Facility, Vacaville: Unit V-Modular Housing Replacement—Construction	
(3) 61.09.031-California Medical Facility, Vacaville: Ambulatory Care Clinic—Construction	
(4) 61.10.053-California Men’s Colony, San Luis Obispo: D-Quad Mental Health Services Building—Construction	
0724—1984 General Obligation Bond Fund	
(1) Item 5240-301-0724, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 61.06.024-Deuel Vocational Institution, Tracy: New Well—Working drawings	
(2) 61.11.008-Richard J. Donovan Correctional Facility at Rock Mountain, San Diego: Substance Abuse Program Modular Replacement—Working drawings	
0751—1990 Prison Construction Bond Fund	
(1) Item 5240-301-0751, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 61.22.004-Chuckawalla Valley State Prison, Blythe: Heating, Ventilation, and Air-conditioning System—Preliminary plans	
5240-492—Reappropriation, Department of Corrections.	
The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance and expenditure until June 30, 2006:	
0001—General Fund	
(1) Item 5240-302-0001, Budget Act of 1998 (Ch. 324, Stats. 1998), as reappropriated by Item 5240-490, Budget Act of 1999 (Ch. 50, Stats. 1999), Item 5240-490, Budget Act of 2000 (Ch. 52, Stats. 2000), Item 5240-490, Budget Act of 2001 (Ch. 106, Stats. 2001), and Item 5240-490, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(1) 61.01.759-Statewide: Habitat Conservation Plan	

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Provisions:	
1. The balance of the appropriations in Schedule (1) is reappropriated for the purpose of the Statewide Habitat Conservation Plan.	
2. The Department of Corrections shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committee in each house that considers appropriations no later than December 31, 2003, and annually thereafter until such funds are expended, disbursed, or reverted. This report shall include but not be limited to the following information: the most recent plan for the completion of the mitigation projects; the status of the mitigation projects; and a description of any significant events that would substantially delay the completion of the mitigation projects or could result in increased liability to the state.	
5240-493—Reappropriation, Department of Corrections. Notwithstanding any other provision of law, the balance 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	
(1) Item 5240-493, Budget Act of 2002 (Ch. 379, Statutes of 2002), as reappropriated by Item 5240-001-0001, Provision (8), Budget Act of 2001 (Ch. 106, Stats. 2001). The balance of the \$7,903,000 appropriated in Schedule (2) of this item is reappropriated only for the purpose of installing and implementing the Madrid Patient Information Management System at Pelican Bay State Prison and shall be available for expenditure until June 30, 2004. Any of the funds not used for these purposes shall revert to the General Fund.	
(2) Item 5240-001-0001, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 5240-493, Budget Act of 2002 (Ch. 379, Stats. 2002). \$11,695,000 appropriated in Schedule (1) of this item is reappropriated only for the purpose of repairing or replacing security doors and shall be available for expenditure until June 30, 2004. Any of the funds not used for this purpose shall revert to the General Fund.	
(3) Item 5240-001-0001, Budget Act of 2002 (Ch. 379, Stats. 2002). \$1,564,000 appropriated in	

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Schedule (4) of this item is reappropriated only for the purpose of the upgrade of the Distributed Data Processing System and shall be available for expenditure until June 30, 2004. Any of the funds not used for this purpose shall revert to the General Fund.	
(4) Item 5240-001-0001, Budget Act of 2002 (Ch. 379, Stats. 2002). \$772,000 appropriated in Schedule (3) of this item is reappropriated only for the purpose of the upgrade of the Interim Parolee Tracking System and shall be available for expenditure until June 30, 2004. Any of the funds not used for this purpose shall revert to the General Fund.	
(5) Allocation from Item 9909-017-0001, Budget Act of 2002 (Ch. 379, Stats. 2002) \$638,000 is reappropriated for the purposes of implementing the Health Insurance Portability and Accountability Act and shall be available for expenditure until June 30, 2004. Any of the funds not used for this purpose shall revert to the General Fund.	
5240-496—Reversion, Department of Corrections. As of June 30, 2003, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.	
0660—Public Buildings Construction Fund	
(1) Chapter 3 of the Statutes of 2002, Third Extraordinary Session.	
61.34.426-Ironwood State Prison, Blythe: Correctional Treatment Center, Phase II-Construction.	
0747—Prison Construction Bond Fund	
(1) Item 5240-301-0747, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 61.39.001-CSP, Kern County—Delano II-Construction	
5430-001-0001—For support of the Board of Corrections	1,933,000
Schedule:	
(1) 11-Corrections Planning and Programs	644,000
(2) 14-Facilities Standards and Operations	1,621,000
(3) 21-Standards and Training for Corrections.....	2,657,000
(4) 31.01-Administration.....	335,000

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(5) 31.02-Distributed Administration ...	-335,000
(6) Reimbursements.....	-588,000
(7) Amount payable from the Corrections Training Fund (Item 5430-001-0170).....	-2,401,000
5430-001-0170—For support of the Board of Corrections, for payment to Item 5430-001-0001, payable from Corrections Training Fund.....	2,401,000
5430-002-0170—For transfer by the Controller, upon order of the Director of Finance, from the Corrections Training Fund, to the General Fund.....	(9,606,000)
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 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 disbursement by the State Controller.....	2,000
Schedule:	
(1) 98.01.018.392-Mandates: Domestic Violence Treatment Services (Ch. 183, Stats. 1992).....	1,000
(2) 98.01.022.193-Mandates: Domestic Violence Treatment Program Approvals (Ch. 221, Stats. 1993).....	1,000
(3) 98.01.033.281-Mandates: Victims' Statements—Minors (Ch. 332, Stats. 1981).....	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	

Item	Amount
<p>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.</p> <p>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 2003–04 fiscal year:</p> <p>(3) Victims’ Statements—Minors (Ch. 332, Stats. 1981)</p>	
5440-001-0001—For support of the Board of Prison Terms.....	25,219,000
Schedule:	
(1) 10-Board of Prison Terms	25,300,000
(2) Reimbursements.....	–81,000
Provisions:	
1. The Board of Prison Terms shall complete a workload analysis for the purposes of determining the appropriate workload standards to be utilized in their Hearing Workload Budget Change Proposal. The analysis shall include the amount of time necessary to complete each hearing or review and the number of hours and days per year available for hearing staff to complete hearings and reviews.	
5450-001-0001—For support of the Youthful Offender Parole Board, Program 10.....	1,644,000
Provisions:	
1. No later than February 28, 2004, the Controller shall transfer any unencumbered funds in Item 5450-001-0001 as of February 1, 2004, to and in augmentation of Item 5460-001-0001. Any obligation incurred after January 1, 2004, shall be charged to Item 5460-001-0001.	
5460-001-0001—For support of the Department of the Youth Authority	300,907,000
Schedule:	
(1) 20-Institutions and Camps	311,720,000
(2) 30-Parole Services.....	44,922,000
(3) 40-Education Services	12,618,000

Item	Amount
(3.5) 45-Youth Authority Board.....	1,343,000
(4) 50.01-Administration.....	27,271,000
(5) 50.02-Distributed Administration ...	-25,687,000
(6) Reimbursements.....	-69,280,000
(7) Amount payable from the California State Lottery Education Fund—California Youth Authority (Item 5460-001-0831)	-528,000
(8) Amount payable from the Federal Trust Fund (Item 5460-001-0890).....	-1,472,000
Provisions:	
1. Of the funds appropriated in Schedule (1), \$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 cashflow obligations for the 2003–04 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.	
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.....	528,000
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	1,472,000
5460-003-0001—For support of the Department of the Youth Authority, for rental payments on lease-revenue bonds	1,645,000

Item	Amount
Schedule:	
(1) Base Rental and Fees	1,632,000
(2) Insurance	13,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
5460-111-0001—For support of the Department of the Youth Authority (Proposition 98)	36,428,000
Schedule:	
(1) 40-Education Services	36,428,000
Provisions:	
1. Of the funds appropriated in this item, no less than \$1,458,000 shall be used to provide education services that ensure, to the extent possible, that all eligible wards receive a minimum of 240 minutes of instruction per day.	
5460-101-0001—For local assistance, Department of the Youth Authority	2,331,000
Schedule:	
(1) 20-Institutions and Camps	78,000
(2) 30-Parole Services.....	2,253,000
Provisions:	
1. Of the amount appropriated in this item, \$1,481,000 is provided for the following purposes:	
(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	

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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.	
5460-295-0001—For local assistance, Department of the Youth Authority, for reimbursements, 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, for disbursement by the State Controller	0
Schedule:	
(1) 98.01.026.798-Extended Commitment—Youth Authority (Ch. 267, Stats. 1998).....	0
Provisions:	
1. Pursuant to Section 17581 of the Government Code, the mandate identified in the appropriation scheduled by 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 2003–04 fiscal year:	
(a) Extended Commitment-Youth Authority (Ch. 267, Stats. 1998)	
5460-301-0001—For capital outlay, Department of the Youth Authority	2,750,000
Schedule:	
(1) 60.01.035-Statewide: Pre-Schematic/Master Planning Budget Packages and Advanced Planning.....	250,000
(2) 60.90.010-Minor Projects	2,500,000
Provisions:	
1. The funds appropriated in Schedule (1) shall be allocated by the Department of the Youth Authority 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 2004–05 or 2005–06 fiscal year, and for which cost estimates and/or preliminary plans can be developed	

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<p>prior to legislative hearings on the Governor's Budget for the 2004–05 or 2005–06 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.</p> <p>2. As used in this appropriation, studies shall include site studies and suitability reports, environmental studies, master planning, architectural programming and schematics.</p> <p>5460-490—Reappropriation, Department of the Youth Authority. The balance 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:</p> <p>0660—Public Buildings Construction Fund</p> <p>(1) Item 5460-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)</p> <p style="padding-left: 2em;">(1.5) 60.54.110-Fred C. Nelles Youth Correctional Facility: Replace Taft Adjustment Center—Construction</p> <p style="padding-left: 2em;">(2) 60.54.115-Fred C. Nelles Youth Correctional Facility: Construct new kitchen—Construction</p> <p style="padding-left: 2em;">(3) 60.56.125-Southern Youth Correctional Reception Center and Clinic: Specialized Counseling Program Beds—Working drawings and construction</p> <p>Provisions:</p> <p>1. Notwithstanding any other provision of law, the reappropriation in Schedule (1.5) will be available for encumbrance until June 30, 2008, to be consistent with the appropriation for this project that was contained in Chapter 3 of the Statutes of 2002, Third Extraordinary Session.</p> <p>2. Notwithstanding any other provision of law, the Department of Youth Authority may utilize in-house staff to complete working drawings and construct the project for which funds were appropriated in Schedule (3).</p>	

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5460-495—Reversion, Department of the Youth Authority, Proposition 98. As of June 30, 2003, the balances specified below, of the appropriations provided in the following citations shall revert to the balance in the fund from which the appropriations were made: 0001—General Fund (1) Item 5460-011-0001, Budget Act of 2002 (Ch. 379, Stats. 2002). Up to \$615,000 appropriated in Program 40-Education Services.	
5480-001-0001—For support of Commission on Correctional Peace Officers’ Standards and Training, Program 10	1,081,000

EDUCATION

6110-001-0001—For support of Department of Education	38,350,000
Schedule:	
(1) 10-Instruction.....	62,063,000
(2) 20-Instructional Support	79,126,000
(3) 30-Special Programs.....	39,832,000
(4) 41-Executive Management and Special Services.....	5,547,000
(5) 41.01-State Board of Education	1,351,000
(6) 42.01-Department Management and Special Services.....	29,279,000
(7) 42.02-Distributed Department Management and Special Services.....	-29,279,000
(8) Reimbursements.....	-19,640,000
(9) Amount payable from Federal Trust Fund (Item 6110-001-0890)....	-129,929,000

Provisions:

1. An amount equal to or greater than the amount appropriated in Schedule (5) shall be available for support of the State Board of Education (SBE) and shall be directed to meet the policy priorities of its members. Of the amount appropriated in this schedule, \$130,000 is allocated for statutory oversight of charter schools approved by the SBE. In addition, the State Department of Education is authorized to receive and expend statutory reimbursements of an amount estimated to be \$130,000 for purposes of overseeing SBE-approved charter schools.
2. Notwithstanding Section 33190 of the Education Code, or any other provision of law, the State Department of Education shall expend no funds to

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- 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. Notwithstanding any other provision of law, of the funds appropriated in this item, \$699,000 shall be used to provide technical assistance and administrative support to remaining Healthy Start grantees.
 4. 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, \$143,000 shall be available in support of the Commission on Technology in Learning pursuant to Chapter 830 of the Statutes of 1999.
 7. The funds appropriated in this item may not be expended for any REACH program.

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8. 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.	
9. Of the funds appropriated in this item, \$206,000 shall be available as matching funds for the State Department of Rehabilitation to 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.	
10. Of the funds appropriated in this item, no less than \$3,939,000 is available for support of Child Care Services, including State Preschool and After School Programs pursuant to Chapters 318, 319, and 320 of the Statutes of 1998 (Program 30.10).	
11. 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 meeting No Child Left Behind data requirements.	
12. Of the amount appropriated in this item, \$1,627,000 is provided for the sole purpose of funding 13.5 positions and associated operating expenses and equipment costs related to implementation of the Public Schools Accountability Act, as established by Chapter 6.1 (commencing with Section 52050) of Part 28 of the Education Code.	
13. Of the funds appropriated in this item, \$360,000 is for the purpose of providing the STAR and HSEE programs each with two staff possessing psychometric and test development expertise. Encumbrance of these funds is contingent upon the redirection and reclassification of existing vacant and unfunded positions from elsewhere within the State Department of Education.	
14. Of the funds appropriated in this item, \$400,000 is for the purpose of funding two existing positions for the STAR Program and two existing positions for various other testing programs, in-	

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<p>cluding the HSEE, English Language Development, and Golden State Exams. These positions previously were funded through Goals 2000.</p> <p>15. Of the funds appropriated in this item, \$150,000 is provided solely for the purpose of funding existing positions from within the State Department of Education, to provide the Curriculum Commission with subject matter specialists.</p> <p>16. Of the funds appropriated in this item, \$200,000 is to contract for a review of proposals submitted by school districts that wish to participate in the Mathematics and Reading Professional Development program. The selection of this contractor shall be subject to the approval of the State Board of Education.</p> <p>17. Upon 30-day written notification of the Legislature, the Department of Finance may augment the appropriation in this item by up to \$250,000 to pay for the Department of Education's state administration costs associated with any litigation directly related to the High School Exit Exam.</p> <p>18. Of the funds appropriated in this item, \$858,000 shall be available for costs associated with the administration of the High Priority Schools Grant Program pursuant to Chapter 6.1 (commencing with Section 52055.600) of Part 28 of the Education Code and the Immediate Intervention/Underperforming Schools Program pursuant to Chapter 6.1 (commencing with Section 52053) of Part 28 of the Education Code.</p> <p>19. (a) Notwithstanding any other provision of law, any unexpended funds appropriated in Provision 29.5 of Item 6110-001-0001 of the Budget Act of 2002 Item 6110-011-0001 of the Budget Act of 2001 or in any prior Budget Act for the purposes of rewriting the Principal Apportionments System shall remain available for expenditure for the same purposes for which they were appropriated. For expenditures pursuant to this provision, the State Department of Education shall submit an expenditure plan to the Department of Finance and the Joint Legislative Budget Committee. The Department of Finance shall review the plan and either approve or</p>	

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disapprove the plan within 21 days of submission. If the Department of Finance fails to either approve or disapprove the plan within 21 days the plan shall be deemed to be approved. If the Department of Finance disapproves the plan it shall (1) submit a letter to the Joint Legislative Budget Committee that explains the rationale for disapproval and (2) convene a working group consisting of representatives of the Department of Finance, the State Department of Education, and staff of the appropriate policy and fiscal committees of the Legislature. The working group shall jointly develop a revised expenditure plan and submit that plan to the Director of Finance for approval.

- (b) By October 31, 2003, the State Department of Education shall provide to the Department of Finance a blended file of all charter school ADA and revenue aligned with the districts in which the charter schools operate along with the districts' regular apportionment data as part of the P2 Revenue Limit File. By March 1, 2004, the Department of Education shall provide to the Department of Finance a blended file of all charter school ADA and revenue aligned with the districts in which the charter schools operate along with the districts' regular apportionment data as part of the P1 Revenue Limit File. It is the expectation that such reports will be provided annually.
20. The balance of any unencumbered funds appropriated through Provision 23 of Item 6110-001-0001 of the Budget Act of 2001 or Provision 30 of Item 6110-001-0001 of the Budget Act of 2002 shall remain available to the Legislative Analyst's Office for the purpose of providing an evaluation of charter schools pursuant to Chapter 34 of the Statutes of 2000.
21. On or before April 15, 2004, the State Department of Education (SDE) shall provide to the Department of Finance an electronic file that includes complete district- and county-level state appropriations limit information reported to SDE. SDE shall make every effort to ensure that

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<p>all districts have submitted the necessary information requested on the relevant reporting forms.</p> <p>22. Of the funds appropriated in this item, \$3,025,000 shall be available for State Department of Education rental costs for the East End Complex and other leased space. In addition to the funds appropriated in this item, \$37,000 shall be available for the Special Deposit Fund for State Department of Education rental costs associated with the East End Complex and other leased space.</p> <p>23. The SDE shall report to the Department of Finance, the Legislative Analyst’s Office, and the budget committees of each house of the Legislature by October 31, 2003, March 31, 2004, and May 31, 2004, on the amount of Proposition 98 savings estimated to be available for reversion by June 30, 2004.</p> <p>24. Of the funds appropriated in this item, \$2,000,000 shall be available to SDE for nutrition education and physical activity promotion pursuant to an interagency agreement with the Department of Health Services.</p>	
<p>6110-001-0178—For support of the Department of Education, Program 20.30.003-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</p>	1,029,000
<p>Provisions:</p> <p>1. Of the funds appropriated in this item, \$47,300 shall be available for SDE rental costs associated with the East End Complex and other leased space.</p>	
<p>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.....</p>	997,000
<p>Provisions:</p> <p>1. Of the funds appropriated in this item, \$50,500 shall be available for SDE rental costs associated with the East End Complex and other leased space.</p>	

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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	5,212,000
Provisions:	
1. Of the funds appropriated in this item, \$329,600 shall be available for SDE rental costs associated with the East End Complex and other leased space.	
6110-001-0890—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Federal Trust Fund	129,929,000
Provisions:	
1. The funds appropriated in this item include Federal Vocational Education Act funds for the 2003–04 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, \$96,000 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 McKinney-Vento Homeless Assistance Act. The department shall consult with the State Departments of Economic Opportunity, Mental Health, Housing 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 non-biased assessment and specialized language skills to special education teachers.	
6. Of the amount appropriated in this item, \$1,200,000 shall be used for the administration of	

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- the federal charter schools program. These activities include monitoring of grant recipients, and increased review and technical assistance support for federal charter school grant applicants and recipients. For the 2003–04 fiscal year, one Education Program Consultant position shall support fiscal issues pertaining to charter schools, including implementation of the funding model pursuant to Chapter 34 of the Statutes of 1998.
7. Of the funds appropriated in this item, \$9,268,000 is from the Child Care and Development Block Grant Fund and is available for support of Child Care Services.
 8. Of the funds appropriated in this item, \$2,101,000 shall be used for administration of the Enhancing Education Through Technology Grant Program. Of this amount:
 - (a) \$580,000 is available only for contracted technical support and evaluation services.
 9. Of the funds appropriated in this item, \$10,263,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for the Special Education Program.
 10. 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 educational agency compliance with state and federal laws and regulations governing special education.
 11. Of the funds appropriated in this item, \$125,000 shall be allocated for increased travel costs associated with program reviews conducted by the Special Education Division Focused Monitoring and Technical Assistance Units. Expenditure of these funds is subject to Department of Finance approval of an expenditure plan. The expenditure plan shall include the proposed travel costs associated with Focused Monitoring and Technical Assistance provided by the State Department of Education. It shall also include the estimated type and number of reviews to be conducted, and shall provide an estimated average cost per type of review. Annual renewal of this funding is subject to Department of Finance approval of an annual Focused Monitoring final expenditure re-

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- port. The report shall be submitted on or before September 30 of each year, beginning in 2003. It shall provide the total number of reviews conducted each fiscal year, the amount of staff and personnel days and hours associated with each category of review, the travel costs associated with the type and number of reviews conducted, and an average cost per type of review.
12. Of the funds appropriated in this item, \$120,000 shall be used solely for the administration of the federal advance placement examination fee payment grant program for low-income pupils.
 13. Of the funds appropriated in this item, \$350,000 shall be available for the preparation, analysis, and production of the annual federal accountability reports, as required by the Carl D. Perkins Vocational Technical Education Act.
 14. Of the funds appropriated in this item, \$303,000 shall be allocated by the Department of Education to the California State University, San Bernardino, Center for the Study of Correctional Education, for special education monitoring of and technical assistance for the California Youth Authority pursuant to Chapter 536, Statutes of 2001.
 15. The balance of unencumbered funds appropriated in subdivision (h) of Provision 7 of Item 6110-001-0890 of the Budget Act of 2000 (Ch. 52, Stats. 2000) shall remain available to the office of the Legislative Analyst for the purpose of providing an evaluation of charter schools pursuant to Chapter 34 of the Statutes of 2000.
 16. Of the funds appropriated in this item, \$752,000 shall be available for costs associated with the administration of the High Priority Schools Grant Program pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of the Education Code and the Immediate Intervention/Underperforming Schools Program pursuant to Article 3 (commencing with Section 52053) of Chapter 6.1 of Part 28 of the Education Code.
 17. Of the funds appropriated in this item, \$1,454,000 shall be available pursuant to Chapter 1020, Statutes of 2002. Of this amount, \$413,000 is provided for the development and

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implementation of corrective action plans and sanctions pursuant to federal law. The remaining \$1,041,000 is available pending the approval of an expenditure plan by the Department of Finance.	
19. Of the funds appropriated in this item, \$1,373,000 is for administration of the Reading First Program. Of this amount, \$873,000 is to redirect 6.0 staff to assist in program administration, and \$500,000 is for the department to contract for annual evaluations of program effectiveness.	
20. Of the amount appropriated in this item, \$500,000 is provided to continue an evaluation of the Public Schools Accountability Act, as established by Chapter 6.1 (commencing with Section 52050) of Part 28 of the Education Code.	
21. Of the appropriated funds in this item, \$637,000 is for the department to continue developing a comprehensive strategy to address data reporting requirements associated with the No Child Left Behind Act (P.L. 107-110), and to establish 5.0 positions to assist with this task.	
22. Of the funds appropriated in this item, \$600,000 is provided for an evaluation of the High Priority Schools Grant Program pursuant to Chapter 42, Statutes of 2002.	
23. Of the funds appropriated in this item \$4,550,800 shall be available for State Department of Education rental costs for the East End Complex and other leased space.	
24. Of the funds appropriated in this item \$1,700,000 shall be allocated to the Ravenswood City School District to support the costs of the court-ordered Ravenswood School Improvement Program.	
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	

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in this item may be increased subject to the approval of the Department of Finance.	
6110-001-6036—For support of Department of Education, Program 20.30-Administrative Services to local educational agencies, payable from the 2002 State School Facilities Fund	2,173,000
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, modernization, and schoolsite acquisition.	
2. Of the funds appropriated in this item, \$119,000 shall be available for SDE rental costs for the East End Complex and other leased space.	
6110-003-0001—For support of Department of Education, Program 20.30.020-Instructional Support, Standardized Account Code Structure	1,011,000
Provisions:	
1. The funds appropriated in this item shall be used only for the direct costs to administer the Standardized Account Code Structure program, pursuant to Section 42103.3 of the Education Code, 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 for indirect costs for those programs at the rate approved by the United States Department of Education.	
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	31,302,000
Schedule:	
(1) 10.60.040-Instruction.....	31,889,000
(a) 10.60.040.001- School for the Blind, Fremont	4,522,000
(b) 10.60.040.002- School for the Deaf, Fremont	14,754,000
(c) 10.60.040.003- School for the Deaf, Riverside.....	12,613,000
(2) Reimbursements.....	-587,000

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Provisions:	
1. The State Special Schools for the Deaf in Fremont and Riverside and the State Special School for the Blind in Fremont shall provide a four-week extended session.	
2. 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.....	38,146,000
Schedule:	
(1) 10.60.040-Instruction, State Special Schools.....	43,121,000
(a) 10.60.040.001-School for the Blind, Fremont	5,525,000
(b) 10.60.040.002-School for the Deaf, Fremont	14,955,000
(c) 10.60.040.003-School for the Deaf, Riverside.....	12,568,000
(d) 10.60.040.007-Diagnostic Centers ...	10,073,000
(2) Reimbursements	-4,842,000
(3) Amount payable from the California State Lottery Education Fund (Item 6110-006-0814)	-133,000
Provisions:	
1. On or before September 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 transferred 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 report-	

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<p>ing to the Controller the information needed to make the adjustment. The payments by the Controller that result from this yearend adjustment shall be applied to the current year.</p> <p>2. The State Special Schools for the Deaf in Fremont and Riverside and the State Special School for the Blind in Fremont shall provide a four-week extended session.</p>	
<p>6110-006-0814—For support of Department of Education, for payment to Item 6110-006-0001, payable from the California State Lottery Education Fund... Provisions:</p> <p>1. All funds received pursuant to Chapter 12.5 of Division 1 of Title 2 of the Government Code 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.</p>	133,000
<p>6110-007-0001—For support of Department of Education, Program 20.20.010-Instructional Materials Management and Distribution—Curriculum Frameworks and Instructional Materials..... Provisions:</p> <p>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.</p>	110,000
<p>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 Provisions:</p> <p>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.</p>	1,402,000
<p>6110-015-0001—For support of Department of Education, Program 20.20.020-Instructional Materials Management and Distribution Provisions:</p> <p>1. Funds appropriated in this item are for transfer by the Controller to the State Instructional Materials Fund, for allocation during the 2003–04 fiscal</p>	416,000

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<ul style="list-style-type: none"> year pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred in amounts claimed by the Department of Education, for direct disbursement by the Department of Education from the State Instructional Materials Fund. 2. Of the funds appropriated in this item, \$26,200 shall be available for SDE rental costs associated with the East End Complex and other leased space. 	
6110-021-0001—For support, Department of Education, Program 30.20.005-Child Nutrition—Nutrition Education Projects	468,000
6110-101-0231—For local assistance, Department of Education, Program 20.10.045-Instructional Support, Curriculum Services—Health and Physical Education—Drug Free Schools, for county offices of education, payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund	3,793,000
6110-101-0814—For local assistance, Department of Education, Program 10.10-School Apportionment, 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.....	799,421,000
Provisions:	
<ul style="list-style-type: none"> 1. All funds received pursuant to Chapter 12.5 of Division 1 of Title 2 of the Government Code that are allocable to local education agencies that serve pupils in kindergarten or any of grades 1 to 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. 	
6110-101-0975—For local assistance, Department of Education, Program 20.40.040-Library and Learning Resources, payable from the California Public School Library Protection Fund	4,574,000
Provisions:	
<ul style="list-style-type: none"> 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 	

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<p>in this item may be increased subject to the approval of the Department of Finance.</p> <p>6110-102-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund</p>	7,700,000
<p>Provisions:</p> <p>1. The funds appropriated in this item shall be used to provide grants to charter schools that operate in low-income attendance areas for facilities-related expenses pursuant to Section 3 of Chapter 892 of the Statutes of 2001. The funds appropriated are intended to be offset by reductions to charter school funding as specified in the legislation, including, but not limited to, provisions pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of Division 4 of Title 2 of the Education Code or Section 47613.1 of the Education Code.</p>	
<p>6110-102-0231—For local assistance, Department of Education, Program 20.10.045-Instructional Support, Curriculum Services Health and Physical Education, Drug Free Schools, for local assistance, payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund</p>	23,200,000
<p>Provisions:</p> <p>1. On or before June 1, 2004, 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 transfer from the competitive grades 9–12 program to the formula grades 4–8 program in the 2003–04 fiscal year.</p>	
<p>6110-102-0890—For local assistance, Department of Education, Program 20.60.038-Learn and Serve America Program, payable from the Federal Trust Fund</p>	2,616,000
<p>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.....</p>	10,114,000
<p>Provisions:</p> <p>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</p>	

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- of Public Instruction for the apprenticeship 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 \$4.86 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 February 1, 2004, on the amount of funds expended for and the hours of related and supplemental instruction offered in the apprentice program during the 2002–03 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 report shall identify the hours of related and supplemental instruction proposed for the 2002–03 and 2003–04 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 and regional occupational centers and programs 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

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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.	
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.....	5,072,000
6110-104-0001—For local assistance, Department of Education (Proposition 98), Program 10.10.011-School Apportionments—Remedial Supplemental Instruction Programs, for transfer to Section A of the State School Fund, for supplemental instruction and remedial programs	268,770,000
Schedule:	
(1) 10.10.011.008-School Apportionments, for Supplemental Instruction, Remedial, Grades 7–12 for the purposes of Section 37252 of the Education Code.....	152,287,000
(2) 10.10.011.009-School Apportionments, for Supplemental Instruction, Retained, or Recommended for Retention, Grades 2–9, for the purposes of Section 37252.2 of the Education Code, as applicable.....	36,776,000
(3) 10.10.011.010-School Apportionments, for Supplemental Instruction, Low STAR, or at-risk, Grades 2–6, for the purposes of Section 37252.8 of the Education Code, as applicable	13,988,000
(4) 10.10.011.011-School Apportionments, for Supplemental Instruction, Core Academic, Grades K–12, for the purposes of Section 37253 of the Education Code	65,719,000
Provisions:	
1. Notwithstanding any other provision of law, for the 2003–04 fiscal year the Superintendent of Public Instruction shall allocate a minimum of \$7,395 for supplemental summer school programs in each school district for which the prior	

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fiscal year enrollment was less than 500 and that, in the 2003–04 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 (f) of Section 42239 of the Education Code as it read on July 1, 1999.

2. Notwithstanding any other provision of law, for the 2003–04 fiscal year, the maximum reimbursement to a school district or charter school for the program listed in Schedule (4) shall not exceed 5 percent of the district or charter school’s enrollment multiplied by 120 hours, multiplied by the hourly rate for the 2003–04 fiscal year.
4. Notwithstanding any other provision of law, the rate of reimbursement shall be \$3.45 per hour of supplemental instruction.
5. Notwithstanding any other provision of law, if the funds in this item are insufficient to fund otherwise valid claims, the superintendent shall adjust the rates to conform to available funds.

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	370,444,000
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Schedule:

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|---|-------------|
| (1) 10.10.004-Instruction Program—
School Apportionments, Regional
Occupational Centers and
Programs | 377,761,000 |
| (2) Reimbursements | -7,317,000 |

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 2003–04 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, in an amount as needed for appor-

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tionment 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.
- 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 appropriated 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.

6110-106-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, Program 20.30, West Contra Costa Facilities Payment

800,000

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Provisions:	
1. For allocation to the West Contra Costa Unified School District as specified by paragraph (1) of subdivision (a) of Education Code Section 41329.	
6110-107-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-County Offices of Education Fiscal Oversight	9,723,000
Schedule:	
(1) 10.10.002-COE Oversight.....	5,000,000
(2) 10.10.005-FCMAT	2,548,000
(3) 10.10.012-FCMAT: CSIS.....	250,000
(4) 10.10.013-Audit Appeal Panel	75,000
(5) 10.10.015-Interim Reporting	1,150,000
(6) 10.10.016-Staff Development.....	700,000
Provisions:	
1. The funds appropriated in Schedule (1) 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 and subsequent legislation.	
2. Funds contained in Schedule (1) may be used for activities including, but not limited to, conducting reviews, examinations, and audits of districts and providing written notifications of the results at least annually by county offices of education on the fiscal solvency of the districts with disapproved budgets, qualified or negative certifications, or, pursuant to Section 42127.6 of the Education Code, districts facing fiscal uncertainty. Written notifications of the results of these reviews, audits, and examinations shall be provided at least annually to the district governing board, the Superintendent of Public Instruction, the Director of Finance, and the Office of the Secretary for Education.	
3. Of the funds appropriated in Schedule (2) of this item:	
(a) \$2,000,000 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.	

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- (b) \$130,000 shall be used for evaluation of the Compton Unified School District and for any other specified duties, pursuant to Chapter 767 of the Statutes of 1997.
 - (c) \$418,000 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.
4. Of the funds appropriated in Schedule (3) of this item, \$250,000 shall be available to the FCMAT to pay for project management services for CSIS. These funds shall be used to supplement and not supplant other CSIS funds available for project management services.
 5. The funds appropriated in Schedule (5) 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. These funds may also be used to reimburse county office of education activities for extraordinary costs of audits, examinations, or reviews of district budgets in cases where fraud, misappropriation of funds or other illegal fiscal practices require COE review, pursuant to Section 2 of Chapter 620 of the Statutes of 2001. 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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6. Notwithstanding Section 26.00, 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.
7. The funds appropriated in Schedule (4) of this item are for the additional staff and resources needed for FCMAT to ensure that timely resolution of audit findings is achieved pursuant to the directives of Education Code Section 41344.
8. Of the funds appropriated in Schedule (6) of this item, \$500,000 is for the purpose of providing staff development to local education agency school finance and business personal, as provided in Section 42127.8 of the Education Code. The funds appropriated in Schedule (6) 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. \$200,000 of the funds appropriated in Schedule (6) 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.
9. Notwithstanding any other provision of law, funds appropriated in Schedules (1), (2), (4), (5), and (6), of this item to a county office of education, selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee FCMAT responsibilities, shall be allocated by the State Controller directly to that county office of education as soon as possible but no later than 60 days after the enactment of the Budget Act. Funds appropriated in this item shall not be subject to grant allocation or review processes on the part of

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the State Department of Education nor the Superintendent of Public Instruction. The county office of education that receives these funds shall annually provide a report detailing past year expenditures, identifying the local education agencies (LEA) assisted with these funds and a summary of progress for each. Additionally, the report shall identify a plan for the proposed uses of the allocations in this item, identifying estimated expenditures for each LEA anticipated to be served. This report shall be submitted to the Department of Education and to the Department of Finance by October 1, 2003.	
6110-108-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.60.020.200-Tenth Grade Counseling pursuant to Section 48431.7 of the Education Code	11,443,000
6110-109-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.020.007-Gang Risk Intervention Program pursuant to Chapter 5.5 (commencing with Section 58730) of Part 31 of the Education Code	3,000,000
6110-111-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, 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	474,096,000
Schedule:	
(1) 10.10.006-Pupil Transportation	469,538,000
(2) 10.10.008-Small School District Bus Replacement	4,558,000
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 20.60.017-Instructional Time and Staff Development Reform Program.....	229,667,000
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)	

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of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code.	
2. The funds appropriated in this item will provide a daily rate of \$299.29 for teachers and \$155.18 for classified paraprofessionals.	
6110-112-0890—For local assistance, Department of Education, Program 20.60.036-Public Charter Schools, payable from the Federal Trust Fund.....	31,222,000
Provisions:	
1. Of the funds appropriated in this item, an amount of up to \$422,000 may be transferred to Item 6110-001-0890 to be used for state operations purposes relating to federal charter school grants.	
6110-113-0001—For local assistance, Department of Education (Proposition 98), for purposes of California’s pupil testing program.....	85,860,000
Schedule:	
(2) 20.70.030.005-Assessment Review and Reporting	3,913,000
(3) 20.70.030.006-STAR Program	60,836,000
(4) 20.70.030.007-English Language Development Assessment	11,437,000
(5) 20.70.030.008-High School Exit Examination.....	18,267,000
(6) 20.70.030.016-Test Development: STAR Exam	1,407,000
(7) 20.70.030.015-California High School Proficiency Exam	750,000
(7.5) 97.20.001.000-Unallocated Reduction	-10,000,000
(8) Reimbursements.....	-750,000
Provisions:	
1. The funds appropriated in this item shall be for the pupil testing programs authorized by Chapter 5 (commencing with Section 60600), Chapter 7 (commencing with Section 60810), and Chapter 8 (commencing with Section 60850) of Part 33 of the Education Code.	
2. The funds appropriated in Schedule (3) 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 (4) shall be available for administration of an English language development test meeting the requirements	

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of Chapter 7 (commencing with Section 60810) of Part 33 of the Education Code.	
4. The funds appropriated in Schedule (5) include funds for the administration of the HSEE pursuant to Chapter 8 (commencing with Section 60850) of Part 33 of the Education Code.	
5. The funds appropriated in Schedule (6) shall be available for test item development for the STAR program during the 2003–04 fiscal year. The test items developed with these funds shall make progress in aligning this exam with the State Board of Education-approved academic content standards and in ensuring that this exam is valid and reliable as measured by industry standards.	
6. It is the intent of the Legislature that the State Department of Education develop a plan to streamline existing programs to eliminate duplicative tests and minimize the instructional time lost to test administration. The State Department of Education shall ensure that all statewide tests meet industry standards for validity and reliability.	
7. The State Board of Education shall annually establish the amount of funding to be apportioned to school districts for the English Language Development Assessment and the High School Exit Examination. The amount of funding to be apportioned per test shall not be valid without the approval of the Department of Finance.	
6110-113-0890—For local assistance, Department of Education—Title VI Flexibility and Accountability, payable from the Federal Trust Fund.....	45,428,000
Schedule:	
(1) 20.60.030.030-Alternative Schools Accountability Model.....	775,000
(2) 20.70.030.006-STAR Program	5,119,000
(3) 20.70.030.008-High School Exit Examination.....	1,100,000
(5) 20.70.030.017-NCLB Longitudinal Database.....	6,880,000
(6) 20.70.030.018-Incentive Funding—CELDT	7,100,000
(7) 20.70.030.022-High School Exit Examination Workbooks.....	1,800,000
(8) 20.70.030.021-California Alternate Performance Assessment—Local Apportionment.....	500,000

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(9) 20.70.030.023-Title VI—Unallo- cated.....	16,154,000
(11) 20.70.030.025-Pupils With Disabilities—Standards and As- sessments.....	600,000
(11.5) 20.70.030.026-Primary Lan- guage Test Development	3,000,000
(12) 20.70.030.027-Alternative Assess- ments for Special Education.....	1,000,000
(13) 20.70.030.028-CELDT—K-1 Reading and Writing Test Develop- ment	1,400,000

Provisions:

1. Funds appropriated in Schedule (1) are provided for the continued development of the Alternative Schools Accountability Model to include alternative schools within the state’s system of accountability.
2. Funds appropriated in Schedule (2) are provided for activities related to the Standardized Testing and Reporting Program. Of this amount, \$900,000 is for the planning and development of science tests and \$650,000 is for reporting Adequate Yearly Progress pursuant to the No Child Left Behind Act of 2001 (P.L. 107-110).
3. Funds appropriated in Schedule (3) are provided for activities related to the High School Exit Examination.
5. Funds appropriated in Schedule (5) are provided for the establishment of a longitudinal database, and for data collection requirements of the No Child Left Behind Act of 2001 (P.L. 107-110), pursuant to Chapter 1002, Statutes of 2002. The State Department of Education shall submit an expenditure plan to the Department of Finance and the Joint Legislative Budget Committee. The Department of Finance shall review the plan and either approve or disapprove the plan within 21 days of submission. If the Department of Finance fails to either approve or disapprove the plan within 21 days the plan shall be deemed to be approved. If the Department of Finance disapproves the plan it shall (1) submit a letter to the Joint Legislative Budget Committee that explains the rationale for disapproval and (2) convene a working group consisting of representatives of the Department of Finance and the State Department of

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- Education and staff of the appropriate policy and fiscal committees of the Legislature. The working group shall jointly develop a revised expenditure plan and submit that plan to the Director of Finance for approval. The Department of Finance may transfer funds provided pursuant to this provision to Item 6110-001-0890 to provide the State Department of Education necessary resources to meet the data collection requirements of P.L. 107-110.
6. Funds appropriated in Schedule (6) are provided as incentive funding of \$5 per pupil for district apportionments for the English Language Development Test. As a condition of receiving these funds, school districts must agree to provide information determined to be necessary to comply with the data collection and reporting requirements of the No Child Left Behind Act of 2001 (P.L. 107-110) regarding English language learners by the State Department of Education with approval by the State Board of Education.
 7. Funds appropriated in Schedule (7) are for the printing and distribution of the High School Exit Examination Workbooks.
 8. Funds appropriated in Schedule (8) are for district apportionments of \$5 per pupil for the California Alternate Performance Assessment.
 9. Funds appropriated in Schedule (9) are for activity allowed under Title VI, including developing the state's system of assessments. The State Department of Education shall submit an expenditure plan to the Department of Finance and the Joint Legislative Budget Committee. The Department of Finance shall review the plan and either approve or disapprove the plan within 21 days of submission. If the Department of Finance fails to either approve or disapprove the plan within 21 days the plan shall be deemed to be approved. If the Department of Finance disapproves the plan it shall (1) submit a letter to the Joint Legislative Budget Committee that explains the rationale for disapproval and (2) convene a working group consisting of representatives of the Department of Finance and the State Department of Education and staff of the appropriate policy and fiscal com-

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mittees of the Legislature. The working group shall jointly develop a revised expenditure plan and submit that plan to the Director of Finance for approval. The State Board of Education and the Superintendent of Public Instruction may not adopt or amend any plan for the expenditure of these funds pursuant to P.L. 107-110 except upon advance notice to the chairs of the fiscal and policy committees that consider education and appropriations in both houses of the Legislature and the Chair of the Joint Legislative Budget Committee. Advance notice shall be 30 days if the plan for the expenditure is submitted between January 1 and August 30 of the year, and advance notice shall be 45 days if the plan for the expenditure is submitted between September 1 and December 31 of the year. The Department of Finance may transfer funds provided pursuant to this provision to Item 6110-001-0890 to provide the State Department of Education necessary resources to meet the data collection requirements of P.L. 107-110.

11. Funds appropriated in Schedule (11) are provided on a one-time basis for training and materials regarding standards and assessments for pupils with disabilities.
- 11.5. Funds appropriated in Schedule (11.5) are for development of primary language tests aligned to state-adopted content standards pursuant to legislation enacted during the 2003–04 Regular Session.
12. Funds appropriated in Schedule (12) are for the development of an alternative assessment to the High School Exit Exam, for pupils in special education pursuant to legislation enacted during the 2003–04 Regular Session.
13. Funds appropriated in Schedule (13) are available pursuant to legislation enacted during the 2003–04 Regular Session for the development of reading and writing assessments for English language learners in Kindergarten or Grade 1 to comply with the No Child Left Behind Act of 2001 (P.L. 107-110), which requires assessments of English proficiency to include an assessment of progress in attaining English reading and writing skills.

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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 Division 4 of Title 2 of the Education Code.....	387,190,000
Schedule:	
(1) 20.60.030.010-For the purposes of making allowances for kindergarten and grades 1 to 6, inclusive....	320,360,000
(2) 20.60.030.020-For the purpose of making allowances for grades 7 to 12, inclusive	66,830,000
Provisions:	
1. From the funds appropriated in Schedule (2), the State Department of Education shall allocate \$30.13 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.	
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
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.	
6110-119-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.40.060-Educational Services for Foster Youth pursuant to Chapter 11.3 (commencing with Section 42920) of Part 24 of Division 3 of Title 2 of the Education Code	8,752,000
6110-119-0890—For local assistance, Department of Education, for 10.30.060.002—Title I Program for Neglected and Delinquent Children, payable from the Federal Trust Fund.....	3,311,000

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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 of, Article 7 (commencing with Section 54720) of Chapter 9 of Part 29 of, and Chapter 3.5 (commencing with Section 58550) of Part 31 of, the Education Code	21,885,000
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 pupils” as defined in subdivision (c) of Section 54721 of the Education Code. Each outreach consultant shall receive no more than \$51,732 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	

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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 \$106.14 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 \$7.12 per hour.

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 5,136,000
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.

6110-123-0001—For local assistance, Department of Education (Proposition 98), for implementation of the Public Schools Accountability Act, pursuant to Chapter 6.1 (commencing with Section 52050) of Part 28 of the Education Code 320,484,000
Schedule:

- (1) 20.60.030.031-Immediate Intervention/Underperforming Schools Program..... 99,071,000
- (2) 20.60.030.034-Low-Performing Schools.....218,412,000
- (3) 20.60.030.036—Corrective Actions 3,001,000

Provisions:
1. Funds appropriated in Schedule (1) are provided solely for the purpose of implementing the Immediate Intervention/Underperforming Schools Program, pursuant to Article 3 (commencing with Section 52053) of Chapter 6.1 of Part 28 of the

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Education Code. These funds are to fund implementation grants for the second and third cohorts of schools that received planning grants under the program during the 2000–01 and 2001–02 fiscal years.

- 2. Funds appropriated in Schedule (2) are provided solely for the purpose of implementing the High Priority Schools Grant Program for Low-Performing Schools, pursuant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of the Education Code.
- 3. Pursuant to Chapter 1020, Statutes of 2002, the funds appropriated in Schedule (3) shall, upon approval by the State Board of Education, be available to support schools working with School Assistance and Intervention Teams or schools subject to state or federal sanctions by the Superintendent of Public Instruction as part of the Immediate Intervention/Underperforming Schools Program or No Child Left Behind Act of 2001 (P.L. 107-110). To the extent necessary to fully fund the Immediate Intervention/Underperforming Schools Program and School Assistance and Intervention Teams, the Department of Finance may transfer funds between Schedule (1) and Schedule (3) of this item.

6110-123-0890—For local assistance, Department of Education, payable from the Federal Trust Fund..... 79,972,000
 Schedule:

- (1) 20.60.030.031-Immediate Intervention/Underperforming Schools Program..... 39,743,000
- (2) 20.60.030.035-Innovative Program, Title V-ESEA..... 40,229,000

Provisions:

- 1. Funds appropriated in Schedule (1) are provided for the purpose of funding Title I schools identified as being in need of improvement or corrective action (required priority for subgrants under Part F of Title I of the ESEA) and to provide implementation grants for federally funded schools currently participating in the Immediate Intervention/Underperforming Schools Program or the High Priority Schools Grant Program.

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6110-124-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, 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	42,578,000
Provisions:	
1. An additional \$3,958,000 in expenditures for this purpose has been deferred to the 2004–05 fiscal year.	
6110-125-0001—For local assistance, Department of Education (Proposition 98), for English Language Learners Program 20.10.006-English Language Learners Student Assistance pursuant to Chapter 4 (commencing with Section 400) of Part 1 of Division 1 of Title 1 of the Education Code.....	53,200,000
6110-125-0890—For local assistance, Department of Education	266,920,000
Schedule:	
(1) 10.30.010-Title I, Migrant Education.....	132,077,000
(2) 10.40.030.004-Refugee Children School Impact Grant	2,050,000
(3) 20.10.004-Title III, Language Acquisition	132,793,000
Provisions:	
1. Of the funds appropriated in Schedule (1) of this item, the State Department of Education shall use no less than \$6,500,000 and up to \$7,100,000 for the California Mini-Corps Program.	
2. The State Department of Education shall submit an expenditure plan to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee that allocates all available carryover funds in the most effective method consistent with the one-time nature of the funds that ensures complete expenditure of the funds by local Migrant Education regions during the 2003–04 fiscal year. The Department of Finance shall review and approve or disapprove the plan within 21 days of submission. If the Department of Finance fails to either approve or disapprove the plan within 21 days, the plan shall be deemed to be approved. If the Department of Finance disapproves the plan, it shall (1) submit a letter to the Joint Legislative Budget Committee that explains the rationale for	

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<p>the disapproval, and (2) convene a working group consisting of representatives of the Department of Finance and the State Department of Education and the staff of the appropriate policy and fiscal committees of the Legislature. The working group shall jointly develop a revised expenditure plan and submit that plan to the Director of Finance for approval.</p>	
<p>6110-126-0890—For local assistance, Department of Education, Program 20.60.290-Instructional Support, Title I, Part B of the Elementary and Secondary Education Act (Reading First Program) payable from the Federal Trust Fund.....</p>	145,235,000
<p>Provisions:</p>	
<ol style="list-style-type: none"> 1. The funds appropriated in this item are provided pursuant to Article 1 (commencing with Section 51700) of Chapter 5 of Part 28 of the Education Code. 2. Of the funds appropriated in this item, \$13,635,000 is available for bilingual programs pursuant to legislation to be enacted during the 2003–04 Regular Session. 	
<p>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 Division 4 of Title 2 of the Education Code</p>	2,611,000
<p>Provisions:</p>	
<ol style="list-style-type: none"> 1. Notwithstanding Section 48644 of the Education Code, funds allocated to school districts for the expansion of Opportunity Classes and Programs may not exceed \$518 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 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 	

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principal apportionment divisor of 135 and three hours of attendance per day).	
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	498,682,000
Schedule:	
(1) 10.30.070.001-Article 2 (commencing with Section 54020) of Chapter 1 of Part 29 of Division 4 of Title 2 of the Education Code	349,077,100
(2) 10.30.070.020-Sections 54031 and 54033 of the Education Code, and Article 4 (commencing with Section 54040) of Chapter 1 of Part 29 of Division 4 of Title 2 of the Education Code	149,604,900
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 Division 4 of Title 2 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.	
6110-130-0001—For local assistance, Department of Education, Program 20.60.100-Advancement Via Individual Determination	10,300,000
Provisions:	
1. Of the funds appropriated, \$1,300,000 is available for administration of the Advancement Via Individual Determination (AVID) centers and \$6,000,000 is available for competitive outreach grants to local education agencies for the AVID program. Notwithstanding any other provision of law, the remaining \$3,000,000 shall be used solely for the provision of advanced placement teacher training or tutoring services.	
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 32060) of Part 28 of the Education Code	552,000

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6110-132-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.10, Targeted Instructional Improvement Grant pursuant to Chapter 2.5 (commencing with Section 54200) of Part 29 of the Education Code	642,200,000
6110-136-0890—For local assistance, Department of Education, payable from the Federal Trust Fund.....	1,718,192,000

Schedule:

- (1) 10.30.060-Title I-ESEA 1,710,838,000
- (2) 10.30.065-McKinney-Vento Homeless Children Education..... 7,354,000

Provisions:

1. In administering the accountability system required by this item, the State Department of Education shall 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 Public School Accountability Act, as established by Chapter 6.1 (commencing with Section 52050) of Part 28 of the Education Code, so that duplication of effort is minimized at the local level.
2. Of the funds appropriated in Schedule (1) of this item, \$27,632,000 shall be available pursuant to Chapter 1020, Statutes of 2002, for school intervention programs.
3. Of the funds appropriated in Schedule (2) of this item, \$71,000 shall be available for one-time carryover funding from the 2002–03 fiscal year.
4. Of the funds appropriated in Schedule (1) of this item, \$15,477,000 are carryover funds from the 2002–03 fiscal year.
5. Of the funds appropriated in Schedule (1) of this item, \$7,500,000 shall be available for use by the State Department of Education for the purposes of the Statewide System of School Support established by Article 4.2 (commencing with Section 52059) of Chapter 6.1 of Part 28 of the Education Code.
6. Of the funds appropriated in Schedule (1) of this item, up to \$8,600,000 shall be made available to support school assistance and intervention teams that enter into a contract with a school pursuant to subdivision (a) of Section 52055.51 of the Education Code. These funds shall be allocated in the

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<p>amount of \$75,000 for each school assistance and intervention team assigned to an elementary or middle school, and \$100,000 for each team assigned to a high school. The State Department of Education and Department of Finance may approve applications with justification for a total funding level of \$125,000.</p> <p>7. Of the funds appropriated in Schedule (1) of this item, up to \$13,600,000 shall be made available to provide \$150 per pupil for each pupil in a school that is managed in accordance with paragraph (3) of subdivision (b) of Section 52055.5 of the Education Code or that contracts with a school assistance and intervention team pursuant to subdivision (a) of Section 52055.51 of the Education Code.</p> <p>8. Of the funds appropriated in Schedule (1) of this item, \$17,159,000 shall be available pursuant to legislation enacted during the 2003–04 Regular Session.</p>	
<p>6110-137-0001—For local assistance, Department of Education, (Proposition 98), for transfer to Section A of the State School Fund, Program 20.60.260—Instructional Support, Mathematics and Reading Professional Development Program</p>	31,728,000
<p>Provisions:</p> <p>1. The funds appropriated in this item shall be for allocation to local education agencies that participate in the Mathematics and Reading Professional Development Program established pursuant to Article 3 (commencing with Section 99230) of Chapter 5 of Part 65 of the Education Code.</p> <p>2. Within 30 days of the enactment of this act, the Superintendent of Public Instruction shall calculate the percentage of teachers eligible for funding based on the funds appropriated in this item. Prior to notifying local education agencies of this percentage, the Superintendent of Public Instruction shall submit the calculation to the Department of Finance for verification.</p>	
<p>6110-137-0890—For local assistance, Department of Education, Program 20.10.005-Rural and Low Income Schools Grant, payable from the Federal Trust Fund</p>	2,710,000
<p>6110-139-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-School Apportionments, Pupil Residency Verification</p>	162,000

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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 Section 48204.6 of the Education Code.	
6110-140-0001—For local assistance, Department of Education, (Proposition 98), Program 20-Instructional Support.....	4,549,000
Schedule:	
(1) 20.80.001-Student Friendly Services.....	500,000
(2) 20.90.001.020-California School Information Services Administration.....	3,899,000
(3) 20.90.001.030-California School Information Services Administration Independent Project Oversight	150,000
Provisions:	
1. The Superintendent of Public Instruction shall allocate the funds appropriated in Schedule (1) of this item for the Student Friendly Services program.	
2. The funds appropriated in Schedule (2) in this item shall be for allocation to the Fiscal Crisis and Management Assistance Team for costs associated with administration of the CSIS project.	
3. The Superintendent of Public Instruction shall allocate the funds appropriated in Schedule (3) to the Sacramento County Office of Education, which shall use the funds to contract for independent project oversight of the California School Information Services (CSIS) program. The independent project oversight shall include the submission of quarterly project reports on the progress of the CSIS program to the Legislature, the Department of Finance, the Superintendent of Public Instruction, the State Board of Education, the Governor, the Legislative Analyst’s Office, and the Fiscal Crisis and Management Assistance Team for the duration of the program implementation.	
6110-144-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.70-Principal Training Program pursuant to Article 4.6 (commencing with Section 44510) of Chapter 3 of Part 25 of the Education Code	5,000,000

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6110-149-0001—For transfer by the Controller to the Public Library Protection Fund, pursuant to Section 18182 of the Education Code (Proposition 98)	4,229,000
Provisions:	
1. Funds appropriated in this item shall be transferred to Item 6110-101-0975 to provide funding for the acquisition of school library materials pursuant to Article 7 (commencing with Section 18180) of Chapter 2 of Part 11 of the Education Code.	
6110-151-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.30.050-American Indian Education Centers established pursuant to Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of Division 2 of Title 2 of the Education Code	3,778,000
6110-152-0001—For local assistance, Department of Education, Program 10.30.050-American Indian Education Centers pursuant to Article 6 (commencing with Section 33380) of Chapter 3 of Part 20 of the Education Code	376,000
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....	536,850,000
Schedule:	
(.5) 10.50.010.001-Adult Education.....	536,850,000
(1) 10.50.010.008-Remedial education services for participants in the CalWORKs.....	8,739,000
(2) 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 (1) constitute the funding for both remedial education and job training services for participants in the CalWORKs program (Article 3.2 (commencing with	

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- Section 11320) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code). 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. Allocations shall be distributed by the Superintendent of Public Instruction as equal statewide dollar amounts, based on the number of CalWORKs eligible family members served in the county.
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) professional development; (e) citizenship testing; (f) naturalization preparation and assistance; and (g) regional and state coordination and program evaluation.
 4. The funds appropriated in Schedule (2) 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 education activities shall be limited to those designed to increase self-sufficiency, job training, and work. 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 provisions of law, each local education agency's individual cap for adult education and regional occupational center and programs (ROC/P's), average

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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 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 Division 4 of Title 2 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 Division 4 of Title 2 of the Education Code, respectively.
- (e) Notwithstanding any other provisions 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

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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) characteristics of participants; and (3) 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 meet all information technology reporting requirements of the Department of Finance.

(h) As a condition of receiving funds provided in Schedule (2) of this item or any 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, 2003, to June 30, 2004, inclusive.

6110-156-0890—For local assistance, Department of Education, Program 10.50.010.001-Adult Education, payable from the Federal Trust Fund..... Provisions:

82,194,000

- 1. 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 ad-

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vance 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.

2. (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 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

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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 subrecipients it is responsible for monitoring that receive between \$25,000 and \$300,000 of federal awards, and that do not have an organization-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 attestation 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.

3. On or before March 1, 2004, 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 Title II of the federal Workforce Investment Act: (a) the makeup 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 extent to which participating pro-

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grams 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.

4. The State Department of Education shall continue to ensure that outcome measures for Department of Mental Health and Department of Developmental Services clients are set at a level where these clients will continue to be eligible for adult education services in the 2003–04 fiscal year and beyond to the full extent authorized under federal law. The State Department of Education shall also consult with the Department of Mental Health, Department of Developmental Services, and Department of Finance for this purpose.
5. Of the funds appropriated in this item, \$6,000,000 is available as a one-time carryover of unexpended funds from the 2002–03 fiscal year.

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

13,966,000

Provisions:

1. Notwithstanding Section 41841.5 of the Education Code, or any other provision of law, the amount appropriated in this item and any amount allocated for this program in this act shall be the only funds available for allocation by the Superintendent of Public Instruction to school districts or county offices of education for the Adults in Correctional Facilities program.
2. Notwithstanding Section 41841.5 of the Education Code, or any other provision of law, the amount appropriated in this item shall be allo-

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<p>cated based upon prior-year rather than current year expenditures.</p> <p>3. Notwithstanding any other provision of law, funding distributed to each local education agency (LEA) for reimbursement of services provided in the 2002–03 fiscal year for the Adults in Correction Facilities program shall be limited to the amount received by the agency for services provided in the 2001–02 fiscal year. Funding shall be reduced or eliminated, as appropriate, for any LEA that reduces or eliminates services provided under this program in the 2002–03 fiscal year, as compared to the level of services provided in the 2001–02 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.</p> <p>4. 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.</p>	
<p>6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children.....</p>	2,686,728,000
Schedule:	
<p>(1) 10.60.050.003-Special education instruction</p>	2,628,508,000
<p>(2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs</p>	72,615,000
<p>(3) Reimbursements for Early Education Program, Part C</p>	-14,395,000
Provisions:	
<p>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 2003–04 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.</p>	

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2. Of the funds appropriated in Schedule (1) of this item, \$11,042,000 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.	
3. Of the funds appropriated in Schedule (1) of this item, \$8,581,000 shall be available for the purposes of vocational training and job placement for special education pupils 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.	
4. Of the funds appropriated in Schedule (1) of this item, \$4,476,000 shall be available for regional occupational centers and programs that serve pupils having disabilities, and \$80,873,000 shall be available for regionalized program specialist services, \$1,772,000 for small special education local plan areas (SELPAs) pursuant to Section 56836.24 of the Education Code.	
5. Of the funds appropriated in Schedule (1), \$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.	
6. Of the funds appropriated in Schedule (1), a total of \$125,686,000 is available to fully fund the costs of children placed in licensed children's institutions who attend nonpublic schools.	
7. Of the amount appropriated in Schedule (2) of this item, \$960,000 shall be available for infant program growth units (ages birth–two years). Funds for infant units shall be allocated pursuant to Pro-	

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- vision 11 of this item, 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.
8. Notwithstanding any other provision of law, early education programs for infants and toddlers shall be offered for 200 days. Funds appropriated in Schedule (2) shall be allocated by the State Department of Education for the 2003–04 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. Notwithstanding any other provision of law, funds in Schedule (2) shall be used only for the purposes specified in Provisions 10 and 11 of this item.
 9. Notwithstanding any other provision of law, state funds appropriated in Schedule (2) of this item in excess of the amount necessary to fund the deficiated entitlements pursuant to Section 56432 of the Education Code and Provision 10 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 for each solely low-incidence child through age two 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 Department 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.
 10. The State Department of Education, through coordination with the SELPAs, shall ensure local interagency coordination and collaboration in the provision of early intervention services, in-

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<p>cluding local training activities, child find activities, public awareness, and the family resource center activities.</p> <p>11. Funds appropriated in this item, unless otherwise specified, are available for the sole purpose of funding 2003–04 special education program costs and shall not be used to fund any prior year adjustments, claims or costs.</p> <p>12. Of the amount provided in Schedule (1), \$158,000 shall be available to fully fund the declining enrollment of necessary small SELPAs pursuant to Chapter 551 of the Statutes of 2001 (AB 303).</p> <p>13. Of the amount provided in Schedule (1) of this item, \$290,000 shall be appropriated in the following priority sequence:</p> <p style="padding-left: 2em;">(a) The Superintendent of Public Instruction shall allocate any additional amount, if needed, to augment the amounts appropriated in Schedules (1) and (2) of this item to ensure full funding for the 2003–04 fiscal year.</p> <p style="padding-left: 2em;">(b) Once the Superintendent of Public Instruction has determined that none of the programs in Schedules (1) and (2) of this item require any additional funding pursuant to the statutory formulas contained in Chapter 854 of the Statutes of 1997 (AB 602), the remaining amount shall be allocated pursuant to Section 56836.158 of the Education Code.</p> <p>14. Of the amount provided in Schedule (1), up to \$350,000 shall be available in the 2003–04 fiscal year for a special education local plan area that may apply for emergency impaction funds under this provision and pursuant to Section 56836.18 of the Education Code in the event a court of appropriate jurisdiction orders or advises the closure of a nonpublic, nonsectarian school operating at a licensed children’s institution (LCI/NPS) and the special education local plan area, in which the licensed children’s institution is located is required to provide for special education and related services to individuals with exceptional needs who has been enrolled in the nonpublic nonsectarian school at the time of closure. For pupils placed in the LCI/NPS pursuant to a</p>	

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court order, the special education local plan area shall be eligible to apply for reimbursement of actual costs under this provision for up to one-half of the costs per pupil or which the nonpublic, nonsectarian school was previously reimbursed in the most recent fiscal year for which data is available. This provision shall apply to a maximum of one nonpublic, nonsectarian school operating at a licensed children's institution, and shall apply only to a school which closes as a result of a court order or advisory. Any special education local plan area receiving funds appropriated pursuant to this provision shall report to the State Department of Education, the Department of Finance, and the Legislative Analyst's Office by April 15, 2004, regarding the services provided to students through this pilot and the performance outcomes of students, including, but not limited to, a summary of STAR test scores for students and any alternate assessments used to measure the achievement of special education students.

15. Of the funds appropriated in Schedule (1), up to \$1,000,000 may be used to fund licensed children's institution growth pursuant to Section 56836.18 of the Education Code.
16. Pursuant to Section 56427 of the Education Code, of the funds appropriated in Schedule (1) of this 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.
17. Of the funds appropriated in Schedule (1) of this item, \$29,475,000 shall be allocated to local education agencies for the purposes of Project Workability I.
18. Of the funds appropriated in Schedule (1) 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.
19. Of the funds appropriated in Schedule (1) of this item, up to \$1,117,000 shall be used for a personnel development program. This program shall include state-sponsored staff development,

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local inservice components, bilingual, student study team, and core curriculum components.	
20. Of the funds appropriated in Schedule (1) of this item, up to \$200,000 shall be used for research and training in cross-cultural assessments.	
6110-161-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60-Special Education Programs for Exceptional Children	950,750,000
Schedule:	
(1) 10.60.050.012-Local Agency Entitlements, IDEA Special Education	797,208,000
(2) 10.60.050.013-State Agency Entitlements, IDEA Special Education.....	1,791,000
(3) 10.60.050.015-IDEA, Local Entitlements, Preschool Program	34,792,000
(4) 10.60.050.021-IDEA, Capacity Building, Special Education	75,589,000
(5) 10.60.050.030-PL 99-457, Preschool Grant Program	39,530,000
(6) 10.60.050.031-IDEA, State Improvement Grant, Special Education.....	1,840,000
Provisions:	
1. If the funds for Part B of the federal Individuals with Disabilities Education Act that are actually received by the state exceed \$933,124,000, 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. Up to five percent of the amount received in excess of \$933,124,000 may be used for state administrative expenses upon approval of the Department of Finance. If the funds for Part B of the federal Individuals with Disabilities Education Act that are actually received by the state are less than \$933,124,000, the reduction shall be taken in capacity building.	
2. The funds appropriated in Schedule (2) 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 (1) and (2) shall be distributed to local and state agencies on the basis of	

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	the federal Individuals with Disabilities Education Act permanent formula.
7.	Of the funds appropriated in Schedule (4) of this item, \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program. 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.
9.	Of the funds appropriated in Schedule (4) 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 (5) 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 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, \$1,420,000 is available for local assistance grants for the Quality Assurance and Focused Monitoring Pilot Program to monitor local education agency compliance with state and federal laws and regulations governing special education. This funding level is to be used to continue the facilitated reviews and, 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.
12.	Of the funds appropriated in Schedule (4) of this item, \$2,372,000 shall be used for the purposes of establishing Family Empowerment Centers on Disabilities pursuant to Chapter 690, Statutes of 2001.

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13. Notwithstanding the notification requirements listed in Section 26.00 (d) of this act, the Department of Finance is authorized to approve intra-schedule transfers of funds within this item submitted by the State Department of Education for the purposes of ensuring that special education funding provided in this item is appropriated in accordance with the statutory funding formula required by federal IDEA and the special education funding formula required pursuant to Chapter 7.2 (commencing with Section 56836) of Part 30 of Division 4 of Title 2 of the Education Code, without waiting 30 days, but shall provide a notice to the Legislature each time a transfer occurs.
16. Of the funds appropriated in Schedule (2) of this item, \$250,000 shall be provided to districts for interpreter instruction, training, and certification. This funding shall be annually renewable for two years.
17. Of the funds appropriated in Schedule (4) of this item, \$69 million shall be used exclusively to support mental health services provided during the 2003–04 fiscal year by county mental health agencies pursuant to Chapter 26.5 (commencing with Section 7570) of Division 7 of the Government Code and that are included within an individualized education program pursuant to the Federal Individuals with Disabilities Education Act (IDEA). Each county office of education receiving these funds shall contract, on behalf of special education local planning areas in their county, with the county mental health agency for the purpose of transferring these funds to the county mental health agency to provide the specified mental health services. This funding shall be considered offsetting revenues within the meaning of subdivision (e) of Section 17556 of the Government Code for any reimbursable mandated cost claim for provision of these mental health services provided in 2003–04. Of the amount available in this provision, \$12,334,000 shall be distributed consistent with an allocation plan formulated by the State Department of Mental Health, in consultation with representatives of county mental health agencies. These

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	<p>funds shall be used exclusively for purposes of funding mental health services, which are identified within an individualized education program, in 2003–04. The State Department of Mental Health shall submit an allocation plan to the Department of Finance and the Joint Legislative Budget Committee. The Department of Finance shall review the plan and either approve or disapprove the plan within 21 days of submission. If the Department of Finance fails to approve or disapprove the plan within 21 days the plan shall be deemed to be approved. If the Department of Finance disapproves the plan it shall (a) submit a letter to the Joint Legislative Budget Committee that explains the rationale for disapproval and (b) convene a working group consisting of representatives of the Department of Finance and the State Department of Mental Health and staff of the appropriate policy and fiscal committees of the Legislature. The working group shall jointly develop a revised expenditure plan and submit that plan to the Director of Finance for approval. The remaining funds shall be distributed to counties proportionately based on approved mandated cost claims filed for the 2001–02 fiscal year. It is the intent of the Legislature that the allocation method prescribed by this provision be in effect for the 2003–04 fiscal year only.</p>	
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	2,169,000
6110-164-0001—	For local assistance, Department of Education, for purposes of funding School-to-Career Partnerships, pursuant to Chapter 17 (commencing with Section 53080) of Part 28 of the Education Code (Proposition 98).....	1,700,000
	Provisions:	
	1. For purposes of the local school-to-career partnership grants, local educational agencies may elect to contract with nonprofit or private entities for providing service delivery. Funds appropriated in	

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<p>this item shall be used as matching funds to cash or in-kind contributions raised by local educational agencies, or nonprofit or private entities contracted by local educational agencies, for School-to-Career Partnerships. Funds may not be disbursed from this appropriation until the requesting local educational agency or contracting nonprofit entity or private entity has demonstrated to the Interagency Partnership for School-to-Career Programs that it has raised matching funds from nonprofit and private entities equal to or exceeding the state contribution.</p>	
<p>6110-166-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, 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.....</p>	22,999,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. 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. 	
<p>6110-166-0890—For local assistance, Department of Education, Program 10.70-Vocational Education, payable from the Federal Trust Fund.....</p>	138,107,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. The funds appropriated in this item include Federal Vocational Education Act funds for the 2003–04 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. 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 car- 	

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<ul style="list-style-type: none"> ryover funds from this item, reasons for the carryover, and plans to reduce the amount of carryover. 4. Of the funds appropriated in this item, \$3,972,000 is available as a one-time carryover of unexpended funds from the 2002–03 fiscal year. 	
<p>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 Educational Incentive Program established pursuant to Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of the Education Code</p>	4,329,000
<p>Provisions:</p> <ul style="list-style-type: none"> 1. 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: <ul style="list-style-type: none"> (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. 	
<p>6110-177-0001—For local assistance, Department of Education (Proposition 98), Program 20.10.035-Local Arts Education Partnership Program</p>	6,000,000
<p>Provisions:</p> <ul style="list-style-type: none"> 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, as authorized by Chapter 5 (commencing with Section 8810) of Part 6 of the Education Code. 	
<p>6110-180-0890—For local assistance, Department of Education, Program 20.10.025-Educational Technology, payable from the Federal Trust Fund</p>	87,803,000

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Provisions:	
1. Of the funds appropriated in this item, \$43,021,000 is for allocation to school districts that are awarded formula grants pursuant to the federal Enhancing Education Through Technology Grant Program.	
2. Of the funds appropriated in this item, \$43,020,000 is available for competitive grants pursuant to Chapter 8.9 (commencing with Section 52295.10) of Part 28 of Division 3 of the Education Code and the requirements of the federal Enhancing Education Through Technology Grant Program—including the eligibility criteria established in federal law to target local education agencies with high numbers or percentages of children from families with incomes below the poverty line and one or more schools either qualifying for federal School Improvement or demonstrating substantial technology needs. Under no circumstances shall the legislation designate specific local education agencies as subgrant recipients.	
3. Of the funds appropriated in this item, \$1,462,000 is available for the California Technology Assistance Project (CTAP) to provide federally required technical assistance and to help districts apply for and take full advantage of the federal Enhancing Education Through Technology grants.	
4. Of the funds appropriated in this item, \$300,000 is available for the Technology Information Center for Information Leadership to assist districts and site administrators in improving the use of technology in teaching, learning, and school administration.	
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 Article 15 (commencing with Section 51870) of Chapter 5 of Part 28 and Chapter 3.34 (commencing with Section 44730) of Part 25 of the Education Code	14,810,000
6110-181-0140—For local assistance, Department of Education, payable from the California Environmental License Plate Fund	400,000

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Schedule:	
(1) Program 20.10.055-Environmental Education	588,000
(2) Reimbursements	-188,000
Provisions:	
1. Of the amount appropriated in Schedule (1) of this item, up to \$40,000 of this appropriation may be transferred to Item 6110-001-0001 to be used for administrative costs related to the Environmental Education program, as authorized in subdivision (c) of Section 21190 of the Public Resources Code.	
6110-183-0890—For local assistance, Department of Education, Instructional Support—Safe and Drug Free Schools and Communities Act of 1994 (Public Law 103-382), payable from the Federal Trust Fund	53,116,000
Schedule:	
(1) 20.10.045-Health and Physical Education, Drug Free Schools	46,797,000
(2) 20.10.047-Community Service Grant Program	6,319,000
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.	
2. Of the amount appropriated in this item, \$6,319,000 is for grants to carry out programs under which students expelled or suspended from school are required to perform community service, pursuant to Section 4126 of Title IV of the No Child Left Behind Act of 2001 (P.L. 107-110). As a condition of funding, grantees must certify that students will be appropriately supervised	

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<ul style="list-style-type: none"> while performing community service activities under this program. 	
<ul style="list-style-type: none"> 6110-188-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-School Apportionments Deferred Maintenance, for transfer to the State School Deferred Maintenance Fund 	76,963,000
<ul style="list-style-type: none"> Provisions: 1. The funds appropriated in this item shall be transferred to the State School Deferred Maintenance Fund and are available for funding applications received by the Department of General Services, Office of Public School Construction for the purpose of payments to school districts for deferred maintenance projects pursuant to Section 17584 of the Education Code. 2. Notwithstanding the 10 percent provision in Section 17587 of the Education Code, \$20,000,000 of the funds appropriated in this item shall be made available for Extreme Hardship Funding pursuant to the Deferred Maintenance Program. The State Allocation Board shall allocate remaining funds for the Deferred Maintenance Basic Grant Funding pursuant to Section 17584 of the Education Code. 	
<ul style="list-style-type: none"> 6110-189-0001—For local assistance, Department of Education (Proposition 98), for transfer to Instructional Materials Fund..... 	175,000,000
<ul style="list-style-type: none"> Schedule: (1) 20.20.020.005-Instructional Materials Block Grant..... 	175,000,000
<ul style="list-style-type: none"> Provisions: 1. The funds in this item shall be allocated to school districts to purchase standards-aligned instructional materials, pursuant to Chapter 802 of the Statutes of 2002. 	
<ul style="list-style-type: none"> 6110-190-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-School Apportionments, Community Day Schools 	27,754,000
<ul style="list-style-type: none"> 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. 	

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6110-191-0001—For local assistance, State 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 Program	85,953,000
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 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. Funds appropriated in this item are for the purpose of providing grants to support 24,000 teachers throughout local Beginning Teacher Support and Assessment Programs.	
4. It is the intent of the Legislature that first-year holders of preliminary teaching credentials, as defined in subdivision (b) of Section 44259 of the Education Code, be afforded first priority for funding appropriated in this item. To the extent that any funds appropriated in this item remain after all first-year holders of preliminary teaching credentials have been served, those funds may be used to serve second-year holders of preliminary teaching credentials.	
5. If funds are insufficient to service all second-year holders of preliminary teaching credentials, the State Department of Education shall prorate the funds to conform to the amount remaining in this item, consistent with Provision 4 of this item.	
6110-193-0001—For local assistance, State Department of Education (Proposition 98), for transfer to Section A of the State School Fund Program 20.60-Staff Development	27,313,000
Schedule:	
(1) 20.60.070-Bilingual Teacher Training Program.....	1,798,000
(2) 20.60.060-Instructional Support: Teacher Peer Review.....	25,177,000

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(3)	20.60.110-Instructional Support: Improving School Effectiveness- Reader Services for Blind Teach- ers	338,000
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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 (1) 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 Division 4 of Title 2 of the Education Code.
3. The funds appropriated in Schedule (2) shall be allocated in accordance with Article 4.5 (commencing with Section 44500) of Chapter 3 of Part 25 of Division 3 of Title 2 of the Education Code.
4. Notwithstanding any other provision of law, the amount appropriated in Schedule (3) shall be the maximum amount allocated for the purposes of the Reader Service for Blind Teachers, for transfer to the Reader Employment Fund established by Section 45371 of the Education Code for the purposes of Section 44925 of the Education Code.

6110-193-0890—	For local assistance, Department of Education, Program 20.60-Instructional Support, Title II, Part B of the Elementary and Secondary Education Act (Mathematics and Science Partnership Grants) payable from the Federal Trust Fund ..	14,041,000
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6110-195-0001—	For local assistance, Department of Education (Proposition 98), Program 20.60.140-Staff Development: Teacher improvement, Teacher Incentives National Board Certification	7,300,000
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Provisions:

1. The funds appropriated in this item shall be for the purpose of providing incentive grants to teachers with certification by the National Board for Professional Teaching Standards that are teaching in low-performing schools pursuant to Article 13

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(commencing with Section 44395) of Chapter 2 of Part 25 of the Education Code.	
6110-195-0890—For local assistance, Department of Education, Program 20.60-Instructional Support, Title II, Part A of the Elementary and Secondary Education Act (Teacher and Principal Training and Recruiting Fund) payable from the Federal Trust Fund	341,380,000
Schedule:	
(1) 20.60.280-Improving Teacher Quality Local Grants	335,476,000
(2) 20.60.270-Principal Training Program.....	1,554,000
(3) 20.60.190.300-California Subject Matter Projects	4,350,000
Provisions:	
1. The funds appropriated in Schedule (2) of this item shall be for the Principal Training Program authorized pursuant to Article 4.6 (commencing with Section 44510) of Chapter 3 of Part 25 of the Education Code.	
2. The funds appropriated in Schedule (3) of this item, shall be for transfer to the University of California, which shall use the funds for six existing core Subject Matter Projects (SMP). These funds may also be used to support the foreign language, arts, and physical education SMPs if state support is authorized in legislation passed in the 2003–04 Regular Session. By supporting these projects, it is the intent of the Legislature to preserve the university’s basic program infrastructure and help the state comply with the “high-quality professional development” requirements of the federal No Child Left Behind Act of 2001 (P.L. 107-110). In the absence of federal funding, the state would have eliminated all state funding for all existing projects, except the Science SMP. If the federal government provides written notification that these funds may not be used for these four projects, then the Department of Finance may instead use the funding only for the Science SMP after notifying the Joint Legislative Budget Committee through the Section 28.00 process.	
3. Of the funds appropriated in Schedule (1) of this item, \$280,000 shall be for transfer to the Commission on Teacher Credentialing through an interagency agreement for data collection and	

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evaluation related to the effectiveness of professional development programs.	
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.....	1,281,138,000
Schedule:	
(1) 30.10.010-Special Program, Child Development, Preschool Education	303,883,000
(1.5) 30.10.020-Child Care Services	1,900,578,000
(a) 30.10.020.001-Special Program, Child Development, General Child Development Programs..	610,503,000
(b) 30.10.020.002-Special Program, Child Development, Community College Match—Required Center ...	3,173,000
(c) 30.10.020.004-Special Program, Child Development, Migrant Day Care	32,516,000
(d) 30.10.020.007-Special Program, Child Development, Alternative Payment Program.....	198,590,000
(e) 30.10.020.011-Special Program, Child Development, Alternative Payment Program—Stage 2..	578,954,000

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(f) 30.10.020.012-Special Program, Child Development, Alternative Payment Program—Stage 3 Setaside	357,714,000
(g) 30.10.020.008-Special Program, Child Development, Resource and Referral	16,448,000
(h) 30.10.020.009-Special Program, Child Development, Campus Child Care Tax Bailout	5,784,000
(i) 30.10.020.015-Special Program, Child Development, Extended Day Care	29,137,000
(j) 30.10.020.096-Special Program, Child Development, Allowance for Handicapped	1,559,000
(k) 30.10.020.106-Special Program, Child Development, California Child Care Initiative	250,000
(l) 30.10.020.901-Special Program, Child Development, Quality Im- provement	60,335,000
(m) 30.10.020.920-Special Program, Child Development, Local Plan- ning Councils	5,615,000

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(2) 30.10.070-Special Program, Child Development After School Programs	121,553,000
(3) 30.10.020.017-Special Program Child Care Accreditation Project ..	250,000
(4) Reimbursements (Quality Accreditation Project)	-250,000
(7) Amount payable from the Federal Trust Fund	-1,044,876,000

Provisions:

1. Notwithstanding Section 8278 of the Education Code, funds available for expenditure pursuant to Section 8278 of the Education Code shall be expended in the 2003–04 fiscal year pursuant to the following schedule:
 - (a) \$4,000,000 or whatever lesser or greater amount is necessary for accounts payable pursuant to paragraph (1) of subdivision (b) of Section 8278 of the Education Code.
 - (b) \$500,000 shall be available for the Pre-Kindergarten Learning and Development Guidelines/School Readiness Articulation Project.
 - (c) \$2,000,000 to continue dissemination and training efforts for the Pre-Kindergarten guidelines and curriculum.
 - (d) Of the remaining funds available after meeting the requirements in (a) and (b) of this provision, up to \$2,500,000 shall be allocated for other preschool quality programs; instructional materials and equipment for preschool programs; and preschool facilities renovation and repair contracts necessary to meet health and safety standards and to comply with the federal Americans with Disabilities Act of 1990. Additional amounts that become available pursuant to Section 8278 beyond those specified herein shall not be expended prior to approval of a plan by the Department of Finance pursuant to the Section 28.00 Notification process to the Legislature.
 - (e) The Controller shall establish an account entitled Section 8278 Expenditures in 2002 in 6110-196-0001, Program 30.10.060. Any unexpended General Fund balances as of June 30, 2003, or subsequent abatements, from those amounts listed in Schedules (1),

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<p>(1.5)(a), (1.5)(b), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(h), (1.5)(i), (1.5)(j), (1.5)(k), (1.5)(l), and (1.5)(m) 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 and as specified in this provision.</p>	
<p>2. The State Department of Education shall report to the Joint Legislative Budget Committee and the Department of Finance, by March 31, 2004, the amount of child development funds, by program, that have been determined after audit to be unearned. The report shall include the settlement of claims payable by program from unearned contract fund balances. This provision includes both Federal Fund and General Fund contracts.</p>	
<p>7. (a) The State Department of Education and the State Department of Social Services, in consultation with the Department of Finance and the Legislative Analyst, shall develop a new survey methodology to be employed by future market rate surveys. The State Department of Education shall utilize a federal fund contract awarded on a competitive basis to conduct a market rate survey during the 2003–04 fiscal year.</p>	
<p>(b) The State Department of Education (SDE) shall promulgate emergency regulations governing the use of the Regional Market Rates (RMR) to provide statewide consistency and clarify the appropriate rate of reimbursement for child care services. The RMR emergency regulations shall change the definitions of certain rate categories and provide conditions and limitations on the use of certain rates and adjustment factors. SDE shall ensure that the emergency regulations are effective as soon as possible and no later than July 31, 2003. SDE shall fully implement the emergency RMR regulations by October 1, 2003. The Department of Social Services (DSS) shall take appropriate steps to ensure that these emergency RMR regulations also apply to Stage One child care and are fully implemented by October 1, 2003.</p>	

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<p>(c) Notwithstanding any other provisions of law, the funds appropriated in this item for the cost of child care services provided through alternative payment or voucher programs including those provided under Article 3 (commencing with Section 8220) and Article 15.5 (commencing with 8350) of Chapter 2 of Part 6 of the Education Code shall be used only to reimburse child care costs up to the 85th percentile of the rates charged by providers offering the same type of child care for the same age child in that region.</p> <p>8. 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.</p> <p>9. 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.</p> <p>10. Funds in Schedule (1.5)(1), along with funds allocated pursuant to Provision 1(b) of this item, shall be reserved for activities to improve the</p>	

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quality and availability of child care, pursuant to the following:

- (a) \$2,067,000 is for the schoolage care and resource and referral earmark.
- (b) \$11,656,000 is for the infant and toddler earmark and shall be used for increasing the supply of quality child care for infants and toddlers. Notwithstanding any other 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.
- (d) From the remaining funds, the following amounts shall be allocated for the following purposes: \$4,000,000 to train former CalWORKs recipients as child care teachers; \$2,700,000 for contracting with the Department of Social Services for increased inspections of child care facilities; \$1,000,000 for Trustline registration workload (Chapter 3.35 (commencing with Section 1596.60) of Division 2 of the Health and Safety Code); \$500,000 for health and safety training for licensed and exempt child care providers; \$320,000 for the Child Development Training Consortium; \$300,000 for the Health Hotline; and \$300,000 to implement a technical assistance program to child care providers in accessing financing for renovation, expansion, and/or construction of child care facilities.
- (e) 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, Sacramento, 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, Sacramento, 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

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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 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 in (1) to (6), inclusive, of this subdivision. As a condition of receiving funds as described in this subdivision in the 2002–03 fiscal year, each grantee that received funds in the 2001–02 fiscal year shall complete and submit to the State Department of Education, no later than March 1, 2003, an evaluation of the effectiveness of the project operated by the grantee in improving the quality of child care provided in the affected community.

- (f) \$30,000 shall be made available for a pre-school public television project in Eureka.
- (g) As required by federal law, the State Department of Education shall develop an expenditure plan that sets forth the final priorities and the reasons therefor if the final priorities are different from those approved in response to the reporting requirement contained in Provision 7(g) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002). This plan shall be submitted to the Department of Finance by September 1, 2003, and funds shall not be encumbered prior to approval of the plan by the Department of Finance. The State Department of Education shall coordinate with the Department of Social Services, the California Children and Families State Commission, and other applicable entities to identify annual statewide expenditures for quality enhancements which qualify for meeting federal requirements, and shall reference

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- these expenditures in its biennial federal quality plans or any subsequent amendments.
- (h) The State Department of Education shall establish expenditure priorities for the 2004–05 fiscal year that set forth the proposed state and local activities to improve child care, including the reasons therefor, to be undertaken in the 2004–05 fiscal year. This plan shall be submitted in a format developed in consultation with the Department of Finance and shall be submitted to the Department of Finance and to the fiscal committees of both houses at least 30 days prior to the commencement of public hearings on the proposed plan and no later than March 1, 2004.
 - (i) \$15,000,000 from the General Fund shall be for child care worker recruitment and retention programs as specified by Chapter 547 of the Statutes of 2000.
11. (a) The State Department of Education shall maintain an improved allocation, contracting, and reimbursement system for CalWORKs Stage 2 and Stage 3 Setaside funding to ensure funds are distributed in proportion to statewide needs. These needs shall recognize attrition experience and family fees collected at the local level which shall be counted toward the funding available to meet those needs. The department shall conduct monthly analyses of caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportional to need. The department shall share monthly caseload analyses with the Department of Social Services.
- (b) The department shall provide quarterly reports on the sufficiency of funding for Stage 2 and Stage 3 Setaside to the Department of Finance, the Department of Social Services (DSS), and the Legislative Analyst's Office. The department shall provide caseloads, expenditures, allocations, unit costs, family fees, and other key variables and assumptions used in determining the sufficiency of

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- state allocations. Detailed backup by month and on a county-by-county basis shall be provided to the DSS at least on a quarterly basis for comparisons with Stage 1 trends.
- (c) Any request from the CalWORKS reserve shall be based on the information and analyses pursuant to the preceding paragraphs and shall be made jointly and coordinated with the DSS to eliminate duplication. In order to facilitate coordination, detailed backup by month and on a county-by-county basis, if different from quarterly data provided pursuant to the previous paragraph, shall be provided to the DSS to facilitate its analyses and comparison of overall CalWORKS caseloads and related child care needs.
 - (d) By September 15, 2003, and March 15, 2004, the department shall ensure that detailed caseload and expenditure data, through the most recent period for Stage 2 and Stage 3 Setaside along with all relevant assumptions, is provided to DSS to facilitate budget development and the May Revision, respectively. The detailed data provided shall include actual and projected monthly caseload from Stage 2 scheduled to time off of their transitional child care benefit from the last actual month reported by agencies through the 2005–06 fiscal year as well as local attrition experience. DSS shall utilize data provided by the State Department of Education (SDE), including key variables from the prior fiscal year and the first two months of the 2003–04 fiscal year, to provide coordinated estimates in November 2003 for each of the three stages of care for preparation of the 2004–05 Governor’s Budget, and shall utilize data from at least the first two quarters of the 2003–04 fiscal year, and any additional months’ data as they become available for preparation of the 2004 May Revision. DSS shall share its assumptions and methodology with SDE in the preparation of the 2004–05 Governor’s Budget.
 - (e) As deemed necessary by the department for counties where there is more than one Alter-

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- native Payment Program participating in CalWORKs child care programs, county welfare departments shall participate jointly with the Alternative Payment Programs, as applicable, to jointly determine the amount of funds initially distributed to each Alternative Payment Program. However, the State Department of Education may adjust these allocations at any time for providers deemed by the State Department of Education to be on conditional status and shall adjust the allocations as necessary to ensure a distribution of funding proportional to each alternative payment provider's documented need pursuant to the analysis specified in this provision.
- (f) Upon request by the Department of Finance, the State Department of Education shall determine, through survey or mandatory reporting, and through use of consultant services as necessary, requested information (such as selected updates of data collected pursuant to Provision 8(c)(6) of the Budget Act of 2000 (Ch. 52, Stats. 2000)) which shall be provided to the Department of Finance for use in 2004–05 budget development.
- (g) The State Department of Education shall coordinate with the Department of Social Services to identify annual general subsidized child care program expenditures for Temporary Assistance for Needy Families eligible children. The State Department of Education shall modify existing reporting forms to capture this data.
12. Notwithstanding any other provision of law, the funds in Schedule (1.5)(f) for Stage 3 Setaside are reserved exclusively for continuing child care through June 30, 2004, for: (1) former CalWORKs families who are working, have left cash aid and have exhausted their two-year eligibility for transitional services in either Stage 1 or 2 pursuant to subdivision (c) of Section 8351 or 8353 of the Education Code, respectively, but still meet eligibility requirements for receipt of subsidized child care services; and (2) families

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- who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized child care services.
13. 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.
 14. Administrative and support services allowances for the Alternative Payment, Stage 2, and Stage 3 Setaside child care programs funded through Schedules (1.5)(d), (1.5)(e) and (1.5)(f) of this item, shall be limited to no more than 25 percent of the direct cost-of-care payments to child care providers. Notwithstanding this limit, this item has been reduced by \$12,000,000 in 2003–04 for administrative and support services allowances for the same programs identified above. This reduction shall result in a lower allowance for administrative and support services costs. This reduction shall not lower the funding available for 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 these requirements for the programs identified in this provision.
 15. The maximum standard reimbursement rate shall not exceed \$28.14 per day for General Child Care programs and \$17.96 per day for State Preschool. Furthermore, the Community College Match, the Migrant Child Care, and the Cal-SAFE Child Care programs shall adhere to the maximum standard reimbursement rates as prescribed for the General Child Care programs. All other rates and adjustment factors shall be revised to conform.
 16. Of the funds in Schedule (1.5)(c) of this item, up to \$5,000,000 may be used to establish or con-

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- tinue 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. (a) Notwithstanding any other provisions of law, funds appropriated in this item shall not be used to provide child care and development services to children over the age of 12, except for children with exceptional needs and children participating in the After School Education and Safety Program or the Six-to-Six Before and After School Program provided in Article 22.5 (commencing with Section 8482) and Article 23.4 (commencing with Section 8488.5) of Chapter 2 of Part 6 of the Education Code.
 - (b) Notwithstanding any other provision of law, the funds appropriated in this item shall not be used to provide child care services to grandfatered families eligible only under Education Code Section 8263.1(b).
 - (c) Notwithstanding any other provision of law, the income eligibility limits pursuant to subdivision (a) of Section 8263.1 of the Education Code used in the 2002–03 fiscal year shall remain in effect for the 2003–04 fiscal year, without adjustment.
18. Notwithstanding any other provision of law, it is the intent of the Legislature that unearned contract amounts from General funds or federal Funds appropriated for CalWORKs Stage 2 and Stage 3 Setaside in any prior year be used to offset direct service costs in CalWORKs Stage 2 child care in the 2000–01 fiscal year and each year thereafter. Therefore, in order to account for these funds in determining the budget, the Department of Education shall disencumber any amounts in excess of a two-percent reserve of the original contract amount for each unaudited contract and shall provide a report by September 1, 2003, and April 1, 2004, of the available balances to the Department of Finance. The Department of Education shall ensure child care audits are closed out in a timely fashion to ensure sav-

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ings are available in the fiscal year budget following initial appropriation.	
19. Funds in Schedule (1) of this item have been reduced by \$10,000,000 in the 2003–04 fiscal year to reflect one-time savings.	
6110-197-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.100—Instructional Support-Improving School Effectiveness—Intersegmental Programs.....	2,023,000
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 for those programs by statute.	
6110-197-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, 21st Century Community Learning Centers	75,527,000
Schedule:	
(1) 30.10.080-Special Program, Child Development, 21st Century Community Learning Centers	75,527,000
Provisions:	
1. The State Department of Education shall provide a report to the Department of Finance, the budget committees of each house of the Legislature, and the Legislative Analyst’s Office, by October 15, 2003, on the initial progress of each grantee receiving funding made from the allocation in the 2002–03 Budget Act pursuant to Article 19 (commencing with Section 8420) of Chapter 2 of Part 6 of the Education Code, the 21st Century High School After School Safety and Enrichment for Teens (High School ASSETs) program. The report shall include, but not be limited to: (a) a description of the program, (b) the hours and days of program operation, (c) per pupil costs based on hours and days of participation in the program, (d) initial start-up costs, and (e) costs incurred by the Department of Education to provide training, convene meetings of grantees, and to perform site visits as required by Section 8420 of the Education Code. The State Department of Education shall	

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- provide this data categorized by public and private high schools.
2. The State Department of Education (SDE) shall provide a report to the Department of Finance (DOF), the budget committees of each house of the Legislature, and the Legislative Analyst's Office (LAO) by October 15, 2003, on the requests and awards of direct grants pursuant to Article 22.6 (commencing with Section 8484.7) of Chapter 2 of Part 6 of the Education Code, the 21st Century Community Learning Centers. The report shall include, but not be limited to, the purposes of the direct grants awarded, the amount requested and the subsequent awards received. The report shall also include the number of applications and awards, both core and direct grants, categorized by public and private high schools, then by school type (elementary, middle, and junior high schools) as well as information identifying those grantees that have been awarded funding through both the state funded and the federal funded program. In addition, SDE shall report to DOF, the budget committees of each house of the Legislature, and the LAO by May 1, 2004, on the effectiveness of 21st Century Community Learning Centers operated by private schools.
 3. The provisions of this item shall become inoperative in the event federal funds are not made available for this purpose. It is the intent of the Legislature that the provisions of this item not be considered a precedent for General Fund augmentation of either this state-administered, federally funded program or any state-funded before or after school program.
 4. The State Department of Education shall submit an expenditure plan to the Department of Finance and the Joint Legislative Budget Committee. The Department of Finance shall review the plan and either approve or disapprove the plan within 21 days of submission. If the Department of Finance fails to approve or disapprove the plan within 21 days the plan shall be deemed to be approved. If the Department of Finance disapproves the plan it shall (a) submit a letter to the Joint Legislative Budget Committee that explains the rationale for disapproval and (b) convene a working group consisting of representatives of the Department of

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<p>Finance, the State Department of Education, and staff of the appropriate policy and fiscal committees of the Legislature. The working group shall jointly develop a revised expenditure plan and submit that plan to the Director of Finance for approval.</p>	
<p>6110-198-0001—For local assistance, Department of Education (Proposition 98), for transfer by the Controller to Section A of the State School Fund, for allocation to school districts and county offices of education, in lieu of the amount that otherwise would be appropriated pursuant to statute.....</p>	48,845,000
<p>Schedule:</p>	
<p>(1) 20.60.220-CalSAFE Academic and Supportive Services.....</p>	13,259,000
<p>(2) 30.10.020-CalSAFE Child Care</p>	22,589,000
<p>(3) 20.60.221-All Services for Non-converting Pregnant Minor Programs</p>	12,997,000
<p>Provisions:</p>	
<p>1. Notwithstanding any other provision of law, a school district or county superintendent of schools operating, by October 1, 1999, a School Age Parent and Infant Development Program pursuant to Article 17 (commencing with Section 8390) of Chapter 2 of Part 6 of, a Pregnant Minors Program pursuant to Chapter 6 (commencing with Section 8900) of Part 6 of, and Section 2551.3 of, or a Pregnant and Lactating Students Program pursuant to Sections 49553 and 49559 of, the Education Code, or any combination thereof, that chooses to participate in the CalSAFE program shall have priority for CalSAFE program funding for an amount up to the dollar amount provided under those provisions in the fiscal year prior to participation in the CalSAFE program, provided an application is submitted and approved.</p>	
<p>2. The amounts in Schedules (1), (2), and (3) of this item are based on estimates of the amounts required by existing programs for operation of CalSAFE programs in 2003–04. By October 31, 2003, the Department of Education shall submit to the Department of Finance current expenditure data for 2002–03 and 2003–04 showing each agency’s allocation and supporting detail including average daily attendance and child care attendance and enrollment data. The State Department</p>	

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of Education shall also provide estimates of average daily attendance and child care to be provided in 2004–05.

- 3. Schedule (3) above is to provide funding for all child care, as well as both academic and supportive services for programs choosing to retain their Pregnant Minor Program revenue limit. Notwithstanding any other provision of law, the department shall compute allocations to these agencies using the respective agencies' 1998–99 Pregnant Minor Program revenue limits. Further, notwithstanding any other provision of law, programs which choose to retain their Pregnant Minor revenue limit rather than convert to the CalSAFE revenue limit must provide child care within the revenue limit funding for children of students comprising base year average daily attendance. To the extent additional units of average daily attendance are authorized by the department for growth for these agencies, academic and supportive services reimbursement for such growth shall be computed using the new CalSAFE revenue limit. Growth funding for the child care component shall be equal to the proportionate share of total child care costs for the specific agency's program as determined by dividing the authorized growth in student average daily attendance by the total authorized average daily attendance.

6110-198-0890—For local assistance, Department of Education, payable from the Federal Trust Fund..... 1,044,876,000

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 include the federal Child Care and Development Block Grant and are contingent upon receipt of that federal grant.
- 3. Of the funds appropriated in this item, \$534,928,000 is from the transfer of funds from then federal Temporary Assistance for Needy Families Block Grant administered by the State Department of Social Services to the federal Child Care and Development Block Grant for Stage 2 child care. This amount may be increased by

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transfer from the CalWORKs reserve pursuant to Item 5180-402 of this act, except that funds may 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.	
4. Of the funds appropriated in this item, \$3,768,000 is available on a one-time basis for Stage 3 child care. This funding reflects funds made available on a one-time basis by a federal reallocation.	
6110-200-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.037 Healthy Start Support Services for Children Act.....	2,000,000
Provisions:	
1. The amount appropriated in this item is to be used to provide funding for planning and operational grants for up to four years for new grantees and to provide existing grantees with up to three years of operational grant funding. First priority for these funds shall be given to operational grants.	
6110-201-0001—For local assistance, Department of Education (Proposition 98).....	1,000,000
Schedule:	
(1) 30.20-Child Nutrition	1,000,000
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 2003–04 school year for school breakfast program startup grants pursuant to Section 49550.3 of the Education Code and for nonconcurring 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.....	1,444,865,000
Schedule:	
(1) 30.20.010-Child Nutrition	1,416,915,000
(2) 30.20.040-Summer Food Service Program.....	27,950,000

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6110-202-0001—For local assistance, Department of Education	10,426,000
Schedule:	
(1) 30.20.010-Child Nutrition.....	10,426,000
Provisions:	
1. Funds appropriated in Schedule (1) of 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 submitted no later than September 30, 2004, to be eligible for reimbursement.	
2. Notwithstanding any other provision of law, except as provided in this provision, funds appropriated in Schedule (1) of 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	73,308,000
Schedule:	
(1) 30.20.010-Child Nutrition Programs	74,302,000
(2) Reimbursements.....	-994,000
Provisions:	
1. Funds appropriated in Schedule (1) of 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, 2004, 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 in Schedule (1) of 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	

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reduced-price meals in accordance with Sections 49501, 49550, and 49552 of the Education Code.	
6110-208-0001—For local assistance, Department of Education (Proposition 98), Program 20, for allocation to the Center for Civic Education.....	250,000
Provisions:	
1. The funds appropriated in this item are for the purpose of implementing a middle school and junior high school civic education program.	
6110-209-0001—For local assistance, State Department of Education (Proposition 98), Program 10.10.090.002-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	40,000
6110-211-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 20.60.036 for Categorical Programs for charter schools.....	31,015,000
Provisions:	
1. Funds appropriated in this item are for the purpose of funding additional costs of categorical funding for charter schools pursuant to Article 2 (commencing with Section 47633) of Chapter 6 of Part 26.8 of the Education Code as amended pursuant to legislation enacted in the 2001–02 Legislative Session.	
2. The Department of Education shall provide an estimate of ADA expected to be claimed for this item for fiscal year 2004–05 to the Department of Finance by October 1, 2003, for use in developing the 2004–05 Governor’s Budget. The Department of Education shall provide an update of the estimate by March 31, 2004, for preparation of the May Revision.	
6110-212-0001—For local assistance, Department of Education (Proposition 98), Program 20.60-High-Risk Youth Education and Public Safety Program...	11,000,000
Provisions:	
1. The funds appropriated in this item are for transfer by the Controller to Section A of the State 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	

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1 (commencing with Section 47760) of Chapter 2 of Part 26.95 of Division 4 of Title 2 of the Education Code.	
6110-224-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Year Round School Grant Program established pursuant to Article 3 (commencing with Section 42260) of Chapter 7 of Part 24 of the Education Code	84,147,000
Schedule:	
(1) 10.10.950.002-Operations grants....	84,147,000
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 Section 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 Section 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.	
6110-226-0001—For local assistance, Department of Education (Proposition 98).....	14,608,000
Schedule:	
(1) 20.60.020.001-Partnership Minigrants/Safe School Planning ..	628,000
(2) 20.60.020.012-Conflict Resolution .	280,000
(3) 20.60.020.013-School Community Violence Prevention	700,000
(4) 20.60.020.008-School Community Policing	10,000,000
(5) 20.60.020.016-Safety Plans for New Schools	3,000,000
Provisions:	
1. The funds appropriated in Schedule (5) are available for developing School Safety Plans pursuant to Chapter 996 of the Statutes of 1999 and are to	

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<p>be allocated through an application process as determined by the Department of Education.</p> <p>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....</p>	87,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. Of the funds appropriated in this item, \$87,000 is available to fund block grants for middle and junior high schools and high schools that serve grades 8 to 12, inclusive, pursuant to Chapter 51, Statutes of 1999. An additional \$82 million in expenditures for this purpose has been deferred to 2004–05. 2. Of the funds deferred from this item \$1.0 million shall be made available for County Offices of Education pursuant to Chapter 645, Statutes of 1999. 	
<p>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 Division 4 of Title 2 of the Education Code</p>	110,185,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. Schools participating in this program shall receive a per-pupil rate of \$180 pursuant to Section 52086 of the Education Code. 	
<p>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.....</p>	1,659,336,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. Schools participating in Option One shall receive a per-pupil rate of \$906. Schools participating in Option Two shall receive a per-pupil rate of \$453. 	
<p>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..</p>	161,739,000

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6110-240-0001—For local assistance, Department of Education (Proposition 98).....	2,571,000
Schedule:	
(1) 10.80.030-Instruction: International Baccalaureate Program.....	1,071,000
(2) 20.70-Instructional Support: Assessments.....	1,500,000
Provisions:	
1. The funds appropriated in Schedule (1) 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 (2) of this item shall be for grants for Advanced Placement examination fees as authorized by Chapter 8.3 (commencing with Section 52244) of Part 28 of the Education Code.	
6110-240-0890—For local assistance, Department of Education, Program 20.70.010-Instructional Support: Advanced Placement Fee Waiver, payable from the Federal Trust Fund.....	3,736,000
Provisions:	
1. Funding shall be used to fully satisfy the demand for advanced placement examination fee reimbursements for low-income pupils. Any funding remaining after the demand for advanced placement exam fee reimbursements has been fully satisfied may be used on a one-time basis for pre-advanced placement activities as specified under the conditions of the federal grant application through which these funds were authorized. Use of funding for this alternative purpose shall not create nor imply any continuing obligation to fund the alternative activities beyond the 2003–04 fiscal year.	
6110-242-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.106.....	33,000
Provisions:	
1. Funds appropriated in this item are for allocation to the California Association of Student Councils to expand student leadership activities.	
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 Achieve-	

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ment Act as specified in Chapter 12 (commencing with Section 11020) of Part 7 of the Education Code	5,000,000
6110-280-0001—For local assistance, Department of Education (Proposition 98), Program 20.40.100.004-At-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 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 disbursement by the State Controller.....	36,000
Schedule:	
(1) 98.01.003.677-Annual Parent Notification (Ch. 36, Stats. 1977, et al.)	1,000
(2) 98.01.009.894-Caregiver Affidavits (Ch. 98, Stats. 1994).....	1,000
(3) 98.01.013.487-Pupil Suspensions: District Employee Reports (Ch. 134, Stats. 1987 et al.).....	1,000
(4) 98.01.016.193-Intradistrict Attendance (Ch. 161, Stats. 1993)	1,000
(5) 98.01.017.201-Interdistrict Attendance (Ch. 172, Stats. 1986)	1,000
(6) 98.01.017.286-Interdistrict Transfer Parent’s Employment (Ch. 172, Stats. 1986)	1,000
(7) 98.01.048.675-Mandate Reimbursement Process (Ch. 486, Stats. 1975).....	1,000
(8) 98.01.049.801-Graduation Requirements (Ch. 498, Stats. 1983).	1,000
(9) 98.01.049.802-Notification of Truancy (Ch. 498, Stats. 1983).....	1,000

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(10) 98.01.049.803-Pupil Expulsions/ Expulsion Appeals (Ch. 498, Stats. 1983 et al.)	1,000
(11) 98.01.064.186-Open Meetings Act (Ch. 641, Stats. 1986)	1,000
(12) 98.01.066.878-Pupil Exclusions (Ch. 668, Stats. 1978)	1,000
(13) 98.01.078.192-Charter Schools (Ch. 781, Stats. 1992)	1,000
(14) 98.01.078.395-Investment Reports (Ch. 783, Stats. 1995)	1,000
(15) 98.01.079.980-PERS Death Ben- efits (Ch. 799, Stats. 1980).....	1,000
(16) 98.01.081.891-AIDS Prevention Instruction (Ch. 818, Stats. 1991).	1,000
(17) 98.01.096.175-Collective Bargain- ing (Ch. 961, Stats. 1975)	1,000
(18) 98.01.096.501-Pupil Classroom Suspension: Counseling (Ch. 965, Stats. 1977)	1,000
(19) 98.01.096.577-Pupil Health Screenings (Ch. 1208, Stats. 1976)	1,000
(20) 98.01.097.595-Physical Perform- ance Tests (Ch. 975, Stats. 1995)	1,000
(21) 98.01.101.184-Juvenile Court No- tices II (Ch. 1011, Stats. 1984; Ch. 1423, Stats. 1984)	1,000
(22) 98.01.110.784-Removal of Chemi- cals (Ch. 1107, Stats. 1984).....	1,000
(23) 98.01.111.789-Law Enforcement Agency Notifications (Ch. 1117, Stats. 1989)	1,000
(24) 98.01.117.677-Immunization Records (Ch. 1176, Stats. 1977) ...	1,000
(25) 98.01.118.475-Habitual Truants (Ch. 1184, Stats. 1975)	1,000
(26) 98.01.121.391-Collective Bargain- ing Agreement Disclosures (Ch. 1213, Stats. 1991).....	1,000
(27) 98.01.125.375-Expulsion Tran- scripts (Ch. 1253, Stats. 1975).....	1,000
(28) 98.01.128.488-Pupil Suspensions: Parents Classroom Visits (Ch. 1284, Stats. 1988)	1,000
(29) 98.01.130.689-Notification to Teachers of Public Expulsion (Ch. 1306, Stats. 1989)	1,000

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(30) 98.01.134.780-Scoliosis Screening (Ch. 1347, Stats. 1980)	1,000
(31) 98.01.139.874-PERS Unused Sick Leave Credit (Ch. 1398, Stats. 1974).....	1,000
(32) 98.01.146.389-School Accountability Report Cards (Ch. 1463, Stats. 1989)	1,000
(33) 98.01.165.984-Emergency Procedures (Ch. 1659, Stats. 1984)	1,000
(34) 98.01.077.896-American Government Course Documents Requirements (Ch. 778, Stats. 1996)	1,000
(35) 98.01.030.995-Pupil Residency Verification and Appeals (Ch. 309, Stats. 1995)	1,000
(36) 98.01.058.897-Criminal Background Checks (Ch. 588, Stats. 1997).....	1,000
(37) 98.01.041.095-School Crimes Reporting II (Ch. 759, Stats. 1992 and Ch. 410, Stats. 1995)	0
(38) 98.01.083.194-School Bus Safety II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; Ch. 739, Stats. 1997).	0

Provisions:

1. Except as provided in Provisions 2 and 3 of this item, allocations of funds 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 approval of the Director of Finance in writing, augment those deficient amounts from the unencumbered balance of any other scheduled amounts therein. No order may

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<p>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 which considers appropriations and the Chairperson of the Joint Legislative Budget Committee or his or her designee.</p> <p>3. Notwithstanding any other provision of law, the funds appropriated in Schedules (15) and (31) 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.</p> <p>4. 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 2003–04 fiscal year:</p> <p>(37) School Crimes Reporting II (Ch. 759, Stats. 1992; Ch. 410, Stats. 1995).</p> <p>(38) School Bus Safety II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; Ch. 739, Stats. 1997).</p> <p>5. The Controller shall not make any payment from this item to reimburse community college districts for claimed costs of state-mandated education programs. Reimbursements to community college districts for education mandates shall be paid from the appropriate item within the community colleges budget.</p>	
<p>6110-301-0660—For capital outlay, Department of Education, payable from the Public Buildings Construction Fund</p>	5,600,000
<p>Schedule:</p> <p>California School for the Deaf, Riverside:</p> <p>(1) 80.80.030-Multipurpose/Activity Center—Preliminary plans, working drawings, construction, and equipment.....</p>	5,600,000
<p>Provisions:</p> <p>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 projects authorized by this item.</p>	

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2. The State Public Works Board and the Department of Education may obtain interim financing for the project costs authorized in this item from any appropriate source including, but not limited to, Section 15849.1 of the Government Code and the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
 3. The State Public Works Board may authorize the augmentation of the cost of construction of the projects scheduled in this item pursuant to the board's authority under Section 13332.11 of the Government Code. In addition, the State Public Works Board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing, including the payment of interest during construction of the projects, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.
 4. This department is authorized and directed to execute and deliver any and all leases, contracts, agreements or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
 5. The State Public Works Board shall not itself be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (commencing with Section 21000 of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (commencing with Section 15800 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is declarative of existing law.
- 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).

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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.	
6110-485—Reappropriation (Proposition 98) Department of Education. The sum of \$42,729,000 is reappropriated from the Proposition 98 Reversion Account, for the following purposes:	
0001—General Fund	
(1) \$4,908,000 for allocation by the Superintendent of Public Instruction to SELPAs to fully fund the 2001–02 Special Education average daily attendance increase.	
(2) \$500,000 to the County Office Fiscal Crisis and Management Assistance Team (FCMAT) for assessments and recovery plans for fiscally distressed districts, including the Oakland Unified School District.	
(3) \$30,763,000 to the State Department of Education for the purpose of funding grants for schools in the Immediate Intervention/Underperforming Schools Program pursuant to Chapter 3 of the Statutes of 1999.	
(4) \$1,135,000 to the State Department of Education for the purpose of funding grants for schools in the High Priority Schools Grant Program pursuant to Chapter 749 of the Statutes of 2001.	
(5) \$800,000 to the State Department of Education for the purpose of funding Certificated Staff Incentive Awards as needed pursuant to Chapter 52 of the Statutes of 1999.	
(6) \$4,448,000 to the State Department of Education to fund the School (or K–4 Classroom) Library Materials program.	
6110-494—Reappropriation, Department of Education. Notwithstanding any other provision of law, the following specified balances are reappropriated from the following citations, for the purposes specified,	

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and shall be available for encumbrance and expenditure until June 30, 2004:	
Provisions:	
1. \$12,241,000 of the unliquidated federal fund balances appropriated in Item 6110-196-0890 as scheduled in Item 6110-196-0001 of Section 2.00 of the Budget Act of 2000 (Ch. 52, Stats. 2000), Schedules (b)(5.1) and (b)(5.2) shall be available only for expenditure for CalWORKs Stage 3.	
2. Notwithstanding Section 8278 of the Education Code, \$18,000,000 of the remaining General Fund balance of the amount appropriated in Schedule (2)(f) for CalWORKs Stage 3 child care in Item 6110-196-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002), after the reversion pursuant to Provision 8 of Item 6110-495 of this act, shall be available only for expenditure for CalWORKs Stage 2.	
6110-495—Reversion, Department of Education, Proposition 98. The following amounts shall revert to the Proposition 98 Reversion Account:	
(1) \$2,785,000 from Schedule (1) of Item 6110-140-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(2) \$700,000, or whatever lesser or greater amount reflects unexpended funds in 2001–02, from Item 6110-112-0001, Budget Act of 2001 (Ch. 106, Stats. 2001).	
(3) \$1,135,000 from Schedule (3) of Item 6110-123-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(4) \$4,916,000 from Schedule (4) of Item 6110-123-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(5) \$400,000 from subdivision (41) of Item 6110-485, Budget Act of 2001 (Ch. 106, Stats. 2001).	
(6) \$1,900,000, or whatever lesser or greater amount reflects unexpended funds in 2002–03, from Item 6110-158-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(7) Notwithstanding Section 8278 of the Education Code and after meeting the requirements in Item 6110-196-0001, Provision 2 of this Budget Act, \$12,694,000 or whatever lesser or greater amount reflects the remaining unliquidated General Fund balance, of the amount appropriated in Item 6110-196-0001 of the Budget Act of 2001 (Ch. 106, Stats. 2001), with the exception of	

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Schedules (2)(e) and (2)(f) for CalWORKs child care programs.	
(8) Notwithstanding Section 8278 of the Education Code, \$12,000,000 of the remaining unliquidated General Fund balance of the amount appropriated in Schedule 2(f) for CalWORKs Stage 3 child care in Item 6110-196-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).	
6110-497—Reversion, Department of Education. The following amount shall revert to the General Fund:	
(1) \$2,339,000 from Item 6110-202-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)	
6120-011-0001—For support of California State Library, Division of Libraries, and California Library Services Board	10,929,000
Schedule:	
(1) 10-State Library Services	14,241,000
(2) 20-Library Development Services..	3,470,000
(3) 30-Information Technology Services.....	598,000
(4) 40.01-Administration.....	1,729,000
(5) 40.02-Distributed Administration ...	-1,729,000
(6) Reimbursements.....	-1,599,000
(7) Amount payable from the Federal Trust Fund (Item 6120-011-0890).	-5,781,000
Provisions:	
1. Of the amount appropriated in Schedule (1) of this item, \$76,000 is for repair and maintenance costs of the Library and Courts II Building.	
6120-011-0020—For support of the California State Library, Program 10-State Library Services, for support of the State Law Library, payable from the California State Law Library Special Account	709,000
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.....	5,781,000
6120-011-6000—For support of California State Library, Program 20-Library Development Services-Office of Library Construction (Proposition 14), payable from the California Public Library Construction and Renovation Fund	2,530,000
6120-012-0001—For support of the California State Library for rental payments on lease-revenue bonds... Schedule:	2,427,000
(1) Base Rental and Fees	2,467,000
(2) Insurance	19,000
(3) Reimbursements.....	-59,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
6120-013-0001—For support of California State Library, Program 10-State Library Services—Sutro Library Special Repairs Project	20,000
6120-101-6029—For support of the California State Library, Program 20-Library Development Services-California Cultural and Historical Endowment, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	128,400,000
1. The State Librarian may expend up to 5 percent of the funds appropriated in this item for administering the endowment, subject to the submission of an expenditure plan, approved by the Department of Finance and 30-day legislative notification.	
6120-150-0001—For local assistance, California State Library, for the California Civil Liberties Public Education Program	500,000
Provisions:	
1. The funds appropriated in this item shall be used to provide competitive grants pursuant to the provisions of Part 8.5 (commencing with Section 13000) of Division 1 of the Education Code.	

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6120-151-0493—For support the California State Library for telephonic services formed under the Kevin Starr Access to Information Act of 2001, payable from the California Teleconnect Fund Administrative Committee Fund.....	40,000
6120-160-0001—For local assistance, California State Library, Program 20-Library Development Services—California Newspaper Project.....	240,000
6120-211-0001—For local assistance, California State Library, Program 20-Library Development Services	15,170,000
Schedule:	
(5) 20.30-Direct Loan and Interlibrary Loan Programs	12,145,000
(1) 20.40-Computerized database pursuant to Section 18767 of the Education Code	175,000
(2) 20.50-California Library Services Act pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code.....	2,850,000
6120-211-0890—For local assistance, California State Library, Program 20-Library Development Services, payable from the Federal Trust Fund.....	12,518,000
6120-213-0001—For local assistance, California State Library, Program 20-Library Development Services-California English Acquisition and Literacy Program	5,340,000
Provisions:	
1. Funds in this item are available for the California English Acquisition and Literacy Program authorized in legislation enacted during the 2003–04 Regular Session.	
6120-221-0001—For local assistance, California State Library, Program 20-Library Development Services-Public Library Foundation Program.....	15,766,000
Provisions:	
1. Notwithstanding any other provision of law, for the 2003–04 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, 2003.	
2. Notwithstanding any other provision of law, for the 2003–04 fiscal year, the date on or before which the Controller shall distribute funds to the fiscal officer of each public library as specified in	

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Section 18026 of the Education Code shall be February 15, 2004.	
3. It is the intent of the Legislature that the funds appropriated in this item be allocated consistent with the provisions of Section 18025 of the Education Code.	
6125-001-0001—For support of the Education Audit Appeals Panel.....	1,500,000
6255-001-0001—For support of California State Summer School for the Arts, Program 10.....	737,000
6330-001-0890—For support of the California Occupational Information Coordinating Committee, payable from the Federal Trust Fund	312,000
6360-001-0407—For support of the Commission on Teacher Credentialing, payable from the Teacher Credentials Fund	16,865,000
Schedule:	
(1) 10-Standards for Preparation and Licensing of Teachers	16,865,000
(2) 10.40.010-Departmental Administration.....	(5,607,000)
(3) 10.40.020-Distributed Departmental Administration.....	(-5,607,000)
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.	
3. To ensure the Teacher Credentials Fund reserve remains at a prudent level, the Commission on Teacher Credentialing shall charge no more than \$55 for the issuance or renewal of a teaching credential.	
4. Of the funds appropriated in Schedule (1) of this item, \$2,459,000 is for fourth-year costs of the Teacher Credentialing Service Improvement Project upon approval by the Department of Finance of a Special Project Report.	
5. If the funds available in the Teacher Credentials Fund are insufficient to meet the operational	

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<p>needs of the Commission on Teacher Credentialing, the Department of Finance may authorize a loan to be provided from the Test Development and Administration Account to the Teacher Credentials Fund. The Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of its intent to request that the Controller transfer the amount projected to be required from the Test Development and Administration Account to the Teacher Credentials Fund. The Controller shall transfer those funds not sooner than 30 days after this notification.</p>	
<p>6360-001-0408—For support of the Commission on Teacher Credentialing, payable from the Test Development and Administration Account, Teacher Credentials Fund.....</p>	9,744,000
<p>Schedule:</p>	
<p>(1) 10-Standards for Preparation and Licensure of Teachers</p>	9,744,000
<p>Provisions:</p>	
<ol style="list-style-type: none"> <li data-bbox="211 821 827 1050">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. <li data-bbox="211 1055 827 1223">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. <li data-bbox="211 1229 827 1579">3. If the funds available in the Teacher Credentials Fund are insufficient to meet the operational needs of the Commission on Teacher Credentialing, the Department of Finance may authorize a loan to be provided from the Test Development and Administration Account to the Teacher Credentials Fund. The Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee, or his or her designee, of its intent to request that the Controller transfer the amount projected to be required from the Test Development and Administration Account to the 	

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Teacher Credentials Fund. The Controller shall transfer those funds not sooner than 30 days after this notification.	
6360-001-0890—For support of the Commission on Teacher Credentialing, payable from the Federal Trust Fund.....	7,000
Provisions:	
1. The funds appropriated in this item shall be for support of the Transition to Teaching Program, for emergency-permit teachers to transition into either the Alternative Certification Program or the California Pre-Internship Teaching Program, depending on their level of preparation.	
6360-101-0001—For local assistance, Commission on Teacher Credentialing (Proposition 98), Program 10, Standards for Preparation and Licensing of Teachers	39,814,000
Schedule:	
(1) 10.20.001-Alternative Certification Program.....	22,536,000
(2) 10.20.002-California School Paraprofessional Teacher Training Program.....	6,583,000
(3) 10.20.003-California Pre-Internship Teaching Program	10,387,000
(4) 10.10.001-Teacher Misassignment Monitoring.....	308,000
Provisions:	
1. The funds appropriated in Schedule (1) are for school districts and county offices of education participating in the alternative certification programs established pursuant to Article 11 (commencing with Section 44380) of Chapter 2 of Part 25 of the Education Code.	
2. The funds appropriated in Schedule (2) are for 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. The funds appropriated in Schedule (3) are 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.	

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4. The funds appropriated in Schedule (4) 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.	
6360-101-0890—For local assistance, Commission on Teacher Credentialing, payable from the Federal Trust Fund.....	378,000
Provisions:	
1. The funds appropriated in this item shall be for the Transition to Teaching Program, for emergency-permit teachers to transition into either the Alternative Certification Program or the California Pre-Internship Teaching Program, depending on their level of preparation.	
6360-495—Reversion, California Commission on Teacher Credentialing. The following amounts shall revert to the Teacher Credentials Fund:	
(1) \$296,658 from Chapter 544, Statutes of 1998 (AB 2730).	
6420-001-0001—For support of California Postsecondary Education Commission	2,225,000
Schedule:	
(1) 100000-Personal Services	2,049,000
(2) 300000-Operating Expenses and Equipment	608,000
(3) Reimbursements.....	-3,000
(4) Amount payable from the Federal Trust Fund (Item 6420-001-0890).	-429,000
Provisions:	
2. The amount appropriated in Schedule (1) includes support for 28.5 positions.	
6420-001-0890—For support of California Postsecondary Education Commission, for payment to Item 6420-001-0001, payable from the Federal Trust Fund	429,000
6420-101-0890—For local assistance, California Postsecondary Education Commission, payable from the Federal Trust Fund	8,579,000
6440-001-0001—For support of University of California	2,709,802,000

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Schedule:

(1) Support	2,726,327,000
(2) Charles R. Drew Medical Program.	6,732,000
(3) Acquired Immune Deficiency Syn- drome (AIDS) Research	9,699,000
(4) Student Financial Aid	52,199,000
(5) Loan Repayments.....	5,105,000
(6) San Diego Supercomputer Center ..	3,240,000
(7) Subject Matter Projects	5,000,000
(8) 97.20.001-Unallocated Reduction...	98,500,000

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 (2) 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 (2) are expended solely for the support of the program identified in that schedule.
5. Of the amount appropriated in Schedule (1), \$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 (4) 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.

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7. Of the amount appropriated in Schedule (1), \$7,462,800 is for payment of energy service contracts in connection with the issuance of Public Works Board Energy Efficiency Revenue Bonds.	
8. Of the amount appropriated in Schedule (5), \$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 (5), \$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 (1), \$24,716,000 is provided for new and existing outreach 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) \$9,300,000 is for 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) \$750,000 is provided for pupil academic development programs and K–12 partnership programs in the Central Valley. Given the state’s interest in increasing the low college-going rates of educationally disadvantaged students from diverse backgrounds in the Central Valley,	

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it is the intent of the Legislature that to the extent possible, the University of California provide additional resources above that identified in this subsection to support outreach efforts in the Central Valley.

- (b) \$3,500,000 is provided for services to community college students to promote transfer, particularly among community colleges with historically low transfer rates or a large proportion of disadvantaged students. Of this total, \$1,250,000 is provided to support pilot Dual Admissions Projects to increase the number of UC advisers on targeted community college campuses, and promote other recruitment efforts aimed at increasing the diversity of the pool of students who transfer from community colleges to the University of California. The University of California shall provide a report to the Legislature and the Governor each year for five years beginning on February 1, 2003, on the progress made in implementing the Dual Admissions Program and the use of funds to support the program.
- (c) \$500,000 is provided to support the UCSD Model Charter School.
- (d) \$1,375,000 is provided for systemwide graduate and professional school outreach, to be matched by \$1,000,000 in university funds. It is the intent of the Legislature that priority in funding provided in this subsection be given to programs designed to meet the state's need of increasing the number of students from diverse backgrounds that commit to working in underserved communities by providing legal, medical, and other professional services.
- (e) \$350,000 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.
- (f) \$1,784,000 over and above any funds provided under (a)(1) and (b) is provided to support MESA programs.

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- (g) \$750,000 is provided to support campus efforts to move toward comprehensive assessment of freshman applications. Funding provided in this subdivision shall be provided to campuses contingent on the elimination of the two-tiered admission system and the establishment of a unitary admissions review process.
- (h) \$500,000 is provided for student-initiated, student-run outreach activities focused on recruitment and mentorships aimed at high school students. It is the intent of the Legislature that funding provided in this subsection for student-initiated, student-run outreach activities shall be distributed proportionally to the general campuses based on campus enrollment.
- (i) \$4,000,000 is provided for the UC College Preparatory Initiative. Funding provided for the College Preparatory Initiative shall not be limited to the development of advanced placement (AP) courses online, but shall be used to increase the availability of college preparatory courses, including, but not limited to, AP courses, designed to improve college matriculation rates for educationally disadvantaged students in K–12 schools identified as low-performing pursuant to state and federal law. Resources for this initiative shall be specifically used for increasing the number of educationally disadvantaged students enrolling in college preparatory courses with priority for schools identified as low-performing pursuant to state and federal law or schools that have low college matriculation rates, to provide technical assistance to teachers and academic support for students enrolled in these courses to make the transition to a higher education institution. Priority in program funding shall be given to efforts to assist schools that do not have a sufficient number of college preparatory courses.
- (j) \$156,000 is provided for the Community Resource and Education Centers Initiative. It is the intent of the Legislature that these funds be used for the establishment of community

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- sites within disadvantaged communities, where university-supported outreach programs and community-based organizations can operate and collaborate in support of increasing the diversity of students becoming eligible for the University of California.
- (k) \$400,000 is provided for the UC All Campus Consortium on Research for Diversity (ACCORD) initiative, intended to build on existing faculty expertise and research infrastructure to examine the problems and challenges of access to higher education for California's educationally disadvantaged students.
11. It is the intent of the Legislature that the university report on the use of outreach funding provided in this item. This report should include detailed information on the outcomes and effectiveness of outreach programs. The report should be submitted to the fiscal committee of each house of the Legislature by no later than March 15, 2004.
 12. Of the funds appropriated in Schedule (1), \$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.
 13. Of the funds appropriated in Schedule (1), \$405,000 shall be expended for viticulture and enology research contingent upon the receipt of an equal amount of private sector matching funds.
 15. Of the funds appropriated in Schedule (1), \$19,440,000 is for substance abuse research at the University of California, San Francisco campus in the Neurology Department.
 16. Of the amount appropriated in Schedule (1), \$1,609,000 is for the California State Summer School for Math and Science.
 17. Of the amount appropriated in Schedule (1), \$810,000 is for the Welfare Policy Research Project, per Article 9.7 (commencing with Section 11526) of Chapter 2 of Part 3 of the Welfare and Institutions Code.

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18. Of the amount appropriated in Schedule (1), \$810,000 shall be used for Lupus research at UC San Francisco.	
19. Of the amount appropriated in Schedule (1), \$1,620,000 shall be used to expand spinal cord injury research.	
20. Of the amount appropriated in Schedule (1), \$4,000,000 shall be used for UC Berkeley/ UCLA to support the Multi-Campus Research Unit for Labor Studies.	
21. Of the amount appropriated in Schedule (1), \$4,050,000 is to fund the Medical Investigation of Neurodevelopmental Disorders (MIND) Institute, including \$3,500,000 for research grants program.	
22. Of the amount appropriated in Schedule (1), \$14,300,000 is for Internet2 connectivity and network infrastructure to grades K–12 schools and county offices of education.	
23. The amount appropriated in this item reflects a one-time unallocated \$80,500,000 reduction in the UC systemwide administration and campus budgets per a bipartisan agreement of both houses connected with the passage of Chapter 10 of the 2003 First Extraordinary Session. The UC shall implement this reduction in a manner that minimizes the impact on instructional programs, student services, and K–12 outreach programs.	
24. Of the amount appropriated in Schedule (1), \$117,200,000 is to provide full marginal cost funding, at the rate of \$9,030, for 8,000 additional full-time-equivalent (FTE) enrollments in the 2003–04 academic year, for a total FTE in 2003–04 of 197,628. This funding shall also be used to provide marginal cost funding for FTE overenrollments that were not funded in the Budget Act of 2002.	
25. Notwithstanding Section 3.00, for the term of the financing, the University of California may use funds appropriated in Schedule (1) for debt services and costs associated with the purchase, renovation, and financing of a facility for the UC-Mexico research and academic programs in Mexico City. The amount to be financed shall not exceed \$7,000,000.	

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<p>26. The funds appropriated in Schedule (7) are for support of the six existing core Subject Matter Projects (SMP). These funds may also be used to support the foreign language, arts, and physical education SMPs if state support is authorized in legislation passed in the 2003 Regular Session and federal supplanting laws are not violated. The amount appropriated by this schedule reflects a \$15 million reduction in state General Fund for these projects. The reduction is due to an overall decline in state revenues, a reduction in total General Fund moneys for the university, the priority of the state to protect core academic services at the university, and the need to achieve savings in other areas of the university, such as K-12 professional development. If the federal government provides written notification that these funds may not be used for these projects, then the Department of Finance may instead use the funding only for the Science SMP after notifying the Joint Legislative Budget Committee through Section 28.00 process.</p> <p>27. It is the intent of the Legislature that in enacting the budget reductions implemented in this item, that reductions to the operations of the Cooperative Extension program be proportional to reductions implemented in other program areas.</p>	
<p>6440-001-0007—For support of University of California, payable from the Breast Cancer Research Account</p>	14,759,000
<p>Provisions:</p> <p>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, 2006.</p>	
<p>6440-001-0046—For support of University of California, Institute of Transportation Studies, payable from the Public Transportation Account, State Transportation Fund</p>	980,000
<p>6440-001-0234—For support of the University of California, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund.....</p>	23,863,000
<p>Provisions:</p> <p>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</p>	

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<p>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.</p> <p>2. Notwithstanding subdivision (a) of Section 2.00 of this act, the funds appropriated in this item are available for expenditure until June 30, 2006.</p>	
<p>6440-001-0308—For support of the University of California, payable from the Earthquake Risk Reduction Fund of 1996.....</p>	1,500,000
<p>Provisions:</p> <p>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.</p>	
<p>6440-001-0321—For support of University of California, payable from the Oil Spill Response Trust Fund.....</p>	1,300,000
<p>Provisions:</p> <p>1. The funds appropriated in this item shall be available to support the Oiled Wildlife Care Network.</p>	
<p>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.....</p>	22,834,000
<p>Provisions:</p> <p>1. All funds received pursuant to Proposition 37 that are allocable to the University of California 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.</p>	
<p>6440-001-0890—For support of University of California, payable from the Federal Trust Fund.....</p>	5,000,000
<p>Provisions:</p> <p>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.</p>	
<p>6440-001-0945—For support of the University of California, payable from the California Breast Cancer Research Fund.....</p>	480,000

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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, 2006.	
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, 2004. Claims for these funds shall be submitted by the University of California on or after July 1, 2004, and before October 1, 2004.	
2. No reserve may be established by the Controller for this appropriation before July 1, 2004.	
6440-003-0001—For support of the University of California, for payments on lease-purchase bonds.....	115,283,000
Schedule:	
(1) Rental, insurance and administrative payments	119,345,000
(2) Reimbursements.....	-4,062,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
6440-004-0001—For support of University of California	17,300,000
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 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.	

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<p>2. The University of California may enter into lease agreements with an option to purchase facilities in the Central Valley associated with the Merced campus. The lease agreement with an 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.</p> <p>3. It is the intent of the Legislature that the \$4 million reduction made to this item pursuant to the 2003 Budget Act be for the purpose of delaying the opening of the UC Merced campus until 2005.</p>	
<p>6440-005-0001—For support of University of California Provisions:</p> <p>1. Notwithstanding any other provision of law, the funds appropriated in this item are available for expenditure without regard to fiscal year. Funds in this item are provided on a one-time basis to support the California Institutes for Science and Innovations.</p>	4,750,000
<p>6440-011-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund to the Earthquake Risk Reduction Fund of 1996 ...</p>	(1,000,000)
<p>6440-301-0574—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 1998.</p> <p>Provisions:</p> <p>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, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Dis-</p>	

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abilities Act of 1990, or (e) to fund minor capital outlay projects.

No later than March 1, 2004, 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, 2004, 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.

2. The funds provided under this item shall be available for expenditure only if the University of California requires the payment of prevailing wage rates by the contractors and subcontractors on all projects in this item and on all other capital outlay projects undertaken by the University of California that are funded using nonstate funds or are otherwise not financed with the funds appropriated in this item. This requirement shall represent a moratorium on granting further exceptions to paying prevailing wage until June 30, 2004.

6440-301-0658—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 1996.

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, (d) to proceed with design and construction of projects to meet re-

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quirements under the federal Americans with Disabilities Act, or (e) to fund minor capital outlay projects.

No later than March 1, 2004, 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, 2004, 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 of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.

6440-301-0660—For capital outlay, University of California, payable from the Public Buildings Construction Fund 11,000,000

Schedule:

Universitywide:

- (1) 99.00.055.200-Institutes for Science and Innovation— Construction and equipment 11,000,000

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, design, and construction of the projects authorized by this item.
2. The State Public Works Board and the University of California 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 State Public Works Board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing including the payment of interest during construction of the project, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.

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4. Notwithstanding Section 2.00 of this act or any other provision of law, the appropriation made by this item is available for encumbrance until June 30, 2006.
 5. The University of California is authorized and directed to execute and deliver any and all leases, contracts, agreements or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
 6. The State Public Works Board shall not be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (commencing with Section 21000 of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (commencing with Section 15800 of the Government Code). This section does not exempt the University of California from the requirements of the California Environmental Quality Act. This section is intended to be declarative of existing law.
- 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, 2004, the University of California shall provide the Legislative Analyst with a progress report showing the identified sav-

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<p>ings by project, and the purpose for which the identified savings were used.</p> <p>No later than November 1, 2004, 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 of the Joint Legislative Budget Committee and to the chairs of the fiscal committees in each house.</p> <p>6440-301-0782—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund.</p> <p>Provisions:</p> <ol style="list-style-type: none"> 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. <p>No later than March 1, 2004, 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.</p> <p>No later than November 1, 2004, 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.</p> <p>6440-301-0785—For capital outlay, University of California, payable from the 1988 Higher Education Capital Outlay Bond Fund.</p>	

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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 of 1990.

No later than March 1, 2004, 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, 2004, 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,

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(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, 2004, 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, 2004, 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.

6440-301-6028—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 2002 190,474,000

Schedule:

Universitywide:

(1) 99.00.050-Northern Regional Library Facility, Phase 3—Construction 16,177,000

San Francisco Campus:

(2) 99.02.130-Health Science West Improvements, Phase 1—Construction 12,934,000

(3) 99.02.145-Medical Sciences Building Improvements, Phase 2—Preliminary plans 1,400,000

Davis Campus:

(4) 99.03.305-Robert Mondavi Institute for Wine and Food Science—Working drawings..... 600,000

(5) 99.03.310-Seismic Corrections, Phase 4—Preliminary plans and working drawings 574,000

Los Angeles Campus:

(6) 99.04.205-Kinsey Hall Seismic Correction, Phase 2—Construction..... 17,387,000

(7) 99.04.220-Electrical Distribution System Expansion, Step 6B—Construction 6,228,000

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(8) 99.04.245-Geology Seismic Correction—Preliminary plans and working drawings	978,000
Riverside Campus:	
(9) 99.05.180-Psychology Building —Preliminary plans and working drawings.....	2,241,000
San Diego Campus:	
(10) 99.06.325-Pharmaceutical Sciences Building—Construction	24,714,000
(11) 99.06.330-Biomedical Library Renovation and Addition—Construction	14,503,000
(12) 99.06.335-West Campus Utilities Improvements—Construction	3,940,000
(13) 99.06.340-Student Academic Services Facility—Working drawings.	1,172,000
(14) 99.06.345-Campus Emergency Services Facility—Construction....	3,987,000
(15) 99.06.350-Satellite Utilities Plant, Phase 1—Preliminary plans and working drawings	647,000
(16) 99.06.355-Mayer Hall Addition and Renovation—Preliminary plans and working drawings.....	3,559,000
(17) 99.06.360-Applied Physics and Mathematics Renovation—Preliminary plans and working drawings.....	845,000
Santa Cruz Campus:	
(18) 99.07.130-Humanities and Social Sciences Facility— Working drawings and construction	25,826,000
(19) 99.07.135-Emergency Response Center—Working drawings and construction	6,592,000
(20) 99.07.150-Seismic Corrections, Phase 2A—Working drawings and construction	3,000,000
(21) 99.07.160-Alterations for Engineering, Phase 2—Preliminary plans and working drawings.....	396,000
(22) 99.07.165-McHenry Project, Phases 1, 2A, 2B, 2C—Preliminary plans	3,602,000

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Santa Barbara Campus:	
(23) 99.08.115-Psychology Building Addition and Renovation—Construction	9,817,000
(24) 99.08.120-Snidecor Hall Office Wing Seismic Replacement—Construction	10,566,000
(25) 99.08.125-Biological Sciences Buildings Renovation—Preliminary plans and working drawings.....	1,000,000
(26) 99.08.130-Education and Social Sciences Building—Preliminary plans and working drawings.....	4,116,000
Merced Campus:	
(27) 99.11.015-Site Development and Infrastructure, Phase 3—Construction	12,799,000
(28) 99.11.035-Logistical Support/Service Facilities—Preliminary plans and working drawings.....	874,000

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, (d) to proceed with 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.

No later than March 1, 2004, 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.

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No later than November 1, 2004, 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.

- 2. The funds provided under this item shall be available for expenditure only if the University of California requires the payment of prevailing wage rates by the contractors and subcontractors on all projects in this item and on all other capital outlay projects undertaken by the University of California that are funded using nonstate funds or are otherwise not financed with the funds appropriated in this item. This requirement shall represent a moratorium on granting further exceptions to paying prevailing wage until June 30, 2004.
- 3. The appropriation made by this item for studies, preliminary plans, working drawings or minor capital outlay shall be available for expenditure until December 31, 2004. In addition, the balance of every appropriation made in this item that contains funding for construction that has not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before December 31, 2004, shall revert as of that date.

6440-302-0574—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 1998 4,167,000

Schedule:

Merced Campus:

(1) 99.11.040-Castle Facilities
 Improvements—Construction 4,167,000

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.
- 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

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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 non-state 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 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 2003–04 and 2004–05 fiscal years, except that the funds appropriated for construction only must be bid during the 2003–04 fiscal year and will be available for expenditure through 2004–05 and that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2006. 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,

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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 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.

6440-302-6028—For capital outlay, University of California, payable from the Higher Education Capital Outlay Bond Fund of 2002 117,060,000

Schedule:

Berkeley Campus:

- (1) 99.01.240-Doe Library Seismic Corrections, Step 4—Preliminary plans, working drawings and construction 16,920,000

Los Angeles Campus:

- (2) 99.04.230-Campbell Hall Seismic Correction—Preliminary plans and working drawings 534,000
- (3) 99.04.250-Boelter Hall Fire Sprinkler System—Preliminary plans, working drawings and construction..... 5,081,000
- (4) 99.04.255-Campus Fire Alarm System Upgrade, Phase 3—Working drawings and construction..... 2,654,000

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Riverside Campus:	
(5) 99.05.170-East Campus Infrastructure Improvements—Preliminary plans, working drawings and construction	8,400,000
(6) 99.05.175-College of Humanities and Social Sciences Instruction and Research Facility—Preliminary plans, working drawings and construction	31,227,000
Irvine Campus:	
(7) 99.09.335-Central Plant Chiller Expansion, Step 5—Preliminary plans, working drawings and construction	18,800,000
(8) 99.09.340-Computer Sciences Unit 3—Construction.....	29,089,000
(9) 99.09.345-Biological Sciences Unit 3—Preliminary plans and working drawings.....	3,592,000
Agriculture and Natural Resources:	
(10) 99.10.050-Desert Research Extension Center Irrigation Water System—Preliminary plans, working drawings and construction	763,000
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.	
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	

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- by this item. This condition does not limit the authority of the University of California to use non-state 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 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 until December 31, 2005, except that the funds appropriated for construction only must be bid by December 31, 2004, and are available for expenditure through December 31, 2005, and that the funds appropriated for equipment purposes are available for encumbrance until December 31, 2006. 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 project also may be used during the liquidation period to fund the purposes described in subdivisions (a), (b), (c), (d), and (e) 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 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

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<p>projects to meet requirements under the federal Americans with Disabilities Act of 1990, or (e) to fund minor capital outlay projects.</p> <p>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 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.</p> <p>7. The project identified in Schedule (8) of this item may utilize design-build construction consistent with practices, policies, and procedures of the University of California.</p> <p>6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the balances as of June 30, 2003, 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, 2004:</p> <p>0001—General Fund</p> <p>(1) Item 6440-001-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 379, Stats. 2002).</p> <p>Provisions:</p> <p>1. Of the funds reappropriated in this item from Item 6440-001-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 379, Stats. 2002), \$15,000,000 shall be available for deferred maintenance, special repair projects, and the replacement of instructional equipment. As of June 30, 2003, the balance of the funds from that item in excess of \$15,000,000 shall revert to the General Fund.</p> <p>2. 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, 2003, of Item 6440-001-0001 of Section</p>	

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2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002), by September 30, 2003, and the expenditures made pursuant to this item by September 30, 2004.	
6440-491—Reappropriation, University of California. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, in those appropriations:	
0660—Public Buildings Construction Fund	
(1) Item 6440-301-0660, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 6440-491, Budget Act of 2002 (Ch. 379, Stats. 2002)	
Riverside Campus:	
(5) 99.05.140-Heckmann International Center for Management—Construction and equipment	
6028—Higher Education Capital Outlay Bond Fund of 2002	
(1) Item 6440-302-6028, Budget Act of 2002 (Ch. 379, Stats. 2002)	
Berkeley Campus:	
(2) 99.01.230-Seismic Safety Corrections, Hertz Hall—Construction	
Los Angeles Campus:	
(3) 99.04.225-Engineering 1 Seismic Mitigation—Construction	
6440-492—Reappropriation, University of California. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2004.	
0574—Higher Education Capital Outlay Bond Fund of 1998	
(1) Item 6440-302-0574, Budget Act of 1999 (Ch. 50, Stats. 1999)	
(8) 99.07.085-Santa Cruz Campus: Physical Sciences Building—Construction	
6440-495—Reversion, University of California. As of June 30, 2003, the amounts specified in the following citations shall revert to the fund balance of the fund from which the appropriation was made:	
0001—General Fund	
(1) Item 6440-301-0001, Budget Act of 2001 (Ch. 106, Stats. 2001)	

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Universitywide:	
(1) 99.00.055-Institutes for Science and Innovation—Preliminary plans, working drawings, construction and equipment	11,000,000
6600-001-0001—For support of Hastings College of the Law	11,383,000
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.	
3. This item reflects an unallocated reduction of \$4,039,000 from the amount authorized in the Budget Act of 2002.	
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...	157,000
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.	
6600-301-6028—For capital outlay, Hastings College of the Law	1,044,000
Schedule:	
(1) 60.10.002.203-200 McAllister Street Facility: Code Compliance Update—Working drawings.....	1,044,000
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	

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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, (d) to proceed with 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.

2. The appropriation made in this item for studies, preliminary plans, working drawings, or minor capital outlay shall be available for expenditure until December 31, 2004. In addition, the balance of every appropriation made in this item 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 December 31, 2004, shall revert as of that date.

6610-001-0001—For support of the California State University 2,427,834,000

Schedule:

- | | |
|---|---------------|
| (1) Support | 3,663,439,000 |
| (1.5) Unallocated reduction | -84,500,000 |
| (2) Reimbursements | -169,609,000 |
| (3) Amount payable from the Higher Education Fees and Income, CSU Fund (Item 6610-001-0498).... | -981,496,000 |

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, \$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.
3. 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

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of the Legislature to annually provide funds for that repayment purpose through the 2009–10 fiscal year.	
4. 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.	
5. Of the amount appropriated in this item, \$1,700,000 is for support of the converted Stockton Developmental Center into the Regional and Continuing Education Center at CSU, Stanislaus.	
6. Of the funds appropriated in Schedule (1), a minimum of \$7,558,000 shall be used to fund outreach 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, \$2,568,000 is provided for faculty-to-faculty alliance with high school teachers of English and mathematics, \$2,041,000 is provided for learning assistance programs in high school, and \$983,000 is provided for the Precollegiate Academic Development Program at the California State University, \$983,000 is for the California State University Educational Opportunity Program (Art. 6 (commencing with Sec. 89251), Ch. 2, Pt. 55, Ed. C.), and \$983,000 is for the California Academic Partnership Program (Ch. 11 (commencing with Sec. 11000), Pt. 7, Ed. C.).	
7. Of the amount appropriated in this item, \$51,147,000 is provided for student financial aid grants, including \$33,785,000 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.	
8. Notwithstanding Section 70000 of the Education Code, Governor’s Teaching Fellowships may not be awarded in 2003–04 and no funding is provided for this purpose.	
9. Of the amount appropriated in Schedule (1), \$150,880,000 is to provide full marginal cost	

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funding, at the rate of \$6,594, for 16,056 additional full-time-equivalent (FTE) enrollments in the 2003–04 academic year, for a total FTE in 2003–04 of 337,188. This funding shall also be used to provide marginal cost funding for FTE overenrollments that were not funded in the Budget Act of 2002.

10. The amount appropriated in this item reflects a one-time unallocated reduction of \$69,500,000 in the CSU systemwide administration and various budgets per a bipartisan agreement of both houses connected with the passage of Chapter 10 of the 2003 First Extraordinary Session. The CSU shall implement this reduction in a manner that minimizes the impact on instructional programs, student services, and K–12 outreach programs.

11. It is the intent of the Legislature that the university report on the use of outreach funding provided in this item. This report shall include detailed information on the outcomes and effectiveness of outreach programs. The report shall be submitted to the fiscal committee of each house of the Legislature by not later than March 15, 2004.

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 981,496,000

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.

6610-001-0890—For support of the California State University, payable from the Federal Trust Fund..... 35,860,000

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.

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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	2,634,000
Schedule:	
(1) Center for California Studies— Fellows Program.....	509,000
(2) Center for California Studies— Other	36,500
(3) Assembly Fellows	515,500
(4) Senate Fellows	515,500
(5) Executive Fellows	515,000
(6) Judicial Fellows	374,000
(7) LegiSchool Project.....	112,500
(8) Sacramento Semester Internship Program.....	56,000
6610-003-0001—For support of the California State University for payments on lease-purchase bonds.....	61,553,000
Schedule:	
(1) Rental, insurance and administrative payments	61,777,000
(2) Reimbursements.....	-224,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
6610-301-0574—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 1998.	
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	

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with the underground tank corrections program, (c) to perform engineering evaluations on buildings identified as potentially in need of seismic retrofitting, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990, (e) to fund minor capital outlay projects, or (f) feasibility studies for capital outlay.

No later than March 1, 2004, 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, 2004, 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.

6610-301-0658—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 1996 241,000

Schedule:

(1) 06.98.098-Pomona: Engineering Labs Replacement—Construction . 241,000

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 that have been identified as potentially in need of seismic retrofitting, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act,

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(e) to fund minor capital outlay projects, or (f) feasibility studies for capital outlay.

No later than March 1, 2004, 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, 2004, 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.

6610-301-0705—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, 2004, 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, 2004, 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

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<p>report shall be submitted to the Chairperson of the Joint Legislative Budget Committee and to the chairpersons of the fiscal committees in each house.</p>	
<p>6610-301-0782—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund.</p> <p>Provisions:</p> <ol style="list-style-type: none"> 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. <p>No later than March 1, 2004, 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.</p> <p>No later than November 1, 2004, 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.</p>	
<p>6610-301-0785—For capital outlay, California State University, payable from the 1988 Higher Education Capital Outlay Bond Fund.</p> <p>Provisions:</p> <ol style="list-style-type: none"> 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 	

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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 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, 2004, 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, 2004, 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

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projects to meet requirements under the federal Americans with Disabilities Act of 1990.

No later than March 1, 2004, 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, 2004, 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.

6610-301-6028—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 2002 7,495,000
Schedule:

- (1) 06.48.315-Systemwide: Minor Capital Outlay—Preliminary plans, working drawings and construction 6,194,000
- (2) 06.51.008-California Maritime Academy—Acquisition 1,301,000

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 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, 2004, the California State University shall provide the Legislative Analyst with a progress report showing the iden-

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<p>tified savings, by project, and the purpose for which the identified savings were used.</p>	
<p>No later than November 1, 2004, 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.</p>	
<p>2. The appropriation made in this item for studies, preliminary plans, working drawings, or minor capital outlay shall be available for expenditure until December 31, 2004. In addition, the balance of every appropriation made in this item 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 December 31, 2004, shall revert as of that date.</p>	
<p>6610-302-0574—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 1998.</p>	
<p>Provisions:</p>	
<p>1. 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 begin working drawings for a project for which preliminary 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, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990, (e) to fund minor capital outlay projects, or (f) to fund feasibility studies for capital outlay.</p>	
<p>2. No later than March 1 of each year, the California State University shall submit a report detailing the expenditure for each project of the funds appropriated by this item to the Chair of the Joint Leg-</p>	

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<p>islative 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.</p>	
<p>6610-302-6028—For capital outlay, California State University, payable from the Higher Education Capital Outlay Bond Fund of 2002</p>	192,000,000
<p>Schedule:</p>	
<p>(1) 06.52.109-Chico: Student Services Center—Working drawings and construction</p>	32,840,000
<p>(2) 06.56.092-Fresno: Science II Replacement Building—Equipment ..</p>	1,958,000
<p>(3) 06.76.101-Sacramento: Infrastructure Upgrade, Phase 1—Preliminary plans, working drawings, and construction</p>	18,691,000
<p>(4) 06.78.092-San Bernardino: Science Buildings Renovation/Addition, Phase II—Preliminary plans, working drawings, and construction.....</p>	21,786,000
<p>(5) 06.80.157-San Diego: Social Sciences/Art Gallery/Parking Structure 8—Preliminary plans, working drawings, and construction.....</p>	25,384,000
<p>(6) 06.86.115-San Jose: Joint Library-Secondary Effect—Preliminary plans, working drawings, and construction</p>	19,633,000
<p>(7) 06.90.085-Sonoma: Darwin Hall—Preliminary plans, working drawings, and construction</p>	26,012,000
<p>(8) 06.92.064-Stanislaus: Science II (Seismic)—Working drawings and construction</p>	45,696,000

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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 2002 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.
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 until December 31, 2005, except that the funds appropriated for construction only must be bid by December 31, 2004, and will be available for expenditure through December 31, 2005, and funds appropriated for equipment purposes are available for en-

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- cumbrance until December 31, 2006. 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), (d) and (e) 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 begin working drawings for a project for which preliminary 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, (d) to proceed with design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990, (e) to fund minor capital outlay projects, or (f) to fund feasibility studies for capital outlay.
 6. No later than March 1 of each year, the California State University shall submit a report detailing 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.

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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, 2004: 0001—General Fund (1) Item 6610-001-0001, Budget Act of 2002 (Ch. 379, Stats. 2002) Provisions: 1. Of the funds reappropriated in this item from Item 6610-001-0001, Budget Act of 2002 (Ch. 379, Stats. 2002), 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 system-wide allocations. As of June 30, 2003, 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, 2003, report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance as of June 30, 2003, of Item 6610-001-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002), and a proposed expenditure plan for that balance. The California State University shall report by September 30, 2004, on the expenditures made pursuant to this item.	
0498—Higher Education Fees and Income, CSU Fund (1) Item 6610-001-0498, Budget Act of 2002 (Ch. 379, Stats. 2002).	
6610-491—Reappropriation, California State University. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, in those appropriations: 0001—General Fund (1) Item 6610-301-0001, Budget Act of 2000 (Ch. 52, Stats. 2000) Chico Campus: (2) 06.52.105-Telecommunications Infrastructure—Construction	

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0574—Higher Education Capital Outlay Bond Fund of 1998	
(1) Item 6610-302-0574, Budget Act of 2001 (Ch. 106, Stats. 2001)	
Fresno Campus:	
(4) 06.56.092-Science II Replacement Building—Construction	
Fullerton Campus:	
(5) 06.62.088-Auditorium/Fine Arts Instructional Facility—Construction	
Sacramento Campus:	
(6) 06.76.095-Academic Information Resource Center—Construction	
San Bernardino Campus:	
(7) 06.78.089-Science Building Renovation/Addition, Phase I Annex—Construction	
6028—Higher Education Capital Outlay Bond Fund of 2002	
(1) Item 6610-301-6028, Budget Act of 2002 (Ch. 379, Stats. 2002)	
San Diego Campus:	
(8) 06.80.152-Telecommunications Infrastructure—Construction	
Monterey Bay Campus:	
(7) 06.74.002-Telecommunications Infrastructure—Construction	
6610-492—Reappropriation, California State University. Notwithstanding any other provision of law, funds appropriated in the following citation shall be available for liquidation until June 30, 2004.	
0574—Higher Education Capital Outlay Bond Fund of 1998	
(1) Item 6610-302-0574, Budget Act of 1999 (Ch. 50, Stats. 1999)	
(3) 06.62.070-Fullerton: Physical Education Renovation/Addition—Construction	
(7.5) 06.80.149-San Diego State University: Chemistry—Geology/Business Administration/Math Buildings Renovations—Construction	
(8) 06.84.098-San Francisco State University: Renovate Hensill Hall (Seismic)—Construction	
6870-001-0001—For support of Board of Governors of the California Community Colleges.....	9,531,000

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Schedule:	
(1) 10-Appportionments.....	901,000
(2) 20-Special Services and Operations	15,699,000
(3) 30.01-Administration.....	4,292,000
(4) 30.02-Administration—Distributed	-4,292,000
(5) Reimbursements.....	-7,069,000
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 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 Department of Personnel Administration.	
6870-001-0574—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 1998.....	1,116,000

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6870-001-0909—For support for the Board of Governors of the California Community Colleges, Program 20.30.020-Instructional Improvement and Innovation, payable from the Special 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, Program 20.30.050-Economic Development, payable from the California Business Resources and Assistance Innovation Network Fund	10,000
6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98).....	2,189,054,000
Schedule:	
(1) 10.10.010-Appportionments	1,439,149,000
(2) 10.10.020-Basic Skills and Apprenticeship.....	40,552,000
(3) 10.10.030-Growth for Apportionment.....	57,900,000
(4) 10.10.040-Partnership for Excellence.....	175,000,000
(5) 20.10.005-Student Financial Aid Administration	46,447,000
(6) 20.10.010-Extended Opportunity Programs and Services and Special Services.....	94,892,000
(7) 20.10.013-Teacher and Reading Development Partnerships	3,700,000
(8) 20.10.020-Disabled Students.....	82,583,000
(10) 20.10.045-Special Services for CalWORKs Recipients.....	34,580,000
(11) 20.10.060-Foster Care Education Program.....	1,754,000
(12) 20.10.070-Matriculation.....	54,307,000
(13) 20.20.020-Academic Senate for the Community Colleges.....	467,000
(14) 20.20.041-Equal Employment Opportunity pursuant to Ch. 1169, Statutes of 2002.....	1,747,000
(15) 20.20.050-Part-time Faculty Health Insurance	1,000,000
(16) 20.20.051-Part-time Faculty Compensation	50,828,000
(17) 20.20.055-Part-time Faculty Office Hours.....	7,172,000
(18) 20.30.011-Telecommunications and Technology Infrastructure	22,050,000

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(19) 20.30.012-California Virtual University	1,347,000
(20) 20.30.020-Instructional Improvement, for transfer to the Community Colleges Fund for Instructional Improvements	312,000
(21) 20.30.045-Fund for Student Success	6,158,000
(22) 20.30.050-Economic Development	35,790,000
(23) 20.30.070-Transfer Education and Articulation.....	1,974,000
(24.5) Scheduled Maintenance, Special Repairs, Instructional Equipment and Library Materials Block Grant.....	24,941,000
(26) 20.40.040-Hazardous Substances..	4,404,000

Provisions:

1. The funds appropriated in Schedules (1), (2), (3), (4), (5), (6), (8), (10), (11), (12), (14), (15), (16), (17), (18), (22), and (25) are for transfer by the Controller during the 2003–04 fiscal year to Section B of the State School Fund.
- 1.5. The amounts appropriated in Schedules (1) and (4) reflect the intent of the Legislature to defer \$150,000,000 for Apportionments and \$50,000,000 for Partnership for Excellence to the 2004–05 fiscal year, pursuant to separate legislation.
2. Of the funds appropriated in Schedule (1), Apportionments:
 - (a) Up to \$100,000 is for a maintenance allowance, pursuant to regulations adopted by the board of governors.
 - (b) Up to \$500,000 is to reimburse colleges for the costs of federal aid repayments related to assessed fees for fee waiver recipients. This reimbursement only applies to students who completely withdraw from college before the census date.
 - (c) The amount appropriated in this item reflects a reduction of \$25 million and approximately 6,500 full-time-equivalent students (FTES) based on a policy that revises allowable parameters for the claiming of state funding for concurrent enrollment. The chancellor shall allocate this reduction on a basis proportion-

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ate to the level of FTES reported by districts for concurrent enrollment in physical education, recreation, study skills, and personal development courses. However, nothing in this provision shall prohibit those districts from receiving growth allocations, as warranted, to the extent that designated funds are available. No district shall receive a funding reduction that exceeds 10 percent of the statewide total reduction made pursuant to this subdivision. Further, the chancellor may limit the amount of reduction for a district if, in the judgment of the chancellor, the district's financial integrity otherwise would be jeopardized. The chancellor shall report to the Legislature and the Governor by January 1, 2004, on how the reduction was allocated.

- (d) Notwithstanding any other provision of law or regulation, the chancellor shall not reduce district workload obligations for a lack of a funded cost-of-living adjustment.
3. Notwithstanding any other provision of law, \$27,489,000 of the funds appropriated in Schedule (2) is for allocation to community college districts in the 2003–04 fiscal year for the purposes of funding FTES in courses in basic skills, including English-as-a-second-language courses and workforce preparation courses for newly legalized immigrants, to the extent the total FTES claimed by a district for the 2003–04 fiscal year exceeds the level of total FTES funded for that district in the 2003–04 fiscal year. The Chancellor of the California Community Colleges shall develop criteria for allocating these funds.
4. (a) Of the amount appropriated in Schedule (2), up to \$12,576,000 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

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- 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. (a) Notwithstanding any other provision of law, the funds appropriated in Schedule (3) of this item shall only be allocated for growth in full-time-equivalent students (FTES), on a district-by-district basis, as determined by the Chancellor of the California Community Colleges. The chancellor shall not include any FTES from concurrent enrollment in physical education, recreation, study skills, and personal development courses and other courses in conflict with existing law for the purpose of calculating a district's three-year overcap adjustment. The board of governors shall adopt criteria for the allocation of funds appropriated in Schedule (1), Apportionments, and Schedule (3), Growth for Apportionments, so as to assure that courses related to student needs for transfer, basic skills and vocational/workforce training are accorded the highest priority and are provided to the maximum extent possible within budgeted funds. The chancellor shall report on the adopted criteria to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the committees in each house of the Legislature that consider the budget, the Department of Finance, the Secretary for Education, and the California Postsecondary Education Commission by February 1, 2004.
- (b) Notwithstanding any other provision of law or regulation, apportionment funding for community college districts shall be based on the greater of the current year or prior year level of FTES, consistent with K-12 declin-

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ing enrollment practices pursuant to Section 42238.5 of the Education Code. Decreases in FTES shall result in a revenue reduction at the district's average level of apportionment funding per FTES and shall be made in the year following the initial year of decrease in FTES.

6. Funds provided in Schedule (4) 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 system-wide goal for student transfer. The goal for the California Community Colleges is to increase the number of "transfer ready" students to provide enough applicants to increase by at least 6 percent annually the number of transfer students eligible to enroll at the University of California through the year 2005-06. The goal is also to increase the number of "transfer ready" students to provide enough eligible applicants to increase by at least 5 percent annually the number of transfer students eligible to enroll at the California State University through the year 2005-06.

In administering the provisions of Sections 66734 and 84754 of the Education Code, the chancellor shall review the capacity and readiness of each community college district to meet the needs of students desiring to transfer. From within existing resources, the chancellor shall provide technical assistance to community college districts as necessary to assure that each community college district identifies options to use its local resources most effectively for providing reasonable opportunities to transfer for students served by the district. Technical assistance shall be provided to any college with persistently low numbers or rates of transfer, with the goal that the number of transfers will increase by an average of 10 percent annually, as necessary to overcome these low numbers or rates by the 2004-05 academic year. On or before April 15, 2004, the chancellor shall report on progress each community college has made in increasing the number of transfers, along with campus expenditures on

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transfer-related activities, as part of the annual Partnership for Excellence report submitted to the Governor and the Legislature in accordance with paragraph (1) of subdivision (e) of Section 84754 of the Education Code.	
7. Notwithstanding Section 76300 of the Education Code, or any other provision of law, if the funds appropriated in Schedule (5) are insufficient to fund all claims, the chancellor shall prorate available funds to each district.	
8. Of the funds appropriated in Schedules (2) and (5), the funds not required for the 2003–04 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 (1) of this item, provided that no transfer shall occur prior to May 15, 2004.	
9. Of the funds appropriated in Schedule (6), \$82,671,000 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. Funds provided in this item for Extended Opportunity Programs and Services (EOPS) shall be available to students on all campuses within the California Community College system, including those students on new campuses or in new districts. \$12,221,000 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 appropriated in Schedule (7) are for the Community College Teacher and Reading Development Partnerships. Grants are designed to both encourage promising students to pursue careers in teaching through development of an articulated internship program with school districts and California State University institutions and to assist elementary school pupils to develop improved reading skills. Acceptance of grants shall constitute concurrence by the district to collect and provide all information specified by the chancellor. The board of governors shall ad-	

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minister the program in accordance with the plan approved by the Office of the Secretary for Education.

11. (a) The funds appropriated in Schedule (8) 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 (8), \$3,945,000 shall be used to address deficiencies identified by the federal Office of Civil Rights (OCR) as follows:
 - (1) \$597,000 to provide access to print information to visually impaired students by creating and printing braille versions of written materials.
 - (2) \$3,348,000 to provide accessibility to hearing-impaired distance education students by having live and closed captioning on telecourses and other video and Internet related instructions.
- (c) Of the amount appropriated in Schedule (8) at least \$943,000 shall be used for support of the High Tech Centers for activities including, but not limited to, training of district employees, staff 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.
- (d) Notwithstanding any other provision of law, of the funds appropriated in Schedule (8) of this item, \$1,000,000 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. If adult education services at any of the three hospitals are not supported by the community colleges in the 2003-04 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

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- Developmental Services (DDS). For any transfer of funds to DDS during the 2003–04 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.
12. Of the funds appropriated in Schedule (21):
 - (a) \$1,921,000 is for the Puente Project to support up to 75 colleges. These funds are available if matched by \$200,000 of private funds and the participating community colleges and University of California campuses maintain their 1995–96 support level for the Puente Project. All funding shall be allocated directly to participating districts in accordance with their participation agreement.
 - (b) Up to \$2,459,000 is for the Mathematics, Engineering and Science Achievement (MESA) Programs. For each dollar allocated, the recipient district shall provide one dollar in matching funds.
 - (c) No less than \$1,778,000 is for the Middle College High School Programs, pursuant to the Governor’s initiative.
 - (d) With the exception of fully compliant special part-time students at the community colleges pursuant to Section 48802 and 76001 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.
 13. The funds appropriated in Schedule (10), Special Services for CalWORKs recipients, 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: workstudy, 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

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transition off of cash assistance may utilize these services for a period of up to two years after leaving cash assistance subject to the conditions of this provision. These funds shall be used to supplement and not supplant existing funds and services provided for CalWORKs recipients attending community colleges. The chancellor 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 local workforce investment boards.
- (c) Curriculum development and redesign.
- (d) Child care and workstudy.
- (e) Instruction.
- (f) Postemployment skills training and related skills.

Of the amount appropriated in Schedule (10) of this item, \$15,000,000 shall be for child care and shall not require a district match. For the remaining funds, districts shall, as a condition of receipt of these funds, provide a \$1 match for every \$1 provided by the state.

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 in the 2003–04 fiscal year, including eligibility, reimbursement rates, and 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 and for up to three months thereafter or until the end of the academic year, whichever period of time is greater.

Funds utilized for workstudy shall be used solely for payments to employers that currently participate in campus-based workstudy programs or are providing work experiences that are directly related to and in furtherance of student

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educational programs, provided that those payments may not exceed 75 percent of the wage for the workstudy positions, and the employers shall pay at least 25 percent of the wage for the workstudy position. These funds may be expended only if the total hours of education, employment, and workstudy for the student are sufficient to meet both state and federal minimum requirements for qualifying work-related activities.

Funds may be used to provide credit or non-credit 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, 2003, that (1) identifies the enrollment of new CalWORKs students, (2) states whether and why additional classes were needed to accommodate the needs of CalWORKs students, and (3) sets forth an expenditure plan for the balance of funds.

As a condition of receipt of the funds appropriated in Schedule (10), by the fourth week following the end of the semester or quarter term commencing in January 2004, each participating community college shall submit to the chancellor's office a report, in the format specified by the chancellor in consultation with the State Department of Social Services, that includes, but is not limited to, the funded components, the number of hours of child care provided, the average monthly enrollment of CalWORKs dependents served in child care, the number of workstudy hours provided, the hourly salaries and type of jobs, the number of students being case managed, the short-term programs available, the 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

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office compile the information for annual reports to the Legislature, the Governor, the Legislative Analyst, and the Departments of Finance and Social Services by November 15 of each year as specified in the annual Budget Act.

First priority for expenditures of any funds appropriated in Schedule (10) 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 \$5,000,000 of the funds subject to local matching requirements may be allocated for providing postemployment 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 postemployment training within the two-year transitional period.

Prior to allocation of funds for postemployment 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 November 15, 2003, in compliance with the Budget Acts of 1998 (Ch. 324, Stats. 1998) and 1999 (Ch. 50, Stats. 1999) and this act, and shall provide the rationale and justification for the proposed allocation of postemployment services to districts for transitional students.

If a district is unable to fully expend its share of child care funds, it may request that the chancellor's office approve a reallocation to other CalWORKs purposes authorized by this provision, subject to all pertinent limitations and district match required for these purposes under this provision.

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15. Funds appropriated in Schedule (10) 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.
16. The funds in Schedule (11) 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 Section 1529.2 of the Health and Safety Code. Districts shall make services available to foster parents to satisfy the requirements of Section 1529.2 of the Health and Safety Code as a first priority. Remaining funds may be used for services to foster child relative caretakers and for additional parenting skills, thereafter.
18. (a) The funds appropriated in Schedule (12) 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 (12), 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.
19. The funds in Schedule (16) of this item shall be allocated solely to increase compensation for part-time faculty from the amounts previously authorized. Funds shall be distributed to districts based on the total actual full-time equivalent students served in the previous fiscal year and include a small district factor as determined by the chancellor. These funds are to be used to assist

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districts in making part-time faculty salaries more comparable to full-time salaries for similar work, as determined through each district's local collective bargaining process. These funds shall not supplant the amount of resources each district used to compensate part-time faculty or be used to exceed parity of each part-time faculty employed by each district with regular full-time faculty at the same district, as certified by the chancellor. If a district achieves parity, its allocation may be used for any other educational purpose.

21. (a) \$12,500,000 of the funds provided in Schedule (18) 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 Budget Acts of 1996 through 2003 for the Telecommunication 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 communications lines, upgrading of the backbone, software and other costs associated with connecting to the collaborative California State University/California Community College telecommunications wide area network (4C 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 databases;
 - (4) Digital satellite systems and the following optional purposes:

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- (A) The development, expansion, and maintenance of local area networks both within and between buildings;
- (B) Development, expansion, and maintenance 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.

All provisions related to technology standards and telecommunications 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) \$9,550,000 of the funds provided in Schedule (18) 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 towards 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) \$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.
 - (2) \$2,300,000 is for the development and implementation of a systemwide audio bridging and telephony capability of the 4C Net backbone to facilitate collaboration of faculty, students, and staff in instruction, student services, and shared governance activities.

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- (3) Any remaining funds 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.
- (c) 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, 2003, 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 Telecommunications and Technology Infrastructure program to date and any additional needs, including the reasons therefor.
22. The funds provided in Schedule (19) 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 Analyst, Office of the Secretary

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for Education, and the Department of Finance no later than November 1, 2003, for review and comment.

23. Of the funds provided in Schedule (22) for the Economic and Workforce Development Program:
 - (a) \$18,984,027 is allocated for grants for regional business resources assistance and innovation network centers. Each grant awarded to a district for Centers for International Development shall contain sufficient funds, as determined by the chancellor, for the continued operation of Mexican International Trade Centers. This includes funding for 2002–03 fiscal year final payments in response to midyear funding adjustments for network centers and Mexican International Trade Centers.
 - (b) \$5,612,281 is 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. This includes funding for 2002–03 fiscal year final payments in response to midyear funding adjustments in this category.
 - (c) \$3,800,000 is allocated for statewide network leadership, organizational development, coordination, information and support services, or other program purposes. This includes funding for 2002–03 fiscal year final payments in response to midyear funding adjustments in this category.
 - (d) \$3,393,692 is 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 subdivision (j) of Section 88531 of the Education Code. This includes funding for 2002–03 fiscal year final payments in response to midyear funding adjustments in this category.

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- (e) The following provisions apply to the expenditure of 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 88531 of the Education Code. Funds allocated to districts for purposes of subdivisions (g) and (i) of Section 88531 of the Education Code for performance-based training and student internships shall be matched by a minimum of \$1 of private business and industry funding for each \$1 of state funds. Funds allocated for purposes of subdivision (h) of Section 88531 of the Education Code for credit and noncredit instruction may be transferred to Schedule (1) or (3) to facilitate distribution at the chancellor's discretion. Any funds that become available from network centers due to savings, discontinuance, or reduction of amounts shall first be made available for additional allocations in subdivision (b) above to increase the level of subsidized training otherwise available.
- (f) \$4,000,000 is allocated to continue enrollment growth provided for community college nursing programs pursuant to paragraph (2) of subdivision (a) of Section 2 of Chapter 514 of the Statutes of 2001. This includes funding for 2002–03 fiscal year final payments in response to midyear funding adjustments in this category.
- (g) Funds allocated by the board of governors under this provision may 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

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- industry as primary factors in making awards. The chancellor shall incorporate grant requirements into its guidelines for audits of Economic Development grants.
- (h) A primary objective of the Economic Development program is to maximize instruction, to prepare students for entry-level jobs, to increase skills of the current workforce, and to stimulate the growth of businesses through training so that more jobs are created. The chancellor shall submit an annual report to the Legislative Analyst, the budget and fiscal committees of the Legislature, and the Department of Finance, commencing March 1, 2003, and each March 1 annually thereafter, that includes the amount provided to each economic development regional center and each industry-driven regional education and training collaborative, and to the extent practicable, the total number of hours of contract education services, performance-based training, credit and noncredit instruction, and job placements created as a result of this program by each center and collaborative.
24. Of the funds appropriated in Schedule (23), \$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.
25. The funds appropriated in Schedule (24.5) of this item are available for the purposes of scheduled maintenance and special repairs of facilities, replacement of instructional equipment, and replacement of library materials. The chancellor shall allocate funds to districts on the basis of actual reported full-time equivalent students (FTES), and may establish a minimum allocation per district. As a condition of receiving and expending these funds for maintenance or special repairs, a district shall certify that it will increase its operations and maintenance spending from the 1995–96 fiscal year by the amount it allocates from this appropriation for maintenance and special repairs plus an equal amount to be provided from district discretionary funds. The chancellor may waive all or a portion of the

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- matching requirement 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. For every \$3 a district expends from this appropriation for replacement of instructional equipment or library materials, the recipient district shall provide \$1 in matching funds. The funds provided for instructional equipment and library materials shall not be used for personal services costs or operating expenses.
27. Of the funds appropriated in Schedules (24.5) and (26) 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 Schedules (24.5) and (26) 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 and seismic retrofit projects limited to \$400,000. Districts that receive funds for architectural barrier removal projects shall provide a \$1 match for every \$1 provided by the state. The amounts in Schedules (24.5) and (26) of this item shall be available for expenditure until June 30, 2005.
 29. Pursuant to Sections 69648.5, 78216, 84850, and 87108(b) of the Education Code, the Board of Governors of the California Community Colleges may allocate funds appropriated in Schedules (6), (8), (12), and (14) 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.
 30. (a) Of the amount appropriated in Schedule (5) for financial aid administration and outreach, \$3,800,000 shall be for a contract with a community college district to conduct a statewide media campaign to promote the general message to prospective students as follows: (1) the California Community Colleges remain affordable; (2) financial aid is available to cover enrollment fees and help with books and other costs; and (3) the ac-

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tive encouragement of contact between pupils and local CCC financial aid offices. Any funds used from this source to produce radio, television, or mail campaigns must emphasize the availability of financial aid, the easiest and most reliable method of accessing the aid, a contact telephone number, an Internet address, where applicable, and the physical location of a financial aid office. Any mail campaign must give priority to existing pupils, recent high school graduates, and 12th graders. The Outreach and information campaign should target its efforts in high schools, welfare offices, unemployment offices, churches, community centers, and any other location that will most effectively reach low-income and disadvantaged students who must overcome barriers in accessing postsecondary education. The community college district awarded the contract shall consult with the Chancellor of the California Community Colleges and the Student Aid Commission prior to performing any activities to ensure appropriate coordination with any other state efforts in this area and ensure compliance with this provision.

- (b) Of the amount appropriate in Schedule (5) for financial aid administration and outreach, \$34,200,000 shall be for direct contact with potential and current financial aid applicants. Each CCC campus shall receive a minimum allocation of \$50,000. The remainder of the funding shall be allocated to campuses based upon a formula reflecting full-time-equivalent students (FTES) weighted by a measure of low-income populations as demonstrated by BOG fee waiver program participation within a district. It is the intent of the Legislature with the funds provided in this section that all California Community Colleges campuses provide additional staff resources to increase both financial aid participation and student access to low-income and disadvantaged students who must overcome barriers in accessing postsecondary education. Funds may be

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used for screening current students for possible financial aid eligibility and offering these students personal assistance in accessing financial aid, providing individual help in multiple languages for families and students in filling out the necessary paperwork to apply for financial aid, and increasing financial aid staff to process additional financial aid forms.

- (c) Funds allocated to a community college district for financial aid personnel, outreach 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 2001–02 fiscal year.
- (d) It is the intent of the Legislature that the Chancellor’s office of the California Community Colleges provide the Legislature with a report by no later than April 1, 2004, on the use of the funds in Schedule (5), including the distribution of the funds, specific uses of the funds, strategies employed to reach low-income and disadvantaged students potentially eligible for financial aid, and the extent to which districts were successful in increasing the number of students accessing financial aid, particularly the maximum Pell Grant award.
- (e) It is the intent of the Legislature to monitor the impact of the 2003–04 fiscal year fee increase has on student enrollment and access to financial aid. To assist the Legislature in this effort, the Chancellor of the California Community Colleges shall provide two reports to the Legislature. The first, to be submitted by November 15, 2003, shall be a preliminary report comparing systemwide enrollment, and other external factors as determined by the Chancellor, including, where applicable, the change in financial aid applications and BOG waiver processed, preliminary data on the types and frequency of contact and the overall costs on the type of outreach devoted to this, from Fall 2002 to Fall 2003. The second, to be submitted by

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September 1, 2004, shall be a final report comparing enrollment in the 2002–03 academic year with enrollment in the 2003–04 academic year. Both reports shall include FTES and headcount data for total enrollment, as well as for student subgroups based on age, race, ethnicity, gender, BOG waiver status, and other external factors.	
31. The chancellor shall consider the use of differential factors in order to facilitate equity in the per student funding level in allocating the funds in Schedule (3).	
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	141,244,000
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, payable from the Community College Fund for Instructional Improvement	657,000
Schedule:	
(1) 20.30.021-Instructional Improvement Grants	312,000
(2) 20.30.022-Instructional Improvement Loans.....	345,000
6870-101-0925—For local assistance, Board of Governors of the California Community Colleges, Program 20.30.050-Economic Development, 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	2,383,000

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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.....	55,948,000
Schedule:	
(1) Rental and administration	56,781,000
(2) Reimbursements	-833,000
Provisions:	
1. The funds appropriated in this item are for transfer by the Controller during the 2003–04 fiscal year to Section B of the State School Fund.	
2. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
6870-111-0001—For local assistance, Board of Governors of the California Community Colleges.....	0
Schedule:	
(1) 10.20-CalWORKs Services.....	8,000,000
(1.5) 20.10.015-AmeriCorps Program..	4,079,000
(2) 20.10.060-Foster Parent Training ...	7,202,000
(3) 20.30.030-Vocational Education.....	56,741,000
(3.5) 20.30.060-Workforce Investment Act.....	1,328,000
(4) Reimbursements	-77,350,000
Provisions:	
1. The amounts appropriated in Schedules (1) and (3) of this item are for transfer by the Controller to Section B of the State School Fund.	
2. The funds appropriated in Schedule (1) of this item are 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 workstudy; 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 are needed for CalWORKs recipients.	

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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 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 disbursement by the Controller.....	1,000
Schedule:	
(1) 98.01.000.184-Health Fees (Ch. 1, Stats. 1984, 2nd Ex. Sess.).....	1,000
Provisions:	
1. Allocation of funds appropriated 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 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 1998 Higher Education Capital Outlay Bond Fund.....	58,000
Schedule:	
Cerritos Community College District	
Cerritos College	
(1) 40.07.117-Seismic Retrofit— Electronics—Working drawings....	58,000
6870-301-6028—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 2002 Higher Education Capital Outlay Bond Fund.....	531,856,000

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Schedule:	
Allan Hancock Community College District	
Allan Hancock College	
(1) 40.02.112-Library/Media Technol- ogy Center—Construction and equipment.....	9,079,000
(2) 40.02.114-Science Health Occupa- tions Complex—Preliminary plans and working drawings.....	1,109,000
(2.5) 40.01.117-Skills Center Replacement—Preliminary plans and working drawings.....	386,000
Barstow Community College District	
Barstow College	
(3) 40.04.102-Remodel for Effi- ciency—Preliminary plans and working drawings	266,000
Butte-Glenn Community College District	
Butte College	
(4) 40.05.106-Learning Resource Center—Construction and equip- ment.....	17,280,000
Cerritos Community College District	
Cerritos College	
(5) 40.07.113-Seismic Retrofit- Administration—Construction	2,080,000
(6) 40.07.118-Science and Math Com- plex (Life Safety)—Equipment.....	432,000
Chaffey Community College District	
Chaffey College	
(7) 40.08.109-Science Building— Equipment	64,000
Coast Community College District	
Golden West College	
(8) 40.11.206-Structural Repair Campuswide—Preliminary plans and working drawings.....	241,000
Orange Coast College	
(9) 40.11.302-Learning Resource Center—Working drawings	759,000
Compton Community College District	
Compton College	
(10) 40.12.111-Performing Arts and Recreation Complex—Preliminary plans and working drawings.....	825,000

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Contra Costa Community College District	
Diablo Valley College	
(11) 40.13.220-Life Science Remodel for Laboratories—Construction and equipment	5,041,000
Los Medanos College	
(12) 40.13.313-Learning Resource Center—Construction and equip- ment	8,176,000
(13) 40.13.314-Math, Science and Technology Building—Working drawings	1,192,000
San Ramon Valley College	
(14) 40.13.400-Phase I Building— Construction and equipment	24,609,000
Foothill-DeAnza Community College District	
DeAnza College	
(15) 40.15.108-Planetarium Projector—Equipment	1,000,000
Foothill College	
(16) 40.15.208-Seismic Replacement Campus Center—Working draw- ings and construction	11,438,000
(17) 40.15.211-Seismic Replacement- Student Services—Construction....	3,606,000
(18) 40.15.212-Seismic Replacement- Field Locker Room—Preliminary plans and working drawings	132,000
(19) 40.15.213-Seismic Replacement- Maintenance Building—Prelim- inary plans and working drawings.	68,000
Fremont-Newark Community College District	
Ohlone College	
(20) 40.16.108-Child Development Center—Equipment.....	251,000
Glendale Community College District	
Glendale College	
(21) 40.18.122-Allied Health/Aviation Lab—Construction and equipment.	9,196,000
(22) 40.18.123-New Science Build- ing—Equipment.....	735,000
Grossmont-Cuyamaca Community College District	
Cuyamaca College	
(23) 40.19.116-Science & Technology Mall—Construction and equip- ment.....	18,349,000

Item	Amount
Grossmont College	
(24) 40.19.207-New Science Building—Construction and equipment.	12,141,000
Hartnell Community College District	
Hartnell College	
(25) 40.20.101-Library Learning Resource Center Complex—Construction and equipment	20,198,000
Kern Community College District	
Bakersfield College	
(26) 40.22.111-Applied Science and Technology Modernization—Construction	4,017,000
Porterville College	
(27) 40.22.305-Library Expansion—Preliminary plans and working drawings.....	507,000
Delano Center	
(28) 40.22.401-Lab Building—Construction and equipment	4,965,000
Southwestern Center	
(29) 40.22.600-Modernization Phase I—Construction	2,636,000
Lake Tahoe Community College District	
Lake Tahoe College	
(30) 40.23.111-Learning Resource Center—Construction and equipment.....	7,133,000
Long Beach Community College District	
Long Beach City College	
(31) 40.25.120-Industrial Technology Center-Manufacturing—Preliminary plans and working drawings.	698,000
Los Angeles Community College District	
East Los Angeles College	
(32) 40.26.107-Fine and Performing Arts Center—Preliminary plans, working drawings, construction and equipment	15,882,000
Los Angeles City College	
(32.5) 40.26.207-Learning Resource Center—Preliminary plans and working drawings	1,450,000
Los Angeles Harbor College	
(33) 40.26.302-Applied Technology Building—Preliminary plans and working drawings	613,000

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Los Angeles Mission College	
(34) 40.26.408-Child Development Center—Construction and equipment.....	5,432,000
Los Angeles Southwest College	
(35) 40.26.607-Child Development Center—Construction and equipment.....	4,482,000
Los Angeles Trade-Tech College	
(36) 40.26.702-Child Development Center—Construction and equipment.....	3,851,000
Los Angeles Valley College	
(37) 40.26.803-Health Science Building—Construction and equipment.....	14,214,000
Los Rios Community College District	
American River College	
(38) 40.27.102-Learning Resource Center Expansion—Construction and equipment	9,065,000
(39) 40.27.103-Allied Health Modernization—Construction	1,724,000
Cosumnes River College	
(40) 40.27.209-Instructional and Library Facilities I—Construction....	6,753,000
Sacramento City College	
(41) 40.27.308-Technology Building Modernization—Construction	1,562,000
El Dorado Center	
(42) 40.27.404-New Instructional and Library Facilities I—Construction and equipment	5,896,000
Folsom Lake Center	
(43) 40.27.503-New Instructional Space Phase 1C—Construction....	10,749,000
Merced Community College District	
Merced College	
(44) 40.30.116-Science Building Remodel—Preliminary plans and working drawings	1,048,000
Los Banos Center	
(45) 40.30.300-Site Development and Permanent Facilities—Preliminary plans and working drawings.....	1,032,000

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Mira Costa Community College District	
Mira Costa College	
(46) 40.31.109-Horticulture Project— Construction and equipment	3,356,000
(46.5) 40.31.110-Creative Arts Build- ing Replacement—Preliminary plans and working drawings	793,000
Mt. San Antonio Community College District	
Mt. San Antonio College	
(47) 40.33.112-Science Building Replacement—Equipment	326,000
(48) 40.33.113-Remodel Classroom Buildings—Preliminary plans, working drawings, construction and equipment	8,982,000
North Orange County Community College District	
Cypress College	
(49) 40.36.100-Library/Learning Re- source Center—Construction and equipment	13,396,000
Fullerton College	
(50) 40.36.200-Library/Learning Re- source Center—Equipment	402,000
Palo Verde Community College District	
Palo Verde College	
(51) 40.37.102-Technology Building Phase II—Construction and equip- ment	7,881,000
(52) 40.37.103-Physical Education Complex—Preliminary plans and working drawings	806,000
Peralta Community College District	
Vista College	
(53) 40.40.604-Vista College Perma- nent Facility—Construction and equipment	28,533,000
Rancho Santiago Community College District	
Santa Ana College	
(54) 40.41.124-Physical Education Seismic Replacement Expansion— Construction and equipment	5,008,000
Santiago Canyon College	
(55) 40.41.201-Science Building— Preliminary plans and working drawings	773,000

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Riverside Community College District Riverside City College	
(56) 40.44.102-Martin Luther King High Tech Center—Construction and equipment	8,711,000
Moreno Valley Center	
(57) 40.44.207-Child Development Center—Construction and equip- ment	2,090,000
Norco Valley Center	
(58.5) 40.44.307-Child Development Center—Construction and equip- ment	2,233,000
South Orange County Community College District Irvine Valley College	
(59) 40.45.129-Performing Arts Center—Preliminary plans, work- ing drawings, construction and equipment	14,472,000
San Bernardino Community College District San Bernardino Valley College	
(60) 40.46.205-Child Development Center—Equipment	125,000
San Francisco Community College District Mission Center	
(61) 40.48.106-Mission Center Building—Construction and equipment	28,557,000
San Jose-Evergreen Community College District San Jose City College	
(63) 40.50.203-Science Building— Construction and equipment	12,535,000
San Luis Obispo Community College District Cuesta College	
(64) 40.51.112-Theater Arts Building —Construction and equipment	11,665,000
North County Center	
(65) 40.51.200-Initial Building-Science Cluster—Equipment	1,650,000
(66) 40.51.201-Learning Resource Center—Preliminary plans and working drawings	702,000
Santa Barbara Community College District Santa Barbara City College	
(67) 40.53.120-Gymnasium Remodel—Construction and equipment	3,701,000

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(68) 40.53.121-Physical Science Renovation—Preliminary plans and working drawings.....	159,000
Santa Clarita Community College District College of the Canyons	
(69) 40.54.112-Classroom/High Tech Center—Construction and equipment.....	8,878,000
Santa Monica Community College District Santa Monica College	
(70) 40.55.109-Liberal Arts Replacement—Preliminary plans, working drawings, construction and equipment.....	4,458,000
Sequoias Community College District College of the Sequoias	
(71) 40.56.111-Physical Education and Disabled Program Center—Preliminary plans and working drawings.....	505,000
(72) 40.56.112-Science Center—Construction and equipment.....	10,586,000
Shasta-Tehama-Trinity Joint Community College District Shasta College	
(73) 40.57.103-Library Addition—Construction and equipment.....	6,919,000
Sierra Joint Community College District Sierra College	
(74) 40.58.107-Construct New Classroom/Labs—Preliminary plans and working drawings.....	1,301,000
Sonoma County Community College District Petaluma Center	
(75) 40.61.200-Petaluma Center Phase II—Preliminary plans and working drawings.....	1,669,000
Santa Rosa Junior College	
(76) 40.61.402-Learning Resource Center—Construction and equipment.....	31,935,000
Chabot-Las Positas Community College District Las Positas College	
(77) 40.62.215-Physical Education Gym Phase I—Construction and equipment.....	12,496,000

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(78) 40.62.216-Multidisciplinary Education Building—Preliminary plans and working drawings.....	701,000
Southwestern Community College District Southwestern College	
(79) 40.63.104-Child Development Center—Construction and equipment.....	5,322,000
(80) 40.63.105-Learning Assistance Center—Preliminary plans, working drawings, construction and equipment.....	2,367,000
State Center Community College District Fresno City College	
(81) 40.64.106-Applied Technology Modernization—Preliminary plans and working drawings.....	962,000
(81.5) 40.64.107-Railroad underpass/Grade separation—Preliminary plans, working drawings, and construction	1,203,000
Reedley College	
(82) 40.64.400-Learning Resource Center Addition—Construction and equipment	5,498,000
Ventura County Community College District Moorpark College	
(84) 40.65.109-Child Development Center—Construction and equipment.....	2,901,000
Victor Valley Community College District Victor Valley College	
(85) 40.66.117-Speech/Drama Studio Addition—Preliminary plans and working drawings	591,000
West Hills Community College District West Hills College	
(86) 40.67.102-Library Expansion—Construction and equipment.....	2,117,000
Lemoore College	
(87) 40.67.204-Phase 2B Classrooms/Laboratories—Construction and equipment.....	9,730,000
(88) 40.67.205-Child Development Center—Construction and equipment.....	1,902,000

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West Kern Community College District	
Taft College	
(89) 40.68.101-Child Development Center—Preliminary plans and working drawings	221,000
West Valley-Mission Community College District	
West Valley College	
(90) 40.69.105-Campus Technology Center—Preliminary plans and working drawings	791,000
Mission College	
(91) 40.69.208-Main Building Third Floor Reconstruction—Construction and equipment	4,323,000
Yosemite Community College District	
Modesto Junior College	
(92) 40.70.211-Auditorium Renovation/Expansion—Preliminary plans and working drawings	1,026,000
Yuba Community College District	
Yuba College	
(93) 40.71.106-Adaptive Physical Therapy—Equipment	44,000
(94) 40.71.107-Engineering, Math and Science Remodel—Preliminary plans and working drawings	685,000
Woodland Center	
(95) 40.71.305-Science Building—Equipment	714,000
(96) 40.71.307-Learning Resource/Technology Center—Preliminary plans and working drawings	1,908,000
Copper Mountain Community College District	
Copper Mountain College	
(97) 40.72.100-Multiuse Sports Complex—Preliminary plans and working drawings	885,000
Provisions:	
1. The projects identified in Schedules (16), (32), (48), (59), (70), and (80) are subject to the following:	
(a) Notwithstanding Section 13332.11 of the Government Code, the community college districts shall complete each project identified within the total funding amount specified in the schedule for that project. This condition does not limit the authority of the districts to	

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use nonstate funds to fund or augment these projects with State Public Works Board approval.

- (b) The community college districts shall complete each project identified 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 the board of governors to the Department of Finance: (1) the program elements related to project type and (2) the functional description of spaces required to deliver the academic and supporting programs as approved by the Legislature.
- (c) Notwithstanding Section 2.00 of this act or any other provision of law, the appropriation made by this item is available for encumbrance until December 31, 2005, except that the funds appropriated for equipment purposes are available for encumbrance until December 31, 2006. 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.

6870-486—Reappropriation, California Community Colleges. The unencumbered balances of the appropriations provided for in the following citations are reappropriated to the Board of Governors of the California Community Colleges for purposes consistent with the statutory provisions for the Community College Fund for Instructional Improvement:

0909—Payable from the Community College Fund for Instructional Improvement:

- (1) Item 6870-101-0909, Budget Act of 2000 (Ch. 52, Stats. 2000)
 - (1) 20.30.021-Instructional Improvement Grants.
- (2) Item 6870-101-0909, Budget Act of 2001 (Ch. 106, Stats. 2001)
 - (1) 20.30.021-Instructional Improvement Grants.

Item	Amount
6870-490—Reappropriation, Board of Governors of the California Community Colleges. The balances of the appropriations provided in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided in those appropriations:	
0574—Higher Education Capital Outlay Bond Fund of 1998	
(1) Item 6870-301-0574, Budget Act of 2001 (Ch. 106, Stats. 2001), as amended by Chapter 891, Statutes of 2001, and as reappropriated by Item 6870-490, Budget Act of 2002 (Ch. 379, Stats. 2002)	
Long Beach Community College District	
Long Beach City College	
(26) 40.25.116-Child Development Center—Construction	
San Francisco Community College District	
Mission Center	
(15A) 40.48.106-Mission Center Building—Working drawings	
San Diego Community College District	
District Office	
(53) 40.47.001-Seismic Retrofit, District Headquarters—Construction	
Centre City Center	
(55) 40.47.501-Seismic Retrofit, Administration Building—Construction	
(2) Item 6870-301-0574, Budget Act of 2002 (Ch. 379, Stats. 2002)	
Contra Costa Community College District	
Diablo Valley College	
(1) 40.13.221-Seismic Retrofit, Technical Education Building—Working drawings and construction	
San Bernardino Community College District	
San Bernardino Valley College	
(2) 40.46.209-Seismic Replacement, Art Building—Construction	
(3) 40.46.213-Seismic Replacement, Campus Center—Construction	
6028—Higher Education Capital Outlay Bond Fund 2002	
(1) Item 6870-301-6028, Budget Act of 2002 (Ch. 379, Stats. 2002)	

Item	Amount
Lake Tahoe Community College District	
Lake Tahoe Community College	
(18) 40.23.111-Learning Resource Center— Working drawings	
San Francisco Community College District	
Chinatown Campus	
(40) 40.48.108-Chinatown Campus Building— Working drawings	
6870-495—Reversion, California Community Colleges (Proposition 98). The balances as of June 30, 2003, specified herein, of the appropriations provided for in the following citations shall revert to the Propo- sition 98 Reversion Account:	
(1) \$1,500,000 or whatever greater or lesser amount represents the balance available, from Item 6870-101-0001, Schedule (10) 20.10.045- Special Services for CalWORKs Recipients, of the Budget Act of 2002 (Ch. 379, Stats. 2002).	
(2) \$573,000 or whatever greater or lesser amount represents the balance available, from Item 6870-101-0001, Schedule (2) 10.10.020-Basic Skills CalWORKs, Apprenticeship of the Budget Act of 2001 (Ch. 106, Stats. 2001)	
6870-497—Reversion, Board of Governors of the Cali- fornia Community Colleges. As of June 30, 2003, the unencumbered balance of the appropriation provided in the following citation shall revert to the fund bal- ance of the fund from which the appropriation was made:	
0574—Higher Education Capital Outlay Bond Fund of 1998	
(1) Item 6870-301-0574, Budget Act of 2001 (Ch. 106, Stats. 2001), as amended by Chapter 891 of the Statutes of 2001, and as reappropriated by Item 6870-490, Budget Act of 2002 (Ch. 379, Stats. 2002)	
Cerritos Community College District	
Cerritos College	
(10) 40.07.117-Seismic Retrofit Electronics— Working drawings	
Victor Valley Community College District	
Victor Valley College	
(73) 40.66.116-Seismic Retrofit—Auxiliary Gym— Preliminary plans and working drawings	

Item	Amount
6028—Higher Education Capital Outlay Bond Fund of 2002	
(1) Item 6870-301-6028, Budget Act of 2002 (Ch. 379, Stats. 2002)	
Victor Valley Community College District	
Victor Valley College	
(58) 40.66.116-Seismic Retrofit—Auxiliary Gym—Construction	
7980-001-0784—For support of Student Aid Commission, payable from the Student Loan Operating Fund	12,460,000
Schedule:	
(1) 15-Financial Aid Grants Program... 11,004,000	
(2) 50-California Loan Program	1,456,000
(3) 80.01-Administration and Support Services	3,302,000
(4) 80.02-Distributed Administration and Support Services	-3,302,000
Provisions:	
1. The funds appropriated in this item shall only be available for the California Student Aid Commission’s state operations activities.	
2. Of the funds authorized in Schedule (1), \$289,000 shall be available for the Student Expenses and Resources Survey. These funds shall be available one time only. This funding shall not be available for expenditure until the commission has submitted the results of the 2000 SEARS survey to the Joint Legislative Budget Committee (JLBC) and the Department of Finance (DOF). The results of the 2003 SEARS survey shall be submitted to the JLBC and DOF by December 15, 2004.	
7980-101-0001—For local assistance, Student Aid Commission.....	682,923,000
Schedule:	
(1) 15-Financial Aid Grants Program...706,642,000	
(2) Reimbursements.....-14,238,000	
(3) Amount payable from the Federal Trust Fund (Item 7980-101-0890). -9,481,000	
Provisions:	
1. Funds appropriated in Schedule (1) are for the purposes of all of the following:	
(a) Awards in the Cal Grant Program under Chapter 1.7 (commencing with Section 69430) and Article 3 (commencing with Section 69530) of Chapter 2 of Part 42 of the Education Code.	

Item

Amount

- (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 5 (commencing with Section 69612) of Chapter 2 of Part 42 of the Education Code. 7,700 warrants shall be issued to California students pursuant to the purchase of loan assumptions.
 - (f) The purchase of loan assumptions under Article 5.5 (commencing with Section 69618) of Chapter 2 of Part 42 of the Education Code.
 - (g) New and renewal Cal Grant awards.
2. If federal trust funds for the 2003–04 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 moneys 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 \$77,100 for the purposes of determining recipients for the 2003–04 award year.
 4. Notwithstanding any other provision of law, the maximum award for new recipients attending private and independent institutions shall be \$9,708; the Cal Grant B subsistence award for all recipients shall be \$1,551; the maximum Cal Grant C award for all recipients shall be \$2,592; and the Cal Grant C book and supply award for all recipients shall be \$576.
 5. Of the funds appropriated in Schedule (1), at least \$8,567,000 in reimbursements from the federal Family Education Loan Program, administered by the Student Aid Commission as the State Student Loan Guarantee Agency, is for the purposes of the California Student Opportunity and Access Program to provide financial aid awareness and related outreach, consistent with Article 4 (com-

Item	Amount
<p>mencing with Section 69560) of Chapter 2 of Part 342 of the Education Code and Section 1072b of Title 20 of the United States Code.</p> <p>6. Notwithstanding any other provision of law, the commission may not issue new warrants for the assumption of loans for the Graduate Assumption Program of Loans for Education pursuant to Section 69618 and following of the Education Code.</p> <p>7980-101-0890—For local assistance, Student Aid Commission, for payment to Item 7980-101-0001, payable from the Federal Trust Fund</p>	9,481,000
<p>7980-495—Reversion, Student Aid Commission. The unencumbered balance as of June 30, 2003, of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made.</p> <p>0001—General Fund</p> <p>(1) Item 7980-101-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)</p>	

LABOR AND WORKFORCE DEVELOPMENT AGENCY

<p>7100-001-0001—For support of Employment Development Department, for payment to Item 7100-001-0870.....</p>	21,550,000
<p>7100-001-0185—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Employment Development Contingent Fund.....</p> <p>Provisions:</p> <p>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.</p> <p>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.</p> <p>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.</p>	18,032,000
<p>7100-001-0514—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Employment Training Fund</p>	40,313,000

Item		Amount
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Provisions:

1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds disencumbered from Employment Training Fund training contracts during 2003–04 that have not reverted as of July 1, 2003, are hereby appropriated for transfer to, and in augmentation of, this item for allocation by the Employment Training Panel for training contracts.
2. Of the funds available in this item for employment training contracts, \$2,126,000 shall be made available for an interagency agreement with the Technology, Trade and Commerce Agency to provide grant funds of \$2,000,000 and administrative costs of \$126,000 for the Manufacturing Technology Program.

7100-001-0588—	For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Unemployment Compensation Disability Fund.....	197,846,000
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Provisions:

1. The Employment Development Department shall submit on October 1, 2003, and April 20, 2004, 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 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.

Item	Amount
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.	
7100-001-0869—For support of state programs under the Workforce Investment Act (WIA), Employment Development Department, payable from the Consolidated Work Program Fund	152,456,000
Schedule:	
(1) 61-Workforce Investment Act (WIA) Program.....	107,456,000
(2) 62-National Emergency Grant Program.....	45,000,000
Provisions:	
1. Provision 1 of Item 7100-001-0588 also applies to this item.	
2. The agency secretary responsible for oversight of the California Workforce Investment Board and the Employment Development Department, with the approval of the Department of Finance, and not sooner than 30 days after notification to the Joint Legislative Budget Committee, is authorized to transfer funds appropriated in this item to the California Workforce Investment Board, Federal Trust Fund, Item 7120-001-0890, to facilitate the implementation and operation of the Workforce Investment Act Program.	
7100-001-0870—For support of Employment Development Department, payable from the Unemployment Administration Fund-Federal.....	554,221,000
Schedule:	
(1) 10-Employment and Employment Related Services	208,090,000
(2) 21-Tax Collections and Benefit Payments	731,991,000
(3) 22-California Unemployment Insurance Appeals Board	71,694,000
(4) 30.01-General Administration	46,955,000
(5) 30.02-Distributed General Administration.....	-46,710,000
(6) 50-Employment Training Panel.....	35,498,000
(7) Reimbursements.....	-25,040,000
(8) Amount payable from the General Fund (Item 7100-001-0001).....	-21,550,000

Item	Amount
(9) Amount payable from the Employment Development Contingent Fund (Item 7100-001-0185).....	-18,032,000
(10) Amount payable from the Employment Training Fund (Item 7100-001-0514).....	-40,313,000
(11) Amount payable from the Unemployment Compensation Disability Fund (Item 7100-001-0588)....	-197,846,000
(12) Amount payable from the Unemployment Fund—Federal (Item 7100-001-0871).....	-189,414,000
(13) Amount payable from the School Employees Fund (Item 7100-001-0908).....	-1,102,000
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 7100-001-0588 also applies to funds appropriated in this item for the Unemployment Insurance Program.	
7100-001-0871—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Unemployment Fund—Federal.....	189,414,000
Provisions:	
1. (a) Of the funds appropriated in this item, \$85,000,000 is set aside for the purposes of (i) redesigning the unemployment insurance continued claims system, (ii) improving the service levels at the unemployment insurance call centers, and (iii) preventing and detecting fraud within the unemployment insurance system. These funds shall be available for expenditure until June 30, 2007.	
(b) These moneys shall be expended in accordance with paragraph (2) of subdivision (c) of Section 1103 of Title IX of the federal Social Security Act (42 U.S.C. Sec. 1101 et seq.).	
(c) Funds appropriated shall not be available until the Department of Finance has notified the Employment Development Department and the Joint Legislative Budget Committee of its approval of a feasibility study report for any single project.	

Item	Amount
(d) Notwithstanding the level of appropriation specified, expenditures for computer system upgrades shall not exceed the amounts approved by the Department of Finance in the related feasibility study reports.	
7100-001-0908—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the School Employees Fund	1,102,000
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 7100-001-0588 also applies to this item.	
7100-011-0184—For transfer by the Controller, upon order of the Director of Finance, from the Employment Development Department Benefit Audit Fund, to the General Fund.....	(15,193,000)
Provisions:	
1. The unencumbered balance in the Employment Development Department Benefit Audit Fund as of June 30, 2004, shall be transferred to the General Fund.	
7100-011-0185—For transfer by the Controller, upon order of the Director of Finance, from the Employment Development Contingent Fund, to the General Fund	(60,038,000)
Provisions:	
1. Notwithstanding any other provision of law, the State Controller shall transfer to the General Fund the unencumbered balance, as determined by the Director of Finance, in the Employment Development Contingent Fund as of June 30, 2004.	
7100-011-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal	(554,221,000)
7100-021-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund.....	(152,456,000)

Item	Amount
7100-041-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Fund—Federal	(189,414,000)
7100-101-0588—For local assistance, Employment Development Department, for Program 21—Tax collections and benefit payments, payable from the Unemployment Compensation Disability Fund	3,474,041,000
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 7100-001-0588 also applies to this item.	
7100-101-0869—For local assistance under Workforce Investment Act (WIA), Employment Development Department, Program 61-WIA Program, payable from the Consolidated Work Program Fund.....	340,793,000
Provisions:	
1. Provision 1 of Item 7100-001-0588 also applies to this item.	
7100-101-0871—For local assistance, Employment Development Department, for Program 21—Tax collections and benefit payments, payable from the Unemployment Fund—Federal	7,075,001,000
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 7100-001-0588 also applies to this item.	
7100-101-0890—For local assistance, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund.....	(340,793,000)
7100-101-0908—For local assistance, Employment Development Department, for Program 21—Tax collections and benefit payments, payable from the School Employees Fund	96,193,000

Item	Amount
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 7100-001-0588 also applies to this item.	
7100-111-0890—For local assistance, Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Fund—Federal	(7,075,001,000)
7100-311-0690—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, 2004, the amount of funds transferred pursuant to this item.	
7120-001-0890—For support of the California Workforce Investment Board, payable from the Federal Trust Fund.....	4,578,000
Schedule:	
(1) 10-California Workforce Investment Program	5,443,000
(2) Reimbursements	-865,000
Provisions:	
1. The secretary of the agency that is responsible for oversight of the Employment Development Department, with the approvals of the California Workforce Investment Board and Department of Finance, and not sooner than 30 days after notification to the Joint Legislative Budget Committee, is authorized to transfer funds appropriated in this item to the Employment Development Department, Consolidated Work Program Fund, Item 7100-001-0869, to facilitate the implementation and operation of the Workforce Investment Act Program.	

Item	Amount
2. It is the intent of the Legislature that the California Workforce Investment Board provide a full-time project manager for the development of the redesigned performance-based accountability system. The project manager shall be independent of the project's prime contractor.	
7300-001-0001—For support of Agricultural Labor Relations Board.....	4,765,000
Schedule:	
(1) 10-Board Administration	2,060,000
(2) 20-General Counsel Administration	2,705,000
(3) 30.01-Administrative Services	302,000
(4) 30.02-Distributed Administrative Services.....	-302,000
7350-001-0001—For support of Department of Industrial Relations	90,136,000
Schedule:	
(1) 10-Regulation of Workers' Compensation Self-Insurance Plans	2,854,000
(2) 20-Conciliation of Employer-Employee Disputes	2,105,000
(3) 30-Workers' Compensation Administration	102,824,000
(4) 35-Industrial Medical Council	3,486,000
(5) 36-Commission on Health and Safety and Workers' Compensation.....	2,661,000
(6) 40-Prevention of Industrial Injuries and Deaths of California Workers.	79,191,000
(7) 50-Enforcement and Promulgation of Laws Relating to Wages, Hours, and Conditions of Employment, and Licensing and Adjudication....	41,820,000
(8) 60-Promotion, Development, and Administration of Apprenticeship and Other On-the-Job Training	8,140,000
(9) 70-Labor Force Research and Data Dissemination	3,783,000
(10) 80-Payment of Claims, Wages, and Contingencies.....	812,000
(11) 94.01-Administration	21,761,000
(12) 94.02-Distributed Administration	-21,761,000
(13) Reimbursements	-3,783,000
(14) Amount payable from the Farmworkers Remedial Account (Item 7350-001-0023)	-102,000

Item	Amount
(15) Amount payable from the Industrial Medicine Fund (Item 7350-001-0079)	-2,055,000
(16) Amount payable from the Cal-OSHA Targeted Inspection and Consultation Fund (Item 7350-001-0096)	-12,848,000
(17) Amount payable from the Workers' Compensation Managed Care Fund (Item 7350-001-0132).....	-539,000
(18) Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 7350-001-0216)	-54,000
(19) Amount payable from the Workers' Compensation Administration Revolving Fund (Item 7350-001-0223).....	-75,176,000
(20) Amount payable from the Asbestos Consultant Certification Account (Item 7350-001-0368).....	-334,000
(21) Amount payable from the Asbestos Training Approval Account (Item 7350-001-0369)	-234,000
(22) Amount payable from the Self-Insurance Plans Fund (Item 7350-001-0396)	-2,808,000
(23) Amount payable from the Elevator Safety Inspection Account (Item 7350-001-0452)	-12,169,000
(24) Amount payable from the Pressure Vessel Inspection Account (Item 7350-001-0453)	-3,784,000
(25) Amount payable from the Garment Manufacturers Special Account (Item 7350-001-0481)	-200,000
(26) Amount payable from the Employment Training Fund (Item 7350-001-0514)	-2,947,000
(27) Amount payable from the Federal Trust Fund (Item 7350-001-0890).....	-28,875,000
(28) Amount payable from the Industrial Relations Unpaid Wage Fund (Item 7350-001-0913)	-1,029,000

Item	Amount
(29) Amount payable from the Workers' Compensation Administration Revolving Fund (Item 7350-015-0223).....	-1,431,000
(30) Amount payable from the Industrial Relations Unpaid Wage Fund (Sec. 96.6, Labor Code)	-510,000
(31) Amount payable from the Electrician Certification Fund (Item 7350-001-3002)	-1,847,000
(32) Amount payable from the Permanent Amusement Ride Safety Inspection Fund (Item 7350-001-3003).....	-1,872,000
(33) Amount payable from the Garment Industry Regulations Fund (Item 7350-001-3004)	-2,352,000
(34) Amount payable from the Apprenticeship Training Contribution Fund (Item 7350-001-3022).....	-1,539,000
(35) Amount payable from the Workers' Occupational Safety and Health Education Fund (Item 7350-001-3030)	-1,052,000
Provisions:	
1. The Industrial Welfare Commission shall conduct all meetings in Sacramento, to insure adequate funding despite the reductions in the commission's budget.	
7350-001-0023—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Farmworkers Remedial Account	102,000
7350-001-0079—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Industrial Medicine Fund.....	2,055,000
7350-001-0096—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Cal-OSHA Targeted Inspection and Consultation Fund	12,848,000
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.	

Item	Amount
7350-001-0132—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Workers’ Compensation Managed Care Fund	539,000
7350-001-0216—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Industrial Relations Construction Industry Enforcement Fund.....	54,000
7350-001-0223—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Workers’ Compensation Administration Revolving Fund.....	75,176,000
Provisions:	
1. The Director of Finance may authorize a loan from the General Fund to the Workers’ Compensation Administration Revolving Fund, in an amount not to exceed 50 percent of the amount appropriated in this item, provided that:	
(a) The loan is to meet cash needs resulting from the delay in receipt of employer assessments to support the Workers’ Compensation Administration Revolving Fund.	
(b) The loan is short term and shall be repaid in two equal installments due on March 31 and June 30 of the fiscal year in which the loan is authorized.	
(c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.	
(d) The Director of Finance may not approve the loan 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 determine.	
7350-001-0368—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Asbestos Consultant Certification Account.....	334,000
7350-001-0369—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Asbestos Training Approval Account.	234,000

Item	Amount
7350-001-0396—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Self-Insurance Plans Fund	2,808,000
7350-001-0452—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Elevator Safety Account	12,169,000
7350-001-0453—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Pressure Vessel Account	3,784,000
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.	
7350-001-0481—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Garment Manufacturers Special Account.....	200,000
7350-001-0514—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Employment Training Fund	2,947,000
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, \$2,947,000 from 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.	
7350-001-0890—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Federal Trust Fund	28,875,000
7350-001-0913—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Industrial Relations Unpaid Wage Fund	1,029,000
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	

Item	Amount
enforcement of, and compliance by, the agricultural, garment, and restaurant industries regarding wages, hours, conditions of employment, licensing, registration, child labor laws and regulations.	
7350-001-3002—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Electrician Certification Fund	1,847,000
7350-001-3003—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Permanent Amusement Ride Safety Inspection Fund	1,872,000
Provisions:	
1. Notwithstanding Provision 1 of Item 8350-001-3003 of the Budget Act of 2002 (Ch. 379, Stats. 2002), the General Fund loan in the amount of \$875,000 provided to the Division of Occupational Safety and Health for initial startup of the Permanent Amusement Ride Safety Inspection Program shall be repaid to the General Fund no later than June 30, 2004. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.	
7350-001-3004—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Garment Industry Regulations Fund..	2,352,000
Provisions:	
1. Notwithstanding Provision 1 of Item 8350-001-3004 of the Budget Act of 2002 (Ch. 379, Stats. 2002), \$1,097,000 of the General Fund loan provided to the Division of Labor Standards Enforcement for initial startup of the Garment Manufacturers Inspection Program shall be repaid to the General Fund no later than June 30, 2004. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of transfer.	
7350-001-3022—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Apprenticeship Training Contribution Fund	1,539,000
7350-001-3030—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Worker’s Occupational Safety and Health Education Fund	1,052,000

Item	Amount
7350-011-0096—For transfer by the Controller, upon order of the Director of Finance, from the Cal-OSHA Targeted Inspection and Consultation Fund to the General Fund.....	(2,000,000)
Provisions:	
1. The amount transferred in this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. Principle and interest on the loan shall be repaid in full no later than June 30, 2005. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or increased fees.	
7350-011-3022—For transfer by the Controller, upon order of the Director of Finance, from the Apprenticeship Training Contribution Fund to the General Fund.....	(1,400,000)
Provisions:	
1. Notwithstanding Labor Code Section 1777.5(m)(2), \$1,400,000 of the reserve balance in the Apprenticeship Training Contribution Fund may be transferred to the General Fund.	
7350-015-0223—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Workers' Compensation Administration Revolving Fund.....	1,431,000
7350-295-0001—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, for disbursement by the State Controller	2,000
Schedule:	
(1) 98.01.117.189-Peace Officer's Cancer Presumption (Ch. 1171, Stats. 1989).....	1,000
(2) 98.01.156.882-Firefighter's Cancer Presumption (Ch. 1568, Stats. 1982).....	1,000
(3) 98.01.999.001-Personal alarm devices (8 Cal. Code Regs. Sec. 3401(c)).....	0

Item		Amount
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	(4) 98.01.999.002-Structural and wild-land firefighter safety clothing and equipment (8 Cal. Code Regs. Secs. 3401 to 3410, incl.).....	0
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Provisions:

1. Except as provided in Provision 2 of this item, allocations of funds appropriated 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 notification of 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.
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 2003–04 fiscal year:
 - (3) Personal alarm devices (8 Cal. Code Regs. Sec. 3401(c)).
 - (4) Structural and wildland firefighter safety clothing and equipment (8 Cal. Code Regs. Secs. 3401 to 3410, incl.).

Item Amount

GENERAL GOVERNMENT

8100-001-0001—For support of Office of Criminal Justice Planning 4,794,000

Schedule:

- (1) 20.01-Administration..... 1,917,000
- (2) 20.02-Distributed Administration ... -1,917,000
- (3) 50-Criminal Justice Projects 6,365,000
- (4) 51-California Antiterrorism Information Center 3,350,000
- (5) Reimbursements..... -155,000
- (6) Amount payable from the Local Public Prosecutors and Public Defenders Training Fund (Item 8100-001-0241) -36,000
- (7) Amount payable from the Victim Witness Assistance Fund (Item 8100-001-0425) -782,000
- (8) Amount payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund (Item 8100-001-0597)..... -384,000
- (9) Amount payable from the Federal Trust Fund (Item 8100-001-0890). -3,564,000

Provisions:

1. The funds appropriated in Schedule (4) shall be used to continue and expand funding for the California Antiterrorism Information Center Program, which shall provide investigative assistance to local and federal law enforcement agencies, provide intelligence gathering and data analysis, and create and maintain a statewide informational database to analyze and distribute information related to terrorist activities. The OCJP shall allocate funds to the Department of Justice for these purposes upon the request of the Department of Justice.
2. It is the intent of the Legislature that the General Fund shall be reimbursed from future allocations of federal security-related funds that may be used for the purposes described in this item.

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..... 36,000

Item	Amount
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..	782,000
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	384,000
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, Statutes of 1998, 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.	
8100-001-0890—For support of Office of Criminal Justice Planning, for payment to Item 8100-001-0001, payable from the Federal Trust Fund.....	3,564,000
8100-012-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund.....	366,000
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, Statutes of 1998, 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.	
8100-012-0890—For transfer by the Controller from the Federal Trust Fund to the High Technology Theft Apprehension and Prosecution Program Trust Fund.	18,000
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 Pe-	

Item	Amount
nal 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.....	13,825,000
Schedule:	
(1) 50.20.102-Victims Legal Resources Center	21,000
(1.5) 50.20.151-Domestic Violence Program	365,000
(2) 50.20.152-Family Violence Prevention.....	25,000
(3) 50.20.301-Rape Crisis Program	25,000
(4) 50.20.351-Homeless Youth Project.....	198,000
(5) 50.20.352-Youth Emergency Telephone Referral	64,000
(6) 50.20.354-Child Sexual Abuse Prevention and Training	151,000
(7) 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.....	116,000
(8) 50.30.502-War on Methamphetamine	4,750,000
(8.5) 50.30.503-Vertical Prosecution Block Grants	4,088,000
(9) 50.30.511-California Career Criminal Apprehension Program	433,000
(12) 50.30.514-Serious Habitual Offender.....	69,000
(16) 50.30.522-Evidentiary Medical Training.....	324,000
(17) 50.30.525-Child Justice Act	38,000
(18) 50.30.531-Vertical Defense	86,000
(19) 50.30.541-Public Prosecutors and Public Defenders.....	4,000
(20) 50.30.651-Suppression of Drug Abuse in Schools Program	1,208,000
(21) 50.30.661-California Gang Violence Suppression Program.....	1,529,000
(22) 50.30.672-Multi-Agency Gang Enforcement Consortium.....	47,000

Item		Amount
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(23)	50.30.815-Rural Crime Prevention Program.....	1,671,000
(24)	Reimbursements	-1,387,000

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 cashflow 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. The Office of Criminal Justice Planning (OCJP) shall, at a minimum, maintain all matching federal discretionary funds for the Homeless Youth Project and the Youth Telephone Emergency Referral for at least this budget year to allow the contracting agencies to secure other stable funding sources. In addition, the OCJP shall work cooperatively to sustain these programs at or above current levels.
4. To be eligible for funding from Schedule 8 of this item, an agency must show the existence of a drug-endangered children program that includes, but is not limited to, the following: (a) protocols for a multi-agency response to cases involving drug-endangered children; (b) a multi-agency team consisting of law enforcement, prosecution and health or children's services personnel to respond to drug-endangered child cases; (c) coordinated medical treatment and family services for drug-endangered children under the direction of a child services worker; and (d) written policies and standards for response to a narcotics crime scene

Item	Amount
<p>where a child is present or when there is evidence that a child lives at the scene.</p> <p>5. The Office of Criminal Justice Planning shall establish a fair and equitable formula for distribution of the Vertical Prosecution Block Grant and shall report to the Legislature on the distribution formula by October 1, 2003.</p>	
<p>8100-101-0241—For local assistance, Office of Criminal Justice Planning, payable from the Local Public Prosecutors and Public Defenders Training Fund</p>	396,000
<p>Schedule:</p> <p>(1) 50.30.541-Public Prosecutors and Public Defenders.....</p>	396,000
<p>Provisions:</p> <p>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 cashflow problems according to the criteria set forth by the Office of Criminal Justice Planning.</p>	
<p>8100-101-0425—For local assistance, Office of Criminal Justice Planning, payable from the Victim Witness Assistance Fund</p>	7,760,000
<p>Schedule:</p> <p>(1) 50.20.101-Victim-Witness Assistance Program.....</p> <p>(2) 50.20.301-Rape Crisis Program</p> <p>(3) 50.20.353-Child Sexual Abuse and Exploitation Program</p>	5,436,000 1,835,000 489,000
<p>Provisions:</p> <p>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 cashflow problems according to the criteria set forth by the Office of Criminal Justice Planning.</p>	
<p>8100-101-0597—For local assistance, Office of Criminal Justice Planning, payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund</p>	6,759,000

Item Amount

Schedule:

- (1) 50.30.562-High Technology Theft Apprehension and Prosecution Program..... 6,759,000

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, Statutes of 1998, 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.
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.

8100-101-0890—For local assistance, Office of Criminal Justice Planning, payable from the Federal Trust Fund 84,995,000

Schedule:

- (.5) 50.20.151-Domestic Violence Program..... 4,376,000
- (1) 50.20.161-Violence Against Women Act..... 6,495,000
- (2) 50.20.171-Rural Domestic Violence/Child Victimization 286,000
- (3) 50.20.302-Rape Prevention 2,786,000
- (4) 50.20.451-Victims of Crime Act (VOCA) 20,349,000
- (5) 50.30.523-Forensic Sciences Improvement Act 179,000
- (6) 50.30.525-Child Justice Act..... 888,000
- (7) 50.30.550-Byrne State/Local Law Enforcement Assistance..... 26,059,000
- (8) 50.30.555-Residential Substance Abuse Treatment..... 4,568,000
- (9) 50.30.556-Local Law Enforcement Block Grants 441,000
- (10) 50.30.559-Peace Officer Protective Equipment 638,000
- (11) 50.30.661-Gang Violence Suppression Program 503,000

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(12) 50.30.701-Juvenile Justice and Delinquency Prevention	3,030,000
(13) 50.30.703-Community Delinquency Prevention Program.....	2,501,000
(14) 50.30.705-Juvenile Accountability Incentive.....	10,885,000
(15) 50.30.706-Juvenile Justice—Project Challenge.....	557,000
(16) 50.30.910-Unallocated Redirection from State Operations	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 cashflow problems according to the criteria set forth by the Office of Criminal Justice Planning.	
2. Of the funds appropriated in this item, \$224,000 of the amount allocated for the Victims of Crime Act program (50.20.451) shall be provided for support of the Office of Victims Services within the Department of Justice.	
8100-112-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund	6,650,000
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 Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.	
8100-112-0890—For transfer by the Controller from the Federal Trust Fund to the High Technology Theft Apprehension and Prosecution Program Trust Fund.	109,000
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 Tech-	

Item	Amount
nology 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, for disbursement by the State Controller	2,000
Schedule:	
(1) 98.01.124.992-Threats Against Peace Officers (Ch. 1249, Stats. 1992, and Ch. 666, Stats. 1995) ...	1,000
(2) 98.01.041.195-Crime Victims' Rights (Ch. 411, Stats. 1995)	1,000
(3) 98.01.003.694-Sex Crime Confidentiality (Ch. 36, Stats. 1994, 1st Ex. Sess.)	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 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 Chairper-	

Item	Amount
son of the Joint Legislative Budget Committee or his or her designee.	
3. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriate 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 2003–04 fiscal year:	
(a) Sex Crime Confidentiality (Ch. 36, Stats. 1994, 1st Ex. Sess.)	
8120-001-0268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers’ Training Fund.....	12,374,000
Schedule:	
(1) 10-Standards	6,682,000
(2) 20-Training	21,618,000
(3) 40.01-Administration.....	5,023,000
(4) 40.02-Distributed Administration ...	–5,023,000
(5) Reimbursements	–1,259,000
(6) Amount payable from the Peace Officers’ Training Fund (Item 8120-011-0268)	–13,111,000
(7) 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.....	13,111,000
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 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	

Item	Amount
<p>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.</p>	
<p>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</p>	25,500,000
<ol style="list-style-type: none"> 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 written notification to the chairpersons of the respective fiscal committees and the Chairperson of the Joint Legislative Budget Committee or his or her designee. 	
<p>8120-102-0268—For local assistance, Commission on Peace Officer Standards and Training, Program 30, payable from the Peace Officers' Training Fund</p>	444,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. Funds appropriated in this item are to be used for 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
8120-295-0001—For local assistance, the Commission on Peace Officer Standards and Training, 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, for disbursement by the State Controller	1,000

Schedule:

- (1) 98.01.012.693-Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993)..... 0
- (2) 98.01.024.695—Domestic Violence Arrest Policies and Standards (Ch. 246, Stats. 1995) 1,000
- (3) 98.01.044.497-Elder Abuse Law Enforcement Training (Ch. 444, Stats. 1997) 0

Provisions:

1. Except as provided in Provision 2, 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 mandate 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 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.

Item	Amount
3. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of \$0 and include in the language of this provision are specifically identified by the Legislature for suspension during the 2003–04 fiscal year: <ul style="list-style-type: none"> (1) Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993). (3) Elder Abuse, Law Enforcement Training (Ch. 444, Stats. 1997). 	
8140-001-0001—For support of State Public Defender..	11,038,000
Schedule:	
(1) 10-State Public Defender.....	11,038,000
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	5,000,000
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 of 100 percent of the costs incurred	

Item	Amount
by the County of Stanislaus for the homicide trial of People v. Scott Peterson.	
8260-001-0001—For support of California Arts Council	1,000,000
Schedule:	
(1) Arts Council	3,039,000
(2) Reimbursements	-197,000
(3) Amount payable from the Graphic Design License Plate Account (Item 8260-001-0078)	-879,000
(4) Amount payable from the Federal Trust Fund (Item 8260-001-0890).	-963,000
8260-001-0078—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Graphic Design License Plate Account	879,000
8260-001-0890—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Federal Trust Fund.....	963,000
8260-490—Reappropriation, California Arts Council. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance and expenditure until June 30, 2004.	
0001—General Fund	
(1) Item 8260-103-0001 of the Budget Act of 1999 (Ch. 50, Stats. 1999). Notwithstanding Provision 3 (a) of Item 8260-103-0001 of Section 2.00 of the Budget Act of 1999 (Ch. 50, Stats. 1999), funds appropriated to the San Francisco Mexican Museum are hereby reappropriated for the purpose of allowing the San Francisco Mexican Museum to enhance its programs.	
(2) Item 8260-103-0001 of the Budget Act of 2000 (Ch. 52, Stats. 2000). The appropriation granted to the Bayview Opera House in Item 8260-103-0001, Budget Act of 2000 (Ch. 52, Stats. 2000) and the contract with the California Arts Council (CIP-00-007) shall be extended until June 30, 2005.	
8320-001-0001—For support of Public Employment Relations Board	4,328,000
Schedule:	
(1) 11-Public Employment Relations ...	4,340,000
(2) Reimbursements	-12,000
8380-001-0001—For support of Department of Personnel Administration	16,573,000

Item	Amount
Schedule:	
(1) 10-Policy Operations	5,086,000
(2) 20-Labor Relations	9,126,000
(3) 25-Legal	5,922,000
(4) 40.01-Administration	4,343,000
(5) 40.02-Distributed Administration ...	-4,343,000
(6) 54-Benefits Administration	18,428,000
(7) 56-Training and Development.....	4,294,000
(8) Reimbursements	-17,264,000
(9) Amount payable from the Flexelect Benefit Fund (Item 8380-001- 0821).....	-1,183,000
(10) Amount payable from the De- ferred Compensation Plan Fund (Item 8380-001-0915)	-7,836,000
8380-001-0821—For support of Department of Person- nel Administration, for payment to Item 8380-001- 0001, payable from the Flexelect Benefit Fund.....	1,183,000
8380-001-0915—For support of Department of Person- nel Administration, for payment to Item 8380-001- 0001, payable from the Deferred Compensation Plan Fund	7,836,000
8380-004-0001—For support of Department of Person- nel Administration	26,481,000
Schedule:	
(1) 54-Benefits Administration	26,481,000
Provisions:	
1. The funds appropriated in this item are available for expenditure until January 1, 2005.	
2. Notwithstanding any other provision of law, reim- bursements to retired annuitants from the funds provided in this item shall be limited to residents of California.	
8380-490—Reappropriation, Department of Personnel Administration. Notwithstanding any other provi- sions of law, as of June 30, 2003, the balance of the appropriation provided in the following citation is reappropriated for purposes provided for in that ap- propriation and shall be available for encumbrance and expenditure until June 30, 2004:	
0367—Indian Gaming Special Distribution Fund	
(1) Item 8380-001-0367, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 8380- 490, Budget Act of 2001 (Ch. 106, Stats. 2001) and Item 8380-490, Budget Act of 2002 (Ch. 379, Stats. 2002)	

Item	Amount
8385-001-0001—For support of California Citizens Compensation Commission, Program 10	16,000
8500-001-0152—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners Fund	2,306,000
Schedule:	
(1) 10-Board of Chiropractic Examiners	2,347,000
(2) Reimbursements	-41,000
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.	
8500-011-0152—For transfer by the Controller, upon order of the Director of Finance, from the State Board of Chiropractic Examiners Fund to the General Fund	(4,000,000)
Provisions:	
1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that the repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan through reduction in service or through increased fees.	
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.....	1,203,000
Schedule:	
(1) 10.01-Support	564,000
(2) 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	8,216,000
Schedule:	
(1) 10-California Horse Racing Board.	8,484,000
(2) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-0942).....	-268,000

Item	Amount
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	268,000
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, 2004	(2,000,000)
8570-001-0001—For support of Department of Food and Agriculture	59,270,000
Schedule:	
(1) 11-Agricultural Plant and Animal, Pest and Disease Prevention	108,100,000
(2) 21-Marketing, Commodities, and Agricultural Services.....	39,756,000
(3) 31-Assistance to Fairs and County Agricultural Activities	3,757,000
(4) 41.01-Executive, Management, and Administrative Services.....	12,155,000
(5) 41.02-Distributed Executive, Management, and Administrative Services.....	-11,223,000
(6) Reimbursements	-7,065,000
(7) Amount payable from the Department of Agriculture Account, Department of Agriculture Fund (Item 8570-001-0111).....	-12,415,000
(8) Amount payable from the Fair and Exposition Fund (Item 8570-001-0191).....	-3,658,000
(9) Amount payable from the Harbors and Watercraft Revolving Fund (Item 8570-001-0516)	-1,171,000
(10) Amount payable from the Agriculture Building Fund (Item 8570-001-0601)	-1,377,000
(11) Amount payable from the Federal Trust Fund (Item 8570-001-0890).....	-66,807,000
(12) Amount payable from the Agricultural Pest Control Research Account (Item 8570-011-0112)	-5,000
(13) Amount payable from the Satellite Wagering Account (Item 8570-012-0192).....	-777,000

Item

Amount

Provisions:

1. Funds appropriated to Schedule (1) 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 2003–04 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 (1) 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 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 (3) 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.
4. New and renewed county work plans for red imported fire ant eradication may include subcontracting relationships with private entities if the county board of supervisors determines by reso-

Item	Amount
<p>lution that a subcontracting relationship is both effective and cost-efficient and the secretary finds that approval of the subcontracting relationship will not compromise program goals, such as consistency, authority, accountability, oversight, efficacy, safety, timeliness, and overall program costs.</p>	
<p>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</p>	12,415,000
<p>Provisions:</p>	
<p>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.</p>	
<p>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</p>	3,658,000
<p>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</p>	1,171,000
<p>8570-001-0601—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Agriculture Building Fund.....</p>	1,377,000
<p>Provisions:</p>	
<p>1. Funds appropriated in this item are in lieu of the appropriation made by Section 624 of the Food and Agricultural Code.</p>	
<p>8570-001-0890—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Federal Trust Fund.....</p>	66,807,000
<p>Provisions:</p>	
<p>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.</p>	
<p>8570-002-0001—For support of Department of Food and Agriculture, Program 11, for sterile medfly release program in the Los Angeles Basin</p>	8,909,000

Item	Amount
8570-003-0001—For support of Department of Food and Agriculture, for rental payments on lease-revenue bonds	1,577,000
Schedule:	
(1) Base Rental and Fees	1,608,000
(2) Insurance	12,000
(3) Reimbursements	-43,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
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
Schedule:	
(1) Base Rental.....	40,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
8570-003-0601—For support of Department of Food and Agriculture, for rental payments on lease-revenue bonds, payable from the Agriculture Building Fund	229,000
Schedule:	
(1) Base Rental.....	228,000
(2) Insurance	1,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
8570-004-0001—For transfer by the Controller to the Pierce’s Disease Management Account.....	6,408,000
Provisions:	
1. Of the funds appropriated in this item, \$6,408,000 shall be deposited in the Pierce’s Disease Management Account in the Food and Agricultural	

Item	Amount
Fund and shall be available for expenditure without regard to fiscal year for the purpose of combating Pierce's disease and its vectors.	
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)
8570-011-0890—For transfer by the Controller from the Federal Trust Fund to the Pierce's Disease Management Account	10,995,000
Provisions:	
1. The funds appropriated in this item shall be deposited in the Pierce's Disease Management Account in the Food and Agricultural Fund and shall be available for expenditure for the purpose of combating Pierce's disease and its vectors.	
8570-012-0192—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Satellite Wagering Account	777,000
8570-101-0001—For local assistance, Department of Food and Agriculture.....	10,051,000
Schedule:	
(1) 11-Agricultural Plant and Animal, Pest and Disease Prevention.....	10,051,000
(2) 31-Assistance to Fairs and County Agricultural Activities	1,333,000
(3) Amount payable from the Fair and Exposition Fund (Item 8570-101-0191).....	-950,000
(4) 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.	

Item	Amount
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.	
8570-111-0001—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.	
8570-295-0001—For local assistance, Department of Food and Agriculture, 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 existing programs mandated by statute or executive order, for disbursement by the State Controller.....	0
Schedule:	
(1) 98.01.075.298-Animal Adoption (Ch. 752, Stats. 1998)	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 2003–04 fiscal year:	
(1) Animal Adoption (Ch. 752, Stats. 1998)	
8570-301-0660—For capital outlay, Department of Food and Agriculture, payable from the Public Buildings Construction Fund	10,961,000
Schedule:	
(1) 90.19.010-Hawaii Medfly Rearing Facility—Working drawings and construction	10,961,000

Item

Amount

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 design and construction of the project authorized by this item.
2. The State Public Works Board and the Department of Food and Agriculture may obtain interim financing for the project costs authorized in this item from any appropriate source including, but not limited to, Section 15849.1 of the Government Code and the Pooled Money Investment Account pursuant to Sections 16312 and 16313 of the Government Code.
3. The State Public Works Board may authorize the augmentation of the cost of construction of the projects scheduled in this item pursuant to the board's authority under Section 13332.11 of the Government Code. In addition, the State Public Works Board may authorize any additional amount necessary to establish a reasonable construction reserve and to pay the cost of financing, including the payment of interest during construction of the project, the costs of financing a debt service fund, and the cost of issuance of permanent financing for the project. This additional amount may include interest payable on any interim financing obtained.
4. This department is authorized and directed to execute and deliver any and all leases, contracts, agreements or other documents necessary or advisable to consummate the sale of bonds or otherwise effectuate the financing of the scheduled projects.
5. The State Public Works Board shall not itself be deemed a lead or responsible agency for purposes of the California Environmental Quality Act (commencing with Section 21000 of the Public Resources Code) for any activities under the State Building Construction Act of 1955 (commencing with Section 15800 of the Government Code). This section does not exempt this department from the requirements of the California Environmental Quality Act. This section is declarative of existing law.

Item	Amount
<p>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 and Item 8570-001-0111 for purposes of operating the pest detection/trapping programs in the counties.</p>	
<p>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.</p>	
<p>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</p>	

Item

Amount

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, the Subcommittee on Fairs and Expositions of the Assembly Committee on Agriculture, and the Department of Finance. 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.

8570-404—Notwithstanding Provision 1 of Item 8570-112-0111, Budget Act of 2002, the \$15,000,000 loan authorized, shall be fully repaid to the Agriculture Fund by October 1, 2004. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. The Controller shall, within 15 working days of receipt of written notification from the Department of Finance, transfer from the General Fund to the Agriculture Fund the full amount of the loan or increments thereof as requested by the Department of Finance. The Department of Finance shall, within 30 days of receipt of written notification documenting the need of the loan repayment from the Department of Food and Agriculture, provide written notification to the Controller notifying the State Controller of the amount to be transferred from the General Fund to the Agriculture Fund. The Department of Food and Agriculture may request through the Department of Finance an incremental repayment of the loan prior to October 1, 2004. A fee or assessment may not be increased by the Department of Food and Agriculture as a result of the loan.

Item	Amount
8570-490—Reappropriation, Department of Food and Agriculture. The balance of the appropriations provided in the following citations is reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in the appropriations:	
0042—State Highway Account	
(a) Item 8570-301-0042, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 90.40.010-Relocation: Dorris Agriculture Inspection Station—Working drawings	
(2) 90.18.001-Relocation: Yermo Agriculture Inspection Station—Working drawings and construction	
0660—Public Buildings Construction Fund	
(b) Item 8570-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 90.18.001-Relocation: Yermo Agriculture Inspection Station—Working drawings and construction	
8620-001-0001—For support of Fair Political Practices Commission	2,418,000
Schedule:	
(1) 10.10-Local enforcement	1,101,000
(2) 10.20-Legal, technical assistance and state enforcement	1,317,000
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.....	2,329,000
Schedule:	
(1) 10-Secretary of State	762,000
For transfer by the State Controller to Item 0890-001-0001 as follows:	
(1) Personal Services... (537,000)	
(2) Operating expenses and equipment..... (225,000)	
(2) 20-Franchise Tax Board	1,359,000
For transfer by the State Controller to Item 1730-001-0001 as follows:	
(3) 30-Political Reform Audit..... (1,359,000)	
(3) 30-Department of Justice.....	216,000
For transfer by the State Controller to Item 0820-001-0001 as follows:	
(7) 40-Criminal Law ... (78,000)	

Item	Amount
(9) 50-Law Enforcement..... (138,000)	
(4) Reimbursements..... -8,000	
For transfer by the State Controller to Item 0890-001-0001	
Provisions:	
1. The Controller shall transfer funds as specified above, including any allocations made by the De- partment of Finance, on January 1, 2004.	
8660-001-0042—For support of Public Utilities Com- mission, for payment to Item 8660-001-0462, pay- able from the State Highway Account, State Trans- portation Fund.....	2,462,000
8660-001-0046—For support of Public Utilities Com- mission, for payment to Item 8660-001-0462, pay- able from the Public Transportation Account, State Transportation Fund.....	2,312,000
8660-001-0412—For support of Public Utilities Com- mission, for payment to Item 8660-001-0462, pay- able from the Transportation Rate Fund	1,690,000
8660-001-0461—For support of Public Utilities Com- mission, for payment to Item 8660-001-0462, pay- able from the Public Utilities Commission Transpor- tation Reimbursement Account.....	6,933,000
8660-001-0462—For support of Public Utilities Com- mission, payable from the Public Utilities Commis- sion Utilities Reimbursement Account.....	75,124,000
Schedule:	
(1) 10-Regulation of Utilities	88,649,000
(1.5) 15-Universal Service Telephone Programs.....	940,013,000
(2) 20-Regulation of Transportation.....	13,397,000
(3) 30.01-Administration.....	17,284,000
(4) 30.02-Distributed Administration	-17,284,000
(5) Reimbursements.....	-12,528,000
(6) Amount payable from the State Highway Account, State Transpor- tation Fund (Item 8660-001-0042).	-2,462,000
(7) Amount payable from the Public Transportation Account, State Transportation Fund (Item 8660- 001-0046)	-2,312,000
(8) Amount payable from the Transpor- tation Rate Fund (Item 8660-001- 0412).....	-1,690,000

Item	Amount
(9) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-0461)	-6,933,000
(10) Amount payable from California High-Cost Fund-A Administrative Committee Fund (Item 8660-001-0464).....	-61,730,000
(11) Amount payable from California High-Cost Fund-B Administrative Committee Fund (Item 8660-001-0470)	-522,196,000
(12) Amount payable from Universal Lifeline Telephone Service Trust Administrative Committee Fund (Item 8660-001-0471).....	-245,901,000
(13) Amount payable from Deaf and Disabled Telecommunications Program Administrative Committee Fund (Item 8660-001-0483).....	-69,117,000
(14) Amount payable from Payphone Service Providers Committee Fund (Item 8660-001-0491)	-1,065,000
(15) Amount payable from California Teleconnect Fund Administrative Committee Fund (Item 8660-001-0493)	-40,004,000
(16) Amount payable from the Federal Trust Fund (Item 8660-001-0890).	-997,000
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.	
2. The Public Utilities Commission shall redefine the duty statements of vacant Consumer Affairs Representative positions to ensure that the commission employs individuals with bilingual skills to assist limited-English-speaking utility customers with service or billing inquiries.	
8660-001-0464—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the California High-Cost Fund-A Administrative Committee Fund.....	61,730,000

Item	Amount
Provisions:	
1. Of the amount appropriated in this item, up to \$2,500,000 shall be used to pay carrier claims from prior fiscal years.	
8660-001-0470—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the California High-Cost Fund-B Administrative Committee Fund.....	522,196,000
Provisions:	
1. Of the amount appropriated in this item, up to \$39,000,000 shall be used to pay carrier claims from prior fiscal years.	
8660-001-0471—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Universal Lifeline Telephone Service Trust Administrative Committee Fund.....	245,901,000
Provisions:	
1. Of the amount appropriated in this item, up to \$6,000,000 shall be used to pay carrier claims from prior fiscal years.	
8660-001-0483—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Deaf and Disabled Telecommunications Program Administrative Committee Fund	69,117,000
8660-001-0491—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Payphone Service Providers Committee Fund.....	1,065,000
8660-001-0493—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the California Teleconnect Fund Administrative Committee Fund.....	40,004,000
8660-001-0890—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Federal Trust Fund.....	997,000
8660-003-0412—For support of Public Utilities Commission for rental payments on lease-revenue bonds, payable from the Transportation Rate Fund.....	152,000
Schedule:	
(1) Base Rental.....	150,000
(2) Insurance	2,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule	

Item	Amount
<p>shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.</p>	
<p>8660-003-0461—For support of Public Utilities Commission for rental payments on lease-revenue bonds, payable from the Public Utilities Commission Transportation Reimbursement Account.....</p>	559,000
<p>Schedule:</p>	
<p>(1) Base Rental and Fees</p>	553,000
<p>(2) Insurance</p>	6,000
<p>Provisions:</p>	
<p>1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.</p>	
<p>8660-003-0462—For support of Public Utilities Commission for rental payments on lease-revenue bonds, payable from the Public Utilities Commission Utilities Reimbursement Account.....</p>	4,360,000
<p>Schedule:</p>	
<p>(1) Base Rental and Fees</p>	4,316,000
<p>(2) Insurance</p>	44,000
<p>Provisions:</p>	
<p>1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.</p>	
<p>8660-011-0493—For transfer by the Controller, upon order of the Director of Finance, from the California Teleconnect Fund Administrative Committee Fund to the General Fund</p>	(150,000,000)
<p>Provisions:</p>	
<p>1. The transfer made by this item is a loan to the General Fund. This loan shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer. It is the intent of the Legislature that repayment be made so as to ensure that the programs supported by this fund are not adversely affected by the loan.</p>	

Item	Amount
8665-001-9326—For support of California Consumer Power and Conservation Financing Authority, payable from the California Consumer Power and Conservation Financing Authority Fund.....	4,321,000
Schedule:	
(1) 15-Energy Acquisition.....	2,623,000
(2) 20-Planning and Policy Development.....	1,698,000
(3) 30.01-Administration.....	1,068,000
(4) 30.02-Distributed Administration ...	-1,068,000
Provisions:	
1. On or before June 30, 2004, the Authority shall transfer \$1,000,000 to the Energy Resources Programs Account from the proceeds of its financing activities or other project or program revenues.	
8665-011-9326—For transfer by the Controller, upon order of the Director of Finance, from the California Consumer Power and Conservation Financing Authority Fund to the Ratepayer Relief Fund.....	(16,235,000)
Provisions:	
1. All balances or funds received by the Alternative Energy Retrofit Account in the California Consumer Power and Conservation Financing Authority Fund shall be transferred to the Ratepayer Relief Fund pursuant to this item. Transfers shall be limited to moneys from the account or designated for the account. Transfers shall exclude any amount necessary to fully fund the \$2,250,000 reimbursement to the California Energy Resources Conservation and Development Commission for the Emerging Renewable Buydown and Solar Schools Program authorized by the Director of Finance pursuant to Section 28.50 of the Budget Act of 2002 (Ch. 379, Stats. 2002), and which was the subject of a notification letter dated December 4, 2002, from the Director of Finance to the Chair of the Joint Legislative Budget Committee.	
8690-001-0217—For support of Seismic Safety Commission.....	884,000
Schedule:	
(1) 10-Seismic Safety Commission.....	959,000
(2) Reimbursements	-75,000
Provisions:	
1. For the period commencing on the enactment date of the Budget Act of 2003, and continuing until	

Item	Amount
and including December 31, 2003, the Department of Insurance shall provide the Seismic Safety Commission a loan in an amount equal to \$442,000 from funds in the Insurance Fund. The loan amount shall be made available to the Seismic Safety Commission immediately upon enactment of the Budget Act of 2003. The loan shall be for support of the commission operations for the period commencing on the enactment date of the Budget Act of 2003, and continuing until and including December 31, 2003. The loan shall be repaid no later than June 20, 2004, by revenues in the Insurance Fund collected by the Department of Insurance for the Seismic Safety Commission.	
8700-001-0001—For support of California Victim Compensation and Government Claims Board	791,000
Schedule:	
(1) 11-Citizens Indemnification	87,422,000
(2) 12-Quality Assurance and Revenue Recovery Division	8,310,000
(3) 21-Disaster Relief Claim Program.....	19,000
(4) 31-Civil Claims Against the State..	791,000
(5) 41-Citizens Benefiting the Public...	20,000
(6) 51.01-Administration.....	7,375,000
(7) 51.03-Executive Office.....	340,000
(8) 51.02-Distributed Administration Executive Office	-7,715,000
(9) Reimbursements.....	-19,000
(10) Amount payable from the Restitution Fund (Item 8700-001-0214)...	-42,327,000
(11) Amount payable from the Federal Trust Fund (Item 8700-001-0890).....	-53,405,000
(12) Amount payable from the Restitution Fund (Item 8700-002-0214)...	-20,000
Provisions:	
1. The California Victim Compensation and Government Claims Board 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.	

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8700-001-0214—For support of California Victim Compensation and Government Claims Board, 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	42,327,000

Provisions:

1. It is the intent of the Legislature that local agencies which contract with the California Victim Compensation and Government Claims Board as part of joint powers agreements or criminal restitution compacts are reimbursed for their costs. Notwithstanding any other provision of law, the Department of Finance may authorize expenditure from the Restitution Fund in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity is provided 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.
2. The Director of Finance may authorize a loan from the General Fund to the Restitution Fund in an amount not to exceed the amount appropriated in this item, provided that:
 - (a) The loan is to meet cash needs resulting from the delay in receipt of federal funds to support the Victim Compensation Program.
 - (b) The loan is for a short term and shall be repaid by May 30 of the fiscal year in which the loan is authorized.
 - (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
 - (d) The Director of Finance may not approve the loan 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

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time the chairperson of the joint committee or his or her designee may determine.	
8700-001-0890—For support of California Victim Compensation and Government Claims Board, for payment to Item 8700-001-0001, payable from the Federal Trust Fund.....	53,405,000
8700-002-0214—For support of California Victim Compensation and Government Claims Board, 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, California Victim Compensation and Government Claims Board 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, for disbursement by the 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, 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 2003–04 fiscal year:	
(1) Adult Felony Restitution (Ch. 1123, Stats. 1977).	
8770-001-0462—For support of Electricity Oversight Board, payable from the Public Utilities Commission Utilities Reimbursement Account.....	3,226,000
Schedule:	
(1) 30-Administration	3,709,000
(3) Amount payable from the Energy Resources Programs Account (Item 8770-001-0465)	–483,000
Provisions:	
1. The Electricity Oversight Board shall report to the Legislature on or before March 1, 2004, describing the state’s activities before the Federal Energy Regulatory Commission (FERC). This report shall describe the roles of each agency that is active before the FERC, how the policies and ob-	

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jectives are determined, and what mechanisms are in place to coordinate activities among the several agencies. All agencies representing the state before FERC shall provide the necessary information for completing the report to the Electricity Oversight Board in a timely manner.	
8770-001-0465—For support of Electricity Oversight Board, for payment to Item 8770-001-0462, payable from the Energy Resources Programs Account	483,000
8780-001-0001—For support of Milton Marks “Little Hoover” Commission on California State Government Organization and Economy	865,000
Schedule:	
(1) 10-Milton Marks Commission on California State Government Organization and Economy	867,000
(2) Reimbursements	-2,000
8820-001-0001—For support of Commission on the Status of Women	443,000
Schedule:	
(1) 10-Administration, Legislation, Research and Information	445,000
(2) Reimbursements	-2,000
8830-001-0001—For support of California Law Revision Commission	550,000
Schedule:	
(1) 10-Law Revision Commission	565,000
(2) Reimbursements	-15,000
8840-001-0001—For support of the California Commission on Uniform State Laws	122,000
8855-001-0001—For support of Bureau of State Audits, for transfer to the State Audit Fund	11,756,000
Schedule:	
(1) 10-State Auditor	11,756,000
8860-001-0001—For support of Department of Finance	29,915,000
Schedule:	
(1) 10-Annual Financial Plan	17,858,000
(2) 20-Program and Information System Assessments	13,898,000
(3) 30-Supportive Data	10,906,000
(4) 40.01-Administration	5,563,000
(5) 40.02-Distributed Administration ...	-5,088,000
(6) Reimbursements	-13,222,000
Provisions:	
1. The funds appropriated in this item for CAL-STARS shall be transferred by the Controller,	

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<ul style="list-style-type: none"> upon order of the Department of Finance, or made available by the Department of Finance as a reimbursement, to other items and departments for 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. 	
8885-001-0001—For support of Commission on State Mandates, Program 10	1,302,000
Provisions:	
<ul style="list-style-type: none"> 1. The Commission on State Mandates shall provide, in applicable parameters and guidelines, as follows: <ul style="list-style-type: none"> (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, notwithstanding the provisions of Section 17000.6 of the Welfare and Institutions Code, the 	

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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	1,864,000
Schedule:	
(1) 10-Regulatory Oversight.....	2,004,000
(2) Reimbursements	-140,000
8940-001-0001—For support of Military Department....	32,008,000
Schedule:	
(1) 10-Army National Guard.....	53,543,000
(2) 20-Air National Guard	16,990,000
(3) 30.01-Office of the Adjutant General.....	8,568,000
(4) 30.02-Distributed Office of the Adjutant General	-8,568,000
(5) 35-Military Support to Civil Authority	2,880,000
(6) 40-Military Retirement	3,290,000
(7) 50-California Cadet Corps	848,000
(8) 55-California State Military Reserve.....	226,000
(9) 65-California National Guard Youth Programs	12,337,000
(10) Reimbursements	-3,978,000
(11) Amount payable from the Armory Discretionary Improvement Account (Item 8940-001-0485).....	-150,000
(12) Amount payable from the Federal Trust Fund (Item 8940-001-0890)	-53,978,000
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 State Military, or the California State Military Reserve from the federal government.	
2. The funds appropriated in Schedule (6) shall be for military retirements, in accordance with Sections 228 and 256 of the Military and Veterans Code.	

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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	53,978,000
8940-301-0001—For capital outlay, Military Department.....	14,674,000
Schedule:	
(1) 70.81.040-Los Alamitos: Air Field Electrical Distribution System—Construction	8,262,000
(2) 70.83.010-Lancaster: Armory—Working drawings, construction, and equipment	6,412,000
8940-301-0890—For capital outlay, Military Department, payable from the Federal Trust Fund	18,146,000
Schedule:	
(1) 70.52.010-Azusa: Armory Construction and equipment	13,284,000
(2) 70.83.010-Lancaster: Armory Working drawings, construction, and equipment	4,862,000
8940-490—Reappropriation, Military Department. The balance of the appropriation provided in the following citation is reappropriated for the purposes, and subject to the limitations unless otherwise specified, provided for in the appropriations:	
0001-General Fund	
(1) Item 8940-301-0001 Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 70.52.010-Azusa: Armory—Construction and equipment.	
8955-001-0001—For support of Department of Veterans Affairs.....	2,569,000
Schedule:	
(1) 10-Farm and Home Loans to Veterans	1,369,000
(2) 20-Veterans Claims and Rights	1,719,000

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(3) 30-Care of Sick and Disabled Veterans.....	1,359,000
(4) 50.01-General Administration	2,747,000
(5) 50.02-Distributed General Administration.....	-2,747,000
(6) Reimbursements.....	-463,000
(7) Amount payable from the Veterans Service Office Fund (Item 8955-001-0083)	-46,000
(8) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 8955-001-0592).....	-1,369,000
8955-001-0083—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans Service Office Fund	46,000
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.....	1,369,000
8955-001-0701—For support of Department of Veterans Affairs, payable from the Veterans' Home Fund	165,000
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:	
(1) 20-Veterans Claims and Rights	3,188,000
(2) Reimbursements.....	-838,000
8955-101-0083—For local assistance, Department of Veterans Affairs, county veterans services offices, payable from the Veterans Service Office Fund	470,000
8960-011-0001—For support of Veterans' Home of California—Yountville	34,134,000
Schedule:	
(1) 30-Care of Sick and Disabled Veterans.....	67,242,000
(2) Reimbursements.....	-19,872,000
(3) Amount payable from the Federal Trust Fund (Item 8960-011-0890).....	-13,236,000
Provisions:	
1. The Director of Finance may authorize a loan from the General Fund, in an amount not to exceed the level of reimbursements appropriated in	

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Schedule (2) of this item to the Veterans' Home of California, provided that:

- (a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for medical services provided.
- (b) The loan is short term, and shall be repaid within six months.
- (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
- (d) The Director of Finance may not approve the loan 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 determine.

2. At the end of the six-month term of the loan, the department shall notify the Chairperson of the Joint Legislative Budget Committee whether the Veterans' Home of California has repaid the loan made pursuant to subdivision (d) of Provision 1. If the department notifies the Legislature that the Veterans' Home of California cannot repay the loan within the six-month loan period, it shall identify a payment schedule for full payment of the loan.

3. Of the funds appropriated in Schedule (1), 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.....	13,236,000
8960-301-0001—For capital outlay, Veterans' Home of California—Yountville	399,000

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Schedule:

(1) 80.20.045-Minor Projects 399,000

8960-401—Notwithstanding any other provision of law, unpaid balances remaining from General Fund loans extended to the Department of Veterans Affairs, Veterans Home of California-Yountville, authorized pursuant to the Budget Acts of 1999 (Ch. 50, Stats. 1999) and 2001 (Ch. 106, Stats. 2001), shall be forgiven.

8965-001-0001—For support of the Veterans’ Home of California—Barstow 10,689,000

Schedule:

- (1) 30-Care of Sick and Disabled Veterans 13,951,000
- (2) Reimbursements -1,434,000
- (3) Amount payable from the Federal Trust Fund (Item 8965-001-0890). -1,828,000

Provisions:

1. The Director of Finance may authorize a loan from the General Fund, in an amount not to exceed the level of reimbursements appropriated in Schedule (2) of this item to the Veterans’ Home of California, provided that:
 - (a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for medical services provided.
 - (b) The loan is short term, and shall be repaid within six months.
 - (c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.
 - (d) The Director of Finance may not approve the loan 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 determine.
2. At the end of the six-month term of the loan, the department shall notify the Chairperson of the Joint Legislative Budget Committee whether the Veterans’ Home of California has repaid the loan made pursuant to subdivision (d) of Provision 1.

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<p>If the department notifies the Legislature that the Veterans' Home of California cannot repay the loan within the six-month loan period, it shall identify a payment schedule for full payment of the loan.</p>	
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	1,828,000
8965-003-0001—For support of the Veterans' Home of California—Barstow for rental payments on lease-revenue bonds	1,241,000
Schedule:	
(1) Base Rental and Fees	1,112,000
(2) Insurance	129,000
Provisions:	
<p>1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.</p>	
8966-001-0001—For support of the Veterans' Home of California—Chula Vista	11,637,000
Schedule:	
(1) 30-Care of Sick and Disabled Veterans.....	21,173,000
(2) Reimbursements.....	-4,687,000
(3) Amount payable from the Federal Trust Fund (Item 8966-001-0890).	-4,849,000
Provisions:	
<p>1. The Director of Finance may authorize a loan from the General Fund, in an amount not to exceed the level of reimbursements appropriated in Schedule (2) of this item to the Veterans' Home of California, provided that:</p>	
<p>(a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for medical services provided.</p>	
<p>(b) The loan is short term, and shall be repaid within six months.</p>	
<p>(c) Interest charges may be waived pursuant to subdivision (e) of Section 16314 of the Government Code.</p>	
<p>(d) The Director of Finance may not approve the loan unless the approval is made in writing and filed with the Chairperson of the Joint</p>	

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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 determine.	
2. At the end of the six-month term of the loan, the department shall notify the Chairperson of the Joint Legislative Budget Committee whether the Veterans' Home of California has repaid the loan made pursuant to subdivision (d) of Provision 1. If the department notifies the Legislature that the Veterans' Home of California cannot repay the loan within the six-month loan period, it shall identify a payment schedule for full payment of the loan.	
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.....	4,849,000
8966-003-0001—For support of the Veterans' Home of California—Chula Vista for rental payments on lease-revenue bonds.....	136,000
Schedule:	
(1) Base Rental and Fees	1,389,000
(2) Insurance	38,000
(3) Reimbursements	-1,291,000
Provisions:	
1. The Controller shall transfer funds appropriated in this item according to a schedule to be provided by the State Public Works Board. The schedule shall be provided on a monthly basis or as otherwise might be needed to ensure debt requirements are met.	
9100-101-0001—For local assistance, Tax Relief.....	667,460,000
Schedule:	
(1) 10-Senior Citizens' Property Tax Assistance.....	37,961,000
(2) 20-Senior Citizens' Property Tax Deferral Program	11,900,000
(3) 30-Senior Citizen Renters' Tax Assistance.....	157,805,000
(4) 50-Homeowners' Property Tax Relief	419,600,000
(4.5) 60-Subventions for Open Space ..	40,150,000
(5) 90-Substandard Housing	44,000

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Provisions:

1. Schedule (1) 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 (1) may be used to make payments to senior citizen renter claimants under Schedule (3).
2. Schedule (2) 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 (3) 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 (3) may be used to make payments to senior citizen homeowner claimants under Schedule (1).
4. Schedule (4) 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 appropriation 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 16120 of the Government Code.
- 4.5. Schedule (4.5) 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, 423.4, and 423.5 of the Revenue and Taxation Code, and in accordance with Chapter 3 (commencing with Sec-

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tion 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 16140 of the Government Code.

- 5. Schedule (5) 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 27.00 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 2002-03 pursuant to Sections 17274 and 24436.5 of the Revenue and Taxation Code.

This amount is in lieu of any statutory requirement.

- 6. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for Schedules (1), (2), (3), (4), and (4.5) in excess of or less than 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.

9100-102-0001—For local assistance, Tax Relief, for vehicle license fee offsets as allocated by the Controller to cities and counties

1,000

Provisions:

- 1. Notwithstanding any other provision of law, the appropriation made by this item shall be in lieu of the appropriation for the same purpose contained in Sections 10754, 11000, and 11001.5 of the Revenue and Taxation Code.

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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 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 disbursement by the State Controller.....	3,000
Schedule:	
(1) 98.01.124.277-Senior Citizens' Property Tax Deferral Program (Ch. 1242, Stats. 1977)	1,000
(2) 98.01.092.187-Countywide Tax Rates (Ch. 921, Stats. 1987).....	1,000
(3) 98.01.069.792-Allocation of Property Tax Revenue (Ch. 697, Stats. 1992).....	1,000
(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 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 therein. No order may be issued pursuant to this provision unless written notification of the necessity therefor is provided	

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<p>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.</p> <p>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 2003–04 fiscal year:</p> <p>(4) Senior Citizen’s Mobilehome Property Tax Deferral (Ch. 1051, Stats. 1983)</p> <p>(5) Property Tax-Family Transfers (Ch. 48, Stats. 1987)</p>	
<p>9210-101-0001—For local assistance, Local Government Financing</p>	200,000,000
<p>Provisions:</p> <p>1. For allocation by the Controller to local jurisdictions for public safety and juvenile justice 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.</p> <p>2. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2005. These funds shall be used to supplement and not supplant existing services.</p>	
<p>9210-103-0001—For local assistance, Local Government Financing. For assistance to redevelopment agencies, to be allocated by the State Controller.....</p>	500,000
<p>Provisions:</p> <p>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.</p> <p>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 2002–03 fiscal year (as reported for inclusion in the Controller’s “Annual Report of Financial</p>	

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<p>Transactions Concerning Community Redevelopment Agencies of California, Fiscal Year 2002–03”), less housing set-aside amounts not available for debt service, and less any reserve requirement deficiency existing as of December 31, 2003, 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 required 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, 2003, less the amount of gross tax increment revenues allocated to it in the 2002–03 fiscal year, less housing set-aside amounts not available for debt service.</p> <p>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.</p> <p>4. Notwithstanding Section 2.00 of this act, the Controller shall allocate up to 50 percent of the appropriation in this item on or before December 31, 2003, and up to the remaining amount of the appropriation in this item on or before July 31, 2004. Expenditure of the amount to be allocated on July 31, 2004, shall be accounted by the Controller as an expenditure of the 2004–05 fiscal year.</p>	
<p>9210-105-0001—For local assistance, Local Government Financing, Property Tax Administration Grant Program</p> <p>Provisions:</p> <p>1. For allocation by the Controller to counties, as determined by the Department of Finance, pursuant to Chapter 6 (commencing with Section 95.35) of Division 1 of the Revenue and Taxation Code.</p>	60,000,000
<p>9210-110-0001—For local assistance, Local Government Financing</p>	147,000

Item	Amount
Provisions:	
1. The funds appropriated in this item are for allocation by the Controller, by October 1, 2003, 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, 2003.	
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 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 disbursement by the State Controller	3,000
Schedule:	
(1) 98.01.048.675-Test Claims and Reimbursement Claims (Ch. 486, Stats. 1975)	1,000
(2) 98.01.064.186-Open Meetings Act Notices (Ch. 641, Stats. 1986).....	1,000
(6) 98.01.099.991-Rape Victim Counseling Ctr. Notices (Ch. 999, Stats. 1991).....	1,000
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 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 therein. No order may be issued pursuant to this provision unless written	

Item	Amount
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.	
9612-001-0001—For allocation by the Department of Finance, for support of payments to the Golden State Tobacco Corporation for payment of debt service on the second series tobacco settlement asset-backed bonds	1,000
Provisions:	
1. Notwithstanding any other provision of law, upon certification by the Golden State Tobacco Corporation, the Department of Finance may authorize expenditures of up to \$200,000,000 in excess of the amount appropriated in this item for the payment of debt service that may be required for payments of the tobacco settlement asset-backed bonds because tobacco settlement revenue is insufficient to pay the costs of debt service and operating costs for the 12 months following the receipt of tobacco settlement revenue. The Department of Finance shall provide 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 not more than 30 days after that authorization.	
9620-001-0001—For Payment of Interest on General Fund loans, upon order of the Director of Finance, for any General Fund loan	30,000,000
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 amount 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	

Item	Amount
<p>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.</p> <p>3. In the event that Revenue Anticipation Warrants are issued, there is hereby appropriated any amount necessary, in excess of the amount appropriated by this item, to pay the expenses incurred by the Controller, Treasurer, Attorney General, and the Department of Finance in providing for the preparation, sale, issuance, advertising, legal services, credit enhancement, liquidity facility, or any other act which, as approved by the Department of Finance, is necessary for such issuance. 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.</p>	
<p>9620-002-0001—For Payment of Interest on General Fund loans, upon order of the Director of Finance, for any General Fund loan repaid in the 2003–04 fiscal year from loans made previously</p>	651,000
<p>Provisions:</p> <p>1. In the event that interest expenses related to internal borrowing exceed the amount appropriated by this item, there is hereby appropriated any amount necessary to pay the interest.</p> <p>2. The Director of Finance shall notify, in writing, the Chairperson of the Joint Legislative Budget Committee within 30 days of ordering the repayment of any loan included within the provisions of this item.</p>	
<p>9625-001-0001—For Interest Payments to the Federal Government arising from the federal Cash Management Improvement Act of 1990</p>	6,500,000
<p>Provisions:</p> <p>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.</p> <p>2. In the event that expenditures for interest payments to the federal government arising from the federal Cash Management Improvement Act of</p>	

Item	Amount
<p>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.</p>	
<p>9625-001-0042—For Interest Payments to the Federal Government arising from the federal Cash Management Improvement Act of 1990, payable from the State Highway Account, State Transportation Fund. Provisions:</p> <ol style="list-style-type: none"> 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. 	500,000
<p>9625-001-0494—For Interest Payments to the Federal Government arising from the federal Cash Management Improvement Act of 1990, payable from the appropriate special fund..... Provisions:</p> <ol style="list-style-type: none"> 1. Provision 1 of Item 9625-001-0001 and Provision 2 of Item 9625-001-0042 also apply to this item. 	1,000
<p>9625-001-0988—For Interest Payments to the Federal Government arising from the federal Cash Management Improvement Act of 1990, payable from the appropriate nongovernmental cost fund Provisions:</p> <ol style="list-style-type: none"> 1. Provision 1 of Item 9625-001-0001 and Provision 2 of Item 9625-001-0042 also apply to this item. 	1,000
<p>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 22821.2, 22825.7, 22828, 22829, and 22952 of the Government Code, which cost is not chargeable to any other appropriation</p>	660,772,000

Item	Amount
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Schedule:

- (1) Health benefit premiums605,857,000
- (2) Dental care premiums 54,915,000

Provisions:

1. The maximum transfer amounts specified in subdivision (c) 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 2003–04 fiscal year, shall not be enrolled in a basic health benefits plan during the 2003–04 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 \$331 for a single enrollee, \$621 for an enrollee and one dependent, and \$780 for an enrollee and two or more dependents.

9670-001-0001—For equity claims before the California Victim Compensation and Government Claims Board 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.....

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Provisions:

1. 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

Item

Amount

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.

- 2. Expenditures made under this item shall be charged to the fiscal year in which the warrant is issued by the State Controller.
- 3. 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.
- 4. 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.
- 5. 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 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.

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 California Victim Compensation and Government Claims Board and Settlements and Judgments by Department of Justice) are to be recorded under Organization Code 9671 (Equity Claims of California Victim Compensation and Government Claims Board) and Organization Code 9672 (Settlements and Judgments by Department of Justice).

9800-001-0001—For Augmentation for Employee Compensation.....

14,959,000

Item	Amount
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, 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.....	545,000
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, 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.	
9800-001-0988—For Augmentation for Employee Compensation, payable from other unallocated nongovernmental cost funds.....	272,000
Provisions:	
1. The amount appropriated in this item shall not be construed to control or influence collective bar-	

Item	Amount
gaining between the state employer and employee representatives.	
<ol style="list-style-type: none"> 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, 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. 	
<p>9840-001-0001—For Augmentation for Contingencies or Emergencies</p> <p>Provisions:</p>	2,000,000
<ol style="list-style-type: none"> 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. 	
<ol style="list-style-type: none"> 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. 	
<ol style="list-style-type: none"> 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. 	
<ol style="list-style-type: none"> 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 	

Item	Amount
<p>the committee, or its designee, may in each instance determine.</p> <p>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 2003–04 fiscal year for such program 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, 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.</p> <p>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.</p>	
<p>9840-001-0494—For Augmentation for Contingencies or Emergencies, payable from unallocated special funds.....</p>	1,500,000
<p>Provisions:</p> <p>1. Provisions 1, 2, 3, 4, 5, and 6 of Item 9840-001-0001 also apply to this item.</p> <p>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 2003–04 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 bud-</p>	

Item	Amount
<p>getting purposes in accordance with Section 13303 of the Government Code, shall be considered to be special funds within the meaning of this item.</p> <p>9840-001-0988—For Augmentation for Contingencies or Emergencies, payable from unallocated nongovernmental cost funds</p>	1,500,000
<p>Provisions:</p> <ol style="list-style-type: none"> 1. Provisions 1, 2, 3, 4, 5, and 6 of Item 9840-001-0001 also apply to this item. 2. For Augmentation 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 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 2003–04 fiscal year under the provisions of Section 11006 of the Government Code. 	
<p>9840-011-0001—For Augmentation for Contingencies or Emergencies (Loans)</p>	(2,500,000)
<p>Provisions:</p> <ol style="list-style-type: none"> 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. 	

Item	Amount
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, 2003, the balances of the appropriations made by Items 9840-001-0001, 9840-001-0494 and 9840-001-0988, Budget Act of 2002, are reappropriated and shall be available until June 30, 2004, 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 2002–03 fiscal year.	
9860-301-0001—For capital outlay planning and studies funding (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 2004–05 or 2005–06 Governor’s Budget or 2005–06 five-year capital outlay plans. 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.	

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, 2003, 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 2003-04," submitted by the Governor to the Legislature at the 2003 portion of the 2003-04 Regular Session, the uniform accounting system prescribed by the Department of Finance under the provisions of Section 13300 of the Government Code and following, 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 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 Employees' 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 2003–04 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 (PERS) 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	14.843%
Miscellaneous, Second Tier.....	10.265%
State Industrial	11.099%
State Safety	21.930%
Highway Patrol	32.653%
Peace Officer/Firefighter	20.325%

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 2003–04 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 adjustments required by subdivisions (a) and (b) are made.

SEC. 4.10. (a) The Budget Act does not provide additional funds to departments for employee compensation increases that may become effective during the 2003–04 fiscal year. Many of the appropriations in this act include amounts for continuing employee benefits that are over and above the level of funding for employee benefits reflected in the state’s overall spending plan for the 2003–04 fiscal year. To ensure the integrity of this budget and ensure that necessary critical programs are adequately funded, it is necessary to provide the Director of Finance with the authority to reduce appropriations and reallocate funds within and among items of appropriation.

(b) Notwithstanding any other provision of law, the Director of Finance is authorized to (1) reduce appropriations from, and reallocate funds within, appropriations within this act notwithstanding the limitations imposed by Section 26.00, as the Director of Finance determines necessary to ensure that each department’s expenditures will be consistent with appropriations authorized by this act and any other appropriation available to that department, and (2) impose other savings strategies as determined appropriate by the Director of Finance to ensure that each department’s planned expenditures are consistent with the appropriations authorized by this act and any other appropriation available to that department.

(c) Notwithstanding any other provision of law, the Director of Finance shall, in order to ensure that \$1,066,000,000 of savings is achieved through reduced employee compensation costs, abolish at least 16,000 permanent positions from departments including all boards, commissions, departments, agencies, or other employment authorities of the state, as determined by the Director of Finance. A position that is abolished by the State Controller pursuant to Section 12439 of the Government Code or pursuant to Executive Order D-71-03 issued by the Governor on July 1, 2003, may also be included in the positions to be abolished pursuant to this section and may be counted by the Director of Finance toward the position reduction required by this section. The Department of Finance shall have the authority to reestablish any position eliminated as a result of this section if reductions in employee compensation of an equal or greater amount are implemented pursuant to new contracts or contract amendments ratified by the Legislature or otherwise implemented by the Department of Personnel Administration. Any adjustments made pursuant to this subdivision shall not be subject to the provisions of subdivision (g).

(d) The Director of Finance may reduce the total number of positions to be abolished pursuant to subdivision (c) by a number of positions that the Director of Finance determines no longer must be abolished to achieve the purposes of this section due to revisions to collective bargaining agreements or the way departments provide employee services. In determining any reduction from the number of positions specified in subdivision (c) to be abolished, the director shall

consult with the Director of Personnel Administration to determine which bargaining units have agreed to reductions in total employee compensation, and the number of positions in each such bargaining unit that may be credited toward the number of position abolishments required by subdivision (c) based on the savings that will be realized as a result of new collective bargaining contracts or contract amendments ratified by the Legislature.

(e) In addition to the authority granted to the Director of Finance in subdivision (b) to mitigate unfunded employee compensation increases to be effective during the 2003–04 fiscal year, the Director of Finance is further authorized to transfer appropriation authority between separate items of appropriation within this act to ensure that each department's expenditures will be consistent with the appropriations authorized by this act or any other appropriation available to that department. The transfers authorized by this subdivision may be from one department or program to a different department or program, within the same fund source.

(f) The provisions of this section shall also apply to any portion of a local assistance appropriation that funds employee compensation.

(g) The net effect of all actions taken by the Director of Finance pursuant to this section shall be that the total amount appropriated by items of appropriation in this act together with any other appropriations provided in statute shall be reduced by at least \$306,500,000, including a reduction from amounts appropriated from the General Fund of at least \$180,900,000.

(h) A state operation appropriation, and a program, project, or function designated in any line of any schedule set forth by that appropriation, may not be reduced by this section by more than 15 percent or increased by over 10 percent. Any increases to appropriations shall not exceed the actual increased employee compensation costs in that item.

(i) No less than 30 days before the effective date of any adjustment to appropriation authority (including category transfers), or action to abolish positions pursuant to this section, the Department of Finance shall provide the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees in each house that consider the state budget, and the Chairperson of the Joint Legislative Budget Committee a report of all augmentations, reductions, or position abolishments to be approved.

(j) To the extent practicable, the Director of Finance shall recognize and take into account any reductions in employee compensation implemented pursuant to new contracts or contract amendments ratified by the Legislature in determining the budget adjustments to be effected pursuant to this section. The Director of Finance shall also consider and take into account any adjustment to employee compensation approved by the Department of Personnel Administration for employees not covered by collective bargaining agreements in determining the budget adjustments to be approved pursuant to this section.

SEC. 4.15. Notwithstanding any other provision of law, the Department of Finance may adjust amounts in any appropriation item, or in any category thereof, to reduce General Fund, special fund, and non-governmental cost fund appropriations to reflect decreased workers' compensation costs that result from reforms to the workers' compensation system.

SEC. 4.20. (a) 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 0.44 percent of the gross health insurance premiums paid by the employer and employee for administrative expenses.

(b) Notwithstanding any other provision of law, the Department of Finance may adjust amounts in any appropriation item, or in any category thereof, to reduce General Fund, special fund, and nongovernmental cost fund appropriations to reflect decreased departmental costs as a result of lowering employer's contributions to the Contingency Reserve Fund to 0.44 percent of gross health insurance premiums.

SEC. 4.30. (a) Notwithstanding any other provision of law, the Department of Finance may adjust amounts in appropriation items for rental payments on lease-purchase and lease-revenue bonds, or in any category thereof including fees, insurance and reimbursements in this act as a result of changes from amounts budgeted for costs for the 2003-04 fiscal year.

(b) Notwithstanding any other provision of law, the allocation may be made from funds appropriated for this purpose or from any other funds legally available for this purpose.

(c) On or before August 15, 2003, the Department of Finance shall provide to the Joint Legislative Budget Committee a report of the budget adjustments made pursuant to this section.

SEC. 4.40. Notwithstanding any other provision of law, the Department of Finance shall augment any special fund item of appropriation in Section 2.00 of this act, as appropriate, to fund the cost of payments to the Department of General Services for services provided by the e-Business Center related to Licensing, e-Jobs, Online Bidding, How to Open a Business in California, Active Forms, Online Filings, or Online Assistance for Customers. An augmentation approved by the Department of Finance shall be made not sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or not sooner than a lesser time that the committee or its designee may in each instance determine. In order to receive an augmentation under this section, a fund shall have a sufficient reserve balance to cover the amount of the augmentation. In addition, in no case may a fee increase be imposed to support an augmentation pursuant to this section.

SEC. 4.80. In the event bonds authorized for issuance by the State Public Works Board are not sold and interim financing costs have been incurred, departments that have incurred those costs shall commit a sufficient portion of their support appropriations to repay the interim financing costs.

In the event Energy Efficiency Bonds authorized pursuant to Chapter 2.7 (commencing with Section 15814.10) of Part 10b of Division 3 of Title 2 of the Government Code are not sold and interim financing costs have been incurred by participating community college districts and kindergarten through grade 12 districts, the Controller shall withhold from the annual apportionment of the State School Fund a sufficient portion of the participating district's apportionment to repay the interim financing costs. 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.

SEC. 4.90. Notwithstanding any other provision of law, the Department of Finance may transfer any funds previously transferred from the General Fund to the Architectural Revolving Fund back to the General Fund.

SEC. 4.95. Notwithstanding any other provision of law, the Department of Finance may transfer any funds previously transferred from the General Fund to the Inmate Construction Revolving Account back to the General Fund.

SEC. 5.25. (a) Payment of the attorney fees specified below 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:

(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.

(b) Expenditures pursuant to subdivision (a) 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.

(c) No payment shall be made by the 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.

(d) 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. 5.40. (a) It is the intent of the Legislature that all amounts appropriated by this act to the following departments to implement the CALFED Bay-Delta Program shall be available for expenditure in accordance with the schedule of expenditures for the CALFED Bay-

Delta Program, broken down by program element, as set forth in Item 3870 of the Supplemental Report to this act:

- (1) Item 0540—Secretary for Resources
- (2) Item 3480—Department of Conservation
- (3) Item 3540—Department of Forestry and Fire Protection
- (4) Item 3560—State Lands Commission
- (5) Item 3600—Department of Fish and Game
- (6) Item 3640—Wildlife Conservation Board
- (7) Item 3760—State Coastal Conservancy
- (8) Item 3820—San Francisco Bay Conservation and Development Commission

Commission

- (9) Item 3860—Department of Water Resources
- (10) Item 3870—California Bay-Delta Authority
- (11) Item 3940—State Water Resources Control Board
- (12) Item 8570—Department of Food and Agriculture

(b) The amounts appropriated by this act to implement the CALFED Bay-Delta Program shall be available only for projects, activities, and purposes that are consistent with the CALFED Record of Decision, including the accompanying EIS/EIR previously certified by the state lead agency pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code.

(c) The amounts appropriated from accounts established under Division 24 (commencing with Section 78500) and Division 26 (commencing with Section 79000) of the Water Code shall be limited to the purposes provided for by those provisions.

(d) Notwithstanding Sections 26.00 and 28.50 of this act, the Director of Finance may, pursuant to a request by an affected agency specified in subdivision (a) of this section seeking the transfer and the CALFED Bay-Delta Program within the Department of Water Resources, or pursuant to a joint request of these agencies where more than one agency is affected, authorize a transfer of an amount that exceeds \$200,000 from an amount available for expenditure in one scheduled program element to one or more of the other scheduled elements. Any transfer may be authorized pursuant to this provision not sooner than 30 days after notification in writing of the transfer is provided to the chair of the fiscal committees in each house of the Legislature and the Chair of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chair of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. The notification to the Legislature shall specify the justification for the transfer.

SEC. 5.50. (a) The Legislature finds and declares that it is in the best interest of the state to encourage state departments and agencies to engage in entrepreneurial practices to achieve savings related to state-wide leasing, contracting, and procuring goods and services.

(b) Notwithstanding any other provision of law, General Fund support appropriations in various state departments and agencies in this act may be reduced, as appropriate, to reflect a cumulative General Fund reduction of up to \$50,000,000 or more. In addition, non-General Fund

appropriations may be reduced, as appropriate, to reflect a cumulative non-General Fund reduction of up to \$50,000,000 or more.

(c) The Director of Finance shall approve and allocate the necessary reductions required by this section, based on reports submitted by the Department of General Services (DGS). DGS shall work with state agencies to focus on the reduction of state operational costs in areas such as contracting, leasing, and procuring goods and services. In reviewing contracts, DGS shall take into consideration opportunities for entrepreneurial efficiencies that would result in savings.

(d) The Director of Finance may allow state agencies to retain a portion of the actual savings generated by these actions, in an amount not to exceed 15 percent, as determined based on the magnitude of the contract and within the context of the department's budget, to encourage participation in general savings.

(e) Notwithstanding any other provision of law, the Department of Finance may augment DGS' budget from savings generated by this section, to provide the resources necessary to implement this section. Any augmentation made pursuant to this section shall be reported in writing to the chairpersons of the fiscal committees of each house of the Legislature 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 and details of the augmentation.

(f) At the time the 2004–05 Governor's Budget is submitted to the Legislature, the Department of Finance shall report to the Joint Legislative Budget Committee on the progress being made to implement these savings, and these savings shall be identified and included in the 2004–05 Governor's Budget.

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 \$400,000, and any approved critical project costing more than \$100,000, but not greater than \$400,000, 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. 8.00. Notwithstanding Section 28.00 of this act, any amounts received from the federal government for the purposes of funding anti-terrorism costs in the state that are in excess of the federal funds currently appropriated in the Budget Act for that purpose, are hereby appropriated and shall be allocated upon order of the Director of Finance to state departments for state or local assistance purposes or directly to local governments to address high priority needs for costs of

funding anti-terrorism incurred in 2002–03 fiscal year and ongoing or new costs for 2003–04 fiscal year. Allocations made to state departments may be used to offset expenditures paid or to be paid from other funding sources. Allocations made for the purpose of an offset shall be applied as a negative expenditure to the appropriation where the expenditure has, or will be charged. Allocations pursuant to this section may be authorized not sooner than 30 days after notification, to 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.

SEC. 8.25. Federal Fiscal Relief. Any amounts received in the 2002–03 and 2003–04 fiscal years, from the federal government per the State Fiscal Relief Payments program, shall be deposited in the Federal Trust Fund. Notwithstanding Section 28.00 of this act, the Department of Finance may authorize the expenditure of these funds from the Federal Trust Fund to provide essential government services or cover the costs to the state of complying with any federal intergovernmental mandate (as defined in Section 421(5) of the Congressional Budget Act of 1974) to the extent that the mandate applies to the state, and the federal government has not provided funds to cover the costs, per Section 401(b) of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003. These amounts may only be used for types of expenditures permitted under the Budget Act of 2003. The Director of Finance is authorized to reduce any General Fund items of appropriations due to the receipt and expenditure of these funds from the Federal Trust Fund in lieu of the amounts appropriated for this purpose. The Department of Finance shall provide notification in writing to the Chairperson of the Joint Legislative Budget Committee not less than 30 days prior to the effective date of any adjustments to items of appropriations made under the authority of this section. The notification to the Chairperson of the Joint Legislative Budget Committee shall include, at a minimum, the basis for the proposed appropriation adjustments, a description of the fiscal assumptions used in making the appropriation adjustments and any necessary background information regarding the programs to be adjusted.

SEC. 8.30. (a) Notwithstanding Section 28.00 of this act, the Director of Finance may authorize the expenditure of additional federal funds made available to the state for expenditures budgeted in the 2003–04 fiscal year as a result of the enhanced Federal Medical Assistance Percentage for the state’s Medi-Cal program, as provided in Section 401(a) of the federal Jobs and Growth Tax Relief Reconciliation Act of 2003.

(b) Notwithstanding Section 27.00 of this act, the director may reduce any General Fund items of appropriation, due to the receipt and expenditure of these federal funds in lieu of the amounts appropriated for this purpose in General Fund items of appropriation. The director may also allocate the savings to other existing items, including items of

appropriation. The director may reallocate funds from items of appropriations in one department to items of appropriations in another department.

(c) The director may make adjustments pursuant to this section not sooner than 30 days after written notification to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairpersons of the committees, and the appropriation subcommittees, in each house that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.

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 2003–04 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 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 2003. 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. 9.45. (a) The Department of Finance shall provide notification to the Joint Legislative Budget Committee not less than 30 days prior to authorizing a department, agency, or commission to commit funding from Proposition 40 and Proposition 50, if all of the following criteria apply:

(1) The funds will be used, either directly or through a grant, for the purchase of interests in, or the restoration or rehabilitation of property.

(2) The funds will be used for a grant or project that is not appropriated in statute by name or description.

(3) The total expenditure for the project, including, but not limited to, Proposition 40 or Proposition 50 funds, is in excess of \$25 million.

(b) The notification shall include a detailed description of the portion of the project being funded and a detailed description of the whole project. For the purposes of this section, the criteria set forth in subdivision (a) shall apply to both single transactions and cumulative transactions that involve the purchase of properties near or adjacent to each other.

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. 9.70. (a) It is the intent of the Legislature that the Health and Human Services Agency Data Center (HHSDC) shall reduce its rates by 8 percent, and that the resulting approximately \$20 million in

savings be reflected in reduced departmental funding for information technology expenditures.

(b) Notwithstanding any other provision of law, the Department of Finance shall adjust amounts in any appropriation item, or any category thereof, in this act to reflect decreased departmental costs that result from the HHSDC rate reductions. Further, the Director of Finance is authorized to unallot and revert the savings attributable to this section to the appropriate fund source.

(c) On or before November 1, 2004, the Department of Finance shall transmit to the Joint Legislative Budget Committee, and to the chair of the committee in each house that considers appropriations, a listing of the budget adjustments made pursuant to this section.

SEC. 10.00. Notwithstanding any other provision of law, the Department of Finance may adjust amounts in any appropriation item, or in any category thereof, to adjust General Fund, special fund, and non-governmental cost fund appropriations to reflect decreased departmental costs as a result of utility savings from completed energy efficiency or conservation projects. On or before August 15, 2004, the Department of Finance shall provide to the Joint Legislative Budget Committee, a report of all budget adjustments made pursuant to this section.

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 2003–04 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 Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of, Division 3 of Title 2 of the Government Code except that this Control Section shall not apply to the University of California, the California State University, the State Compensation Insurance Fund, the community college districts, agencies provided for by Article VI of the California Constitution, or the Legislature.

SEC. 11.10. (a) The Department of Finance shall notify the Legislature prior to a department entering into or amending a statewide software license agreement not previously approved by the Legislature, that obligates state funds in the current year or future years, whether or not the obligation will result in a net expenditure or savings. Departments are required to prepare the appropriate business proposal for submission to the Department of Finance for review and approval. At a minimum, the business proposal must contain the following elements: installed base analysis, future use (including assumptions for future use), the reason for choosing a statewide license agreement rather than any other procurement method such as a volume purchase agreement, a cost/benefit analysis, a cost allocation methodology, and funding plan. The statewide software license agreement may not be entered into or amended 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 agreement.
- (2) Identify the cost savings, revenue increase, or other fiscal benefit of the proposed agreement.

- (3) Identify the funding source for the proposed agreement.

(b) For purposes of this section, "statewide software license agreement" means a software license contract that can be used by multiple state agencies subject to Article 2 (commencing with Section 13320) of Chapter 3 of Part 3 of, Division 3 of Title 2 of the Government Code except that this Control Section shall not apply to the University of California, the California State University, the State Compensation Insurance Fund, the community college districts, agencies provided for by Article VI of the California Constitution, or the Legislature.

(c) Subdivision (a) does not apply if the amount of the proposed contract or amendment is less than \$1,000,000 in the aggregate.

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 advices to employees in a manner that ensures that personal and confidential information contained on the warrants and direct deposit advices is protected from unautho-

rized 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. 11.52. Notwithstanding any other provision of law, the State Controller shall transfer to the General Fund the unencumbered balance, as of June 30, 2003, from the Energy and Resources Fund.

SEC. 12.00. For the purposes of Article XIII B of the California Constitution, there is hereby established a state "appropriations limit" of sixty-one billion seven hundred two million dollars (\$61,702,000,000) for the 2003–04 fiscal year.

Any judicial action or proceeding to attack, review, set aside, void, or annul the "appropriations limit" for the 2003–04 fiscal year shall be commenced within 45 days of the effective date of this act.

SEC. 12.10. There is hereby appropriated from the General Fund the sum of forty-eight million dollars (\$48,000,000) to satisfy the state's 2003–04 obligation pursuant to the Settlement Agreement in the case of *Craig Brown v. U.S. Department of Health and Human Services, et al.* (Ninth Circuit Appeal No. 99-16992).

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 2003–04 Final Change Book for the 2003–04 fiscal year ending balance in the Special Fund for Economic Uncertainties. The amount so transferred shall be reduced by the amount of excess revenues 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 2003–04 fiscal year are \$29,788,138,000 or 44.0 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for school districts are \$27,450,810,000 or 40.6 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for community college districts are \$2,244,094,000 or 3.3 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 \$93,234,000 or 0.1 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 10 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 6110-230-001 of Section 2.00 of SB 160 of the 1999–2000 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 115 percent of the amount of state funding allocated pursuant to the appropriations to that recipient for those programs in this act for the 2003–04 fiscal year. Notwithstanding any other provision of law, for the 2003–04 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.

(b) The education programs that are eligible for the flexibility provided in subdivision (a) included the following items: Items 6110-108-0001, 6110-111-0001, 6110-116-0001, 6110-119-0001, 6110-120-0001, 6110-122-0001, 6110-124-0001, 6110-127-0001, 6110-128-0001, 6110-131-0001, 6110-132-0001, 6110-151-0001, 6110-163-0001, 6110-167-0001, 6110-181-0001, 6110-193-0001, 6110-197-0001, 6110-203-0001, 6110-224-0001, 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 8, 2004, 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, 2005.

SEC. 12.60. It is the intent of the Legislature that education programs with voluntary participation be funded at statutorily authorized levels. Notwithstanding any other provision of law, the Controller, upon approval of the Director of Finance, shall transfer unobligated funds between any of the following voluntary participation programs to the extent needed to fully fund eligible participation. First priority for allocation of savings shall be given to the CalSAFE program, Item 6110-198-0001. The Department of Finance shall notify the Joint Leg-

islative Budget Committee of any transfers made under this control section. The items between which the Controller may transfer funds pursuant to this section are the following: Items 6110-104-0001, 6110-112-0001, 6110-121-0001, 6110-125-0001, 6110-158-0001, 6110-184-0001, 6110-191-0001, 6110-193-0001, 6110-195-0001, 6110-198-0001, 6110-204-0001, 6110-205-0001, 6110-211-0001, 6110-232-0001, and 6110-234-0001.

SEC. 12.75. The Superintendent of Public Instruction shall reduce funding for basic aid school districts from the Proposition 98 categorical funds appropriated in this act that would otherwise be allocated to basic aid school districts, in accordance with legislation to be enacted prior to January 1, 2004.

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, 2004, of the appropriations made by Items 0160-001-0001 and 8840-001-0001 of the Budget Act of 2003 are re-appropriated and shall be available for encumbrance until June 30, 2005, 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 2003–04 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 2003–04 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 2003–04 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, consist-

ing 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, 2004, 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. 17.00. The Budget Act of 2003 includes \$75,415,000 (\$21,229,000 General Fund [GF], \$51,456,000 federal funds [FF], \$2,730,000 special funds [SF]) for applicant state agencies, departments, boards, commissions, or other entities of state government in support of federal Health Insurance Portability and Accountability Act (HIPPA) activities. These funds are allocated to the following entities: \$64,226,000 (\$14,408,000 GF, \$47,635,000 FF, \$2,183,000 SF) for the Department of Health Services; \$3,572,000 (\$2,971,000 GF, \$601,000 FF) for the California Health and Human Services Agency; \$2,155,000 (\$1,077,000 GF, \$1,078,000 FF) for the Department of Mental Health; \$1,975,000 (\$988,000 GF, \$987,000 FF) for the Department of Alcohol and Drug Programs; \$1,802,000 (\$942,000 GF, \$860,000 FF) for the Department of Developmental Services; \$638,000 GF for the Department of Corrections; \$500,000 (\$205,000 GF, \$295,000 FF) for the Department of Social Services; \$225,000 SF for the Department of Personnel Administration; \$223,000 SF for the Public Employees' Retirement System; and \$99,000 SF for the Office of Statewide Health Planning and Development.

SEC. 24.00. For the 2003–04 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 one million one hundred six thousand dollars (\$1,106,000) received by the Driver Training Penalty Assessment Fund for the 2003–04 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: \$4,121,000 to the Victim Witness Assistance Fund; \$3,000,000 to the General Fund to reimburse the amounts appropriated in Item 0820-001-0001 Schedule (9) and Item 0820-101-0001 Schedule (2) to support the Witness Protection Program; and \$14,000,000 to the Peace Officers' Training Fund. Any remaining unallocated moneys in the Driver Training Penalty Assessment Fund shall be transferred to the General Fund.

SEC. 24.30. Notwithstanding any other provision of law, the Controller, upon order of the Director of Finance, shall transfer rental income received in the 2003–04 fiscal year pursuant to Section 17089 of the Education Code from the State School Building Aid Fund to the General Fund.

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, 2005, the amount of lottery funds that each entity received and the purposes for which those funds were expended in the 2003–04 fiscal year, including administrative costs, and proposed expenditures and purposes for expenditure for the 2004–05 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 educational agencies to determine the patterns of use of lottery funds in those agencies. The sample shall be drawn to include all local educational agencies having more than

200,000 ADA and representative local educational agencies randomly selected by size, range, type, and geographical dispersion. On or before May 15, 2004, the State Department of Education shall report to the Legislature and the Governor the results of the survey for the 2002–03 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 educational 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. 25.00. For the purpose of achieving efficiencies in the administration and implementation of criminal justice programs, it is the intent of the Legislature that the Office of Criminal Justice Planning shall be abolished effective January 1, 2004. It is further the intent of the Legislature that juvenile justice programs administered by OCJP shall be transferred to the Board of Corrections or other appropriate entity; law enforcement programs shall be transferred to the Office of Emergency Services or other appropriate entity; and victims' services shall be transferred to the Victim's Compensation and Government Claims Board or other appropriate entity. No later than October 1, 2003, the Director of Finance shall submit an interim plan to the Chairperson of the Joint Legislative Budget Committee for abolishing the Office of Criminal Justice Planning by January 1, 2004. This interim plan shall identify the specific programs and funding that would be transferred to other state entities to administer for the remainder of the 2003–04 fiscal year. The interim plan shall also specify the administrative savings that would be achieved through the consolidation and transfer of these functions, which shall include elimination of at least 50 executive and administration positions existing on June 30, 2003. This plan shall not be effective without the approval of the Chairperson of the Joint Legislative Budget Committee and shall be implemented no sooner than 30 days after being submitted to the Joint Legislative Budget Committee. For the purpose of consolidating and restructuring the administration of programs after July 1, 2004, it is the intent of the Legislature that no later than March 1, 2004, the Governor shall submit to the Legislature a Governor's Reorganization Plan and the statutory changes necessary to implement the reorganization plan.

The following amounts are hereby appropriated from the specified fund source for allocation by the Director of Finance for the purpose of implementing the restructuring plan:

Up to \$25,628,000	General Fund (0001)
Up to \$432,000	Local Public Prosecutor and Public Defenders Training Fund (0241)
Up to \$8,541,000	Victim Witness Assistance Fund (0425)
Up to \$7,142,000	High Technology Theft Appre- hension and Prosecution Pro- gram Trust Fund (0597)
Up to \$88,677,000	Federal Trust Fund (0890)

SEC. 26.00. (a) It is the intent of the Legislature, in enacting this section, to provide flexibility for the administrative approval of intra-schedule 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 2003–04 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 Budget 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 2003–04 fiscal year. No deficiency authorization may be made under this section for any expenditure for capital outlay. No deficiency authorization may be made under this section for any expenditure attributable to a prior year, for any expenditure related to legislation enacted without an appropriation, for startup costs of programs that have not yet been authorized by the Legislature, for costs that the Governor had knowledge of in time to include in the May Revision, or for costs that the Governor had the discretion to incur or not incur.

(b) The Director of Finance may transfer from any item or items of appropriation an amount that the director determines to be necessary to avoid a deficiency in any other item or items of appropriation, except that the director may not transfer more than 5 percent of the total appropriation for any item nor shall the director transfer funds from any item if the transfer would, in the director's judgment, result in that item being reduced below the level needed to achieve the statutory requirements for which the item appropriates funds. No transfer of appropriation authority shall be effective sooner than 30 days following notification by the Director of Finance to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations, or not sooner than whatever lesser time the chairperson of the joint committee, or his or her designee, may in each instance determine.

(c) The Director of Finance shall, at the time the Governor's Budget is introduced, notify the chairperson of the committee in each house of the Legislature that considers the state budget of the total amount of deficiencies approved pursuant to this section prior to the publication of the Governor's Budget. The chairperson of the committee in each house of the Legislature that considers the State Budget shall immediately introduce legislation to appropriate the necessary funds, and that legislation shall be enacted no later than March 1, 2004.

(d) 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 of the Legislature 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. The director shall include in the written deficiency request an explanation of why the director did not use the authority granted in subdivision (b) to reduce other items to avoid the deficiency. "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. If the notification occurs after the publication of the Governor's Budget, the chairperson shall call a hearing of the Joint Legislative Budget Committee to consider whether the director's approval of a deficiency expenditure should be rejected. No approval of any deficiency authorization may be made by the director after May 15, 2004, except for the approval of an emergency expenditure.

(e) Approval for any emergency expenditure shall be made in writing and filed with the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house of the Legislature 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.

(f) Each notification of deficiency or emergency expenditure shall include a determination by the Director of Finance as to whether the ex-

penditure was considered in a legislative budget committee and formal action was taken to not approve the expenditure within the previous fiscal year.

(g) 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 2003–04 fiscal year that exceeds \$500,000, to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house of the Legislature 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.

(h) 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 of the Legislature 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 non-state 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 2003–04 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 2003–04 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 avail-

able 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 Medical, 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, 2004.

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 2003–04 fiscal year all moneys 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 2003–04 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, 2004, no moneys in any fund that, by any statute other than a Budget Act, are 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, 2004.

(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.

(5) The scheduled disbursement of any motor vehicle license fee revenues, including the General Fund appropriations made pursuant to Sections 11000 and 11000.1 of the Revenue and Taxation Code, to an entity of local government pursuant to the Vehicle License Fee Law (Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code).

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 budgets 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 six thousand thirty-two dollars (\$6,032) as of July 1, 2003. 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 2003–04 fiscal year shall terminate on June 30, 2004, except for those positions that have been (a) included in the Governor's Budget for the 2004–05 fiscal year as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 2004–05 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 2004–05 fiscal year, provided these positions are shown in the Governor's Budget for the 2005–06 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 2004–05 fiscal year.

(e) No money in any 2003–04 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 2004–05 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 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 2003–04 fiscal year and provides for capital outlay appropriations in continuance of existing programs and to promote and sustain the economy of the state. It is imperative that these appropriations be made available for expenditure not later than July 1, 2003. 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.

Department **Organization Code**

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Administrative Law, Office of	8910
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Aging, Department of	4170
Agricultural Labor Relations Board	7300
Air Resources Board, State	3900
Alcohol and Drug Programs, Department of	4200
Alcoholic Beverage Control, Department of	2100
Alcoholic Beverage Control Appeals Board	2120
Alternative Energy and Advanced Transportation Financing Authority, California	0971
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Barbering and Cosmetology, State Board of	1165
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Boating and Waterways, Department of	3680
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Child Development Policy Advisory Committee	4220
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Debt Limit Allocation Committee, California	0959
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Department of. See subject (e.g., Corrections, Food and Agriculture, etc.)	
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Education, Department of	6110
Education, Office of the Secretary for	0558
Electricity Oversight Board	8770
Emergency Medical Services Authority	4120
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CHAPTER 158

An act to amend Sections 30061 and 30070 of, to add Section 19851.1, to, and to repeal Section 14669.20 of, the Government Code, to amend Sections 6035, 6036, 6040, 6051, and 6129 of, and to repeal Sections 6037, 6041, 6042, and 6043 of, the Penal Code, and to amend Sections 912 and 912.1 of the Welfare and Institutions Code, relating to corrections, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 19851.1 is added to the Government Code, to read:

19851.1. (a) (1) Notwithstanding Section 19851, the Department of Corrections shall establish a standardized overtime cap for correctional officers not to exceed 80 hours per month.

(2) This subdivision shall not relieve the state of any obligation under a memorandum of understanding for State Bargaining Unit 6 in effect on January 1, 2004, and approved pursuant to Section 3517.6, relating to hours of work, overtime, or alternative work schedules.

(b) Notwithstanding any other provision of law, the Department of Corrections shall not reduce the total number of filled educational positions as of June 30, 2003, if the director of the department determines that the reduction would result in a loss of day for day credits for eligible inmates.

SEC. 2. Section 30061 of the Government Code is amended to read:

30061. (a) There shall be established in each county treasury a Supplemental Law Enforcement Services Fund (SLESF), to receive all amounts allocated to a county for purposes of implementing this chapter.

(b) In any fiscal year for which a county receives money to be expended for the implementation of this chapter, the county auditor shall allocate moneys in the county's SLESF, including any interest or other return earned on the investment of those moneys, within 30 days of the deposit of those moneys into the fund, and shall allocate those moneys in accordance with the requirements set forth in this subdivision. However, the auditor shall not transfer those moneys to a recipient agency until the Supplemental Law Enforcement Oversight Committee certifies receipt of an approved expenditure plan from the governing board of that agency.

(1) Five and fifteen one-hundredths percent (5.15%) to the county sheriff for county jail construction and operation. In the case of Madera,

Napa, and Santa Clara Counties, this allocation shall be made to the county director or chief of corrections.

(2) Five and fifteen one hundredths percent (5.15%) to the district attorney for criminal prosecution.

(3) Thirty-nine and seven-tenths percent (39.7%) to the county and the cities within the county, and, in the case of San Mateo, Kern, Siskiyou, and Contra Costa Counties, also to the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, and the Kensington Police Protection and Community Services District, in accordance with the relative population of the cities within the county and the unincorporated area of the county, and the Broadmoor Police Protection District in the County of San Mateo, the Bear Valley Community Services District and the Stallion Springs Community Services District in Kern County, the Lake Shastina Community Services District in Siskiyou County, and the Kensington Police Protection and Community Services District in Contra Costa County, as specified in the most recent January estimate by the population research unit of the Department of Finance, and as adjusted to provide a grant of at least one hundred thousand dollars (\$100,000) to each law enforcement jurisdiction. For a newly incorporated city whose population estimate is not published by the Department of Finance but which was incorporated prior to July 1 of the fiscal year in which an allocation from the SLESF is to be made, the city manager, or an appointee of the legislative body, if a city manager is not available, and the county administrative or executive officer shall prepare a joint notification to the Department of Finance and the county auditor with a population estimate reduction of the unincorporated area of the county equal to the population of the newly incorporated city by July 15, or within 15 days after the Budget Act is enacted, of the fiscal year in which an allocation from the SLESF is to be made. No person residing within the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, or the Kensington Police Protection and Community Services District shall also be counted as residing within the unincorporated area of the County of San Mateo, Kern, Siskiyou, or Contra Costa, or within any city located within those counties. The county auditor shall allocate a grant of at least one hundred thousand dollars (\$100,000) to each law enforcement jurisdiction. Moneys allocated to the county pursuant to this subdivision shall be retained in the county SLESF, and moneys allocated to a city pursuant to this subdivision shall be deposited in a SLESF established in the city treasury.

(4) Fifty percent (50%) to the county or city and county to implement a comprehensive multiagency juvenile justice plan as provided in this paragraph and to the Board of Corrections for administrative purposes. Funding for the Board of Corrections, as determined by the Department of Finance, shall not exceed two hundred seventy-five thousand dollars (\$275,000). For the 2003–04 fiscal year, of the two hundred seventy-five thousand dollars (\$275,000), up to one hundred seventy-six thousand dollars (\$176,000) may be used for juvenile facility inspections. The juvenile justice plan shall be developed by the local juvenile justice coordinating council in each county and city and county with the membership described in Section 749.22 of the Welfare and Institutions Code. If a plan has been previously approved by the Board of Corrections, the plan shall be reviewed and modified annually by the council. The plan or modified plan shall be approved by the county board of supervisors, and in the case of a city and county, the plan shall also be approved by the mayor. The plan or modified plan shall be submitted to the Board of Corrections by May 1, 2002, and annually thereafter.

(A) Juvenile justice plans shall include, but not be limited to, all of the following components:

(i) An assessment of existing law enforcement, probation, education, mental health, health, social services, drug and alcohol and youth services resources that specifically target at-risk juveniles, juvenile offenders, and their families.

(ii) An identification and prioritization of the neighborhoods, schools, and other areas in the community that face a significant public safety risk from juvenile crime, such as gang activity, daylight burglary, late-night robbery, vandalism, truancy, controlled substances sales, firearm-related violence, and juvenile substance abuse and alcohol use.

(iii) A local juvenile justice action strategy that provides for a continuum of responses to juvenile crime and delinquency and demonstrates a collaborative and integrated approach for implementing a system of swift, certain, and graduated responses for at-risk youth and juvenile offenders.

(iv) Programs identified in clause (iii) that are proposed to be funded pursuant to this subparagraph, including the projected amount of funding for each program.

(B) Programs proposed to be funded shall satisfy all of the following requirements:

(i) Be based on programs and approaches that have been demonstrated to be effective in reducing delinquency and addressing juvenile crime for any elements of response to juvenile crime and delinquency, including prevention, intervention, suppression, and incapacitation.

(ii) Collaborate and integrate services of all the resources set forth in clause (i) of subparagraph (A), to the extent appropriate.

(iii) Employ information sharing systems to ensure that county actions are fully coordinated, and designed to provide data for measuring the success of juvenile justice programs and strategies.

(iv) Adopt goals related to the outcome measures that shall be used to determine the effectiveness of the local juvenile justice action strategy.

(C) The plan shall also identify the specific objectives of the programs proposed for funding and specified outcome measures to determine the effectiveness of the programs and an accounting for all program participants, including those who do not complete the programs. Outcome measures of the programs proposed to be funded shall include, but not be limited to, all of the following:

(i) The rate of juvenile arrests per 100,000 population.

(ii) The rate of successful completion of probation.

(iii) The rate of successful completion of restitution and court-ordered community service responsibilities.

(iv) Arrest, incarceration, and probation violation rates of program participants.

(v) Quantification of the annual per capita costs of the program.

(D) The Board of Corrections shall review plans or modified plans submitted pursuant to this paragraph within 30 days upon receipt of submitted or resubmitted plans or modified plans. The board shall approve only those plans or modified plans that fulfill the requirements of this paragraph, and shall advise a submitting county or city and county immediately upon the approval of its plan or modified plan. The board shall offer, and provide if requested, technical assistance to any county or city and county that submits a plan or modified plan not in compliance with the requirements of this paragraph. The SLESF shall only allocate funding pursuant to this paragraph upon notification from the board that a plan or modified plan has been approved.

(E) To assess the effectiveness of programs funded pursuant to this paragraph using the program outcome criteria specified in subparagraph (C), the following periodic reports shall be submitted:

(i) Each county or city and county shall report, beginning October 15, 2002, and annually each October 15 thereafter, to the county board of supervisors and the Board of Corrections, in a format specified by the Board of Corrections, on the programs funded pursuant to this chapter and program outcomes as specified in subparagraph (C).

(ii) The Board of Corrections shall compile the local reports and, by March 15, 2003, and annually thereafter, make a report to the Governor and the Legislature on program expenditures within each county and city and county from the appropriation for the purposes of this paragraph, on

the outcomes as specified in subparagraph (C) of the programs funded pursuant to this paragraph and the statewide effectiveness of the comprehensive multiagency juvenile justice plans.

(c) Subject to subdivision (d), for each fiscal year in which the county, each city, the Broadmoor Police Protection District, the Bear Valley Community Services District, the Stallion Springs Community Services District, the Lake Shastina Community Services District, and the Kensington Police Protection and Community Services District receive moneys pursuant to paragraph (3) of subdivision (b), the county, each city, and each district specified in this subdivision shall appropriate those moneys in accordance with the following procedures:

(1) In the case of the county, the county board of supervisors shall appropriate existing and anticipated moneys exclusively to provide frontline law enforcement services, other than those services specified in paragraphs (1) and (2) of subdivision (b), in the unincorporated areas of the county, in response to written requests submitted to the board by the county sheriff and the district attorney. Any request submitted pursuant to this paragraph shall specify the frontline law enforcement needs of the requesting entity, and those personnel, equipment, and programs that are necessary to meet those needs. The board shall, at a public hearing held in September in each year that the Legislature appropriates funds for purposes of this chapter, consider and determine each submitted request within 60 days of receipt, pursuant to the decision of a majority of a quorum present. The board shall consider these written requests separate and apart from the process applicable to proposed allocations of the county general fund.

(2) In the case of a city, the city council shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with written requests submitted by the chief of police of that city or the chief administrator of the law enforcement agency that provides police services for that city. These written requests shall be acted upon by the city council in the same manner as specified in paragraph (1) for county appropriations.

(3) In the case of the Broadmoor Police Protection District within the County of San Mateo, the Bear Valley Community Services District or the Stallion Springs Community Services District within Kern County, the Lake Shastina Community Services District within Siskiyou County, or the Kensington Police Protection and Community Services District within Contra Costa County, the legislative body of that special district shall appropriate existing and anticipated moneys exclusively to fund frontline municipal police services, in accordance with written requests submitted by the chief administrator of the law enforcement agency that provides police services for that special district. These

written requests shall be acted upon by the legislative body in the same manner specified in paragraph (1) for county appropriations.

(d) For each fiscal year in which the county, a city, or the Broadmoor Police Protection District within the County of San Mateo, the Bear Valley Community Services District or the Stallion Springs Community Services District within Kern County, the Lake Shastina Community Services District within Siskiyou County, or the Kensington Police Protection and Community Services District within Contra Costa County receives any moneys pursuant to this chapter, in no event shall the governing body of any of those recipient agencies subsequently alter any previous, valid appropriation by that body, for that same fiscal year, of moneys allocated to the county or city pursuant to paragraph (3) of subdivision (b).

(e) Funds received pursuant to subdivision (b) shall be expended or encumbered in accordance with this chapter no later than June 30 of the following fiscal year. A local agency that has not met this requirement shall remit unspent SLESF moneys to the Controller for deposit into the General Fund.

(f) In the event that a county, a city, a city and county, or a qualifying special district does not comply with the requirements of this chapter to receive an SLESF allocation, the Controller shall revert those funds to the General Fund.

SEC. 2.5. Section 30070 of the Government Code is amended to read:

30070. (a) The sum of eighteen million five hundred thousand dollars (\$18,500,000) is hereby annually appropriated from the General Fund to the Controller for allocation to county sheriffs' departments to enhance law enforcement efforts in the counties specified in paragraphs (1) to (37), inclusive, according to the following schedule:

(1) Alpine County	500,000
(2) Amador County	500,000
(3) Butte County	500,000
(4) Calaveras County	500,000
(5) Colusa County	500,000
(6) Del Norte County	500,000
(7) El Dorado County	500,000
(8) Glenn County	500,000
(9) Humboldt County	500,000
(10) Imperial County	500,000
(11) Inyo County	500,000
(12) Kings County	500,000
(13) Lake County	500,000

(14) Lassen County	500,000
(15) Madera County	500,000
(16) Marin County	500,000
(17) Mariposa County	500,000
(18) Mendocino County	500,000
(19) Merced County	500,000
(20) Modoc County	500,000
(21) Mono County	500,000
(22) Napa County	500,000
(23) Nevada County	500,000
(24) Placer County	500,000
(25) Plumas County	500,000
(26) San Benito County	500,000
(27) San Luis Obispo County	500,000
(28) Santa Cruz County	500,000
(29) Shasta County	500,000
(30) Sierra County	500,000
(31) Siskiyou County	500,000
(32) Sutter County	500,000
(33) Tehama County	500,000
(34) Trinity County	500,000
(35) Tuolumne County	500,000
(36) Yolo County	500,000
(37) Yuba County	500,000

(b) Funds allocated pursuant to this section shall be used to supplement rather than supplant existing law enforcement resources.

(c) The appropriation and allocation of funds to county sheriffs' departments under this section shall be suspended for the 2003–04 and 2004–05 fiscal years.

SEC. 3. Section 6035 of the Penal Code is amended to read:

6035. (a) For the purpose of raising the level of competence of local corrections and probation officers and other correctional personnel, the board shall adopt, and may from time to time amend, rules establishing minimum standards for the selection and training of these personnel employed by any city, county, or city and county who provide for the custody, supervision, treatment, or rehabilitation of persons accused of, or adjudged responsible for, criminal or delinquent conduct who are currently under local jurisdiction. All of these rules shall be adopted and amended pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) Any city, county, or city and county may adhere to the standards for selection and training established by the board. The board may defer the promulgation of selection standards until necessary research for job relatedness is completed.

(c) Minimum training standards may include, but are not limited to, basic, entry, continuation, supervisory, management, and specialized assignments.

SEC. 4. Section 6036 of the Penal Code is amended to read:

6036. For purposes of implementing this article, the board shall have the following powers:

(a) Approve or certify, or both, training and education courses at institutions approved by the board.

(b) Develop and operate a professional certificate program which provides recognition of achievement for local corrections and probation officers whose agencies participate in the program.

(c) Adopt those regulations as are necessary to carry out the purposes of this chapter.

(d) Develop and present training courses for local corrections and probation officers.

(e) Perform those other activities and studies as would carry out the intent of this article.

SEC. 5. Section 6037 of the Penal Code is repealed.

SEC. 6. Section 6040 of the Penal Code is amended to read:

6040. There is hereby created in the State Treasury a Corrections Training Fund, which is hereby appropriated, without regard to fiscal years, exclusively for the costs of administration, the development of appropriate standards, the development of training, and program evaluation pursuant to this article.

SEC. 7. Section 6041 of the Penal Code is repealed.

SEC. 8. Section 6042 of the Penal Code is repealed.

SEC. 9. Section 6043 of the Penal Code is repealed.

SEC. 10. Section 6051 of the Penal Code is amended to read:

6051. The Inspector General may conduct a management review audit of any warden in the Department of Corrections or superintendent in the Department of the Youth Authority. 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 or the public may request and shall be provided with a copy of any audit by the Inspector General, including a management review audit or a special audit or review. A report that involves potential criminal investigations or prosecution or security practices and procedures shall

be considered confidential, and its disclosure shall not be required under this section.

SEC. 11. Section 6129 of the Penal Code is amended to read:

6129. (a) (1) For purposes of this section, "employee" means any person employed by the Youth and Adult Correctional Agency, the Department of Corrections, the Department of the Youth Authority, the Board of Corrections, the Board of Prison Terms, the Youthful Offender Parole Board, or the Inspector General.

(2) For purposes of this section, "retaliation" means intentionally engaging in acts of reprisal, retaliation, threats, coercion, or similar acts against another employee who has done either of the following:

(A) Has disclosed or is disclosing to any employee at a supervisory or managerial level, what the employee, in good faith, believes to be improper governmental activities.

(B) Has cooperated or is cooperating with any investigation of improper governmental activities.

(b) (1) Upon receiving a complaint of retaliation from an employee, the Inspector General may commence an investigation. All investigations conducted pursuant to this section shall be performed, where applicable, in accordance with the requirements of Chapter 9.7 (commencing with Section 3300) of Title 1 of Division 4 of the Government Code.

(2) When investigating a complaint, in determining whether retaliation has occurred, the Inspector General shall consider, among other things, whether any of the following either actually occurred or were threatened:

(A) Unwarranted or unjustified staff changes.

(B) Unwarranted or unjustified letters of reprimand or other disciplinary actions, or unsatisfactory evaluations.

(C) Unwarranted or unjustified formal or informal investigations.

(D) Engaging in acts, or encouraging or permitting other employees to engage in acts, that are unprofessional, or foster a hostile work environment.

(E) Engaging in acts, or encouraging or permitting other employees to engage in acts, that are contrary to the rules, regulations, or policies of the workplace.

(3) Upon authorization of the complainant employee, the Inspector General may release the findings of the investigation of alleged retaliation to the State Personnel Board for appropriate action.

(c) Any employee at any rank and file, supervisory, or managerial level, who intentionally engages in acts of reprisal, retaliation, threats, coercion, or similar acts against another employee, pursuant to paragraph (2) of subdivision (a), shall be disciplined by adverse action as provided in Section 19572 of the Government Code. If no adverse

action is taken, the State Personnel Board shall invoke adverse action proceedings as provided in Section 19583.5 of the Government Code.

(d) (1) In addition to all other penalties provided by law, including Section 8547.8 of the Government Code or any other penalties that the sanctioning authority may determine to be appropriate, any state employee at any rank and file, supervisory, or managerial level found by the State Personnel Board to have intentionally engaged in acts of reprisal, retaliation, threats, or coercion shall be suspended for not less than 30 days without pay, and shall be liable in an action for damages brought against him or her by the injured party. If the State Personnel Board determines that a lesser period of suspension is warranted, the reasons for that determination must be justified in writing in the decision.

(2) Punitive damages may be awarded by the court if the acts of the offending party are proven to be malicious. If liability has been established, the injured party also shall be entitled to reasonable attorney's fees as provided by law.

(e) Nothing in this section shall prohibit the employing entity from exercising its authority to terminate, suspend, or discipline an employee who engages in conduct prohibited by this section.

(f) The Inspector General, the Youth and Adult Correctional Agency, the Department of the Youth Authority, the Department of Corrections, the Board of Corrections, the Youthful Offender Parole Board, and the Board of Prison Terms shall refer matters involving criminal conduct to the proper law enforcement authorities in the appropriate jurisdiction for further action. The entity making a referral to the local district attorney shall also notify the Attorney General of the action. If the local district attorney refuses to accept the case, he or she shall notify the referring entity who shall subsequently refer the matter to the Attorney General. If the local district attorney has not acted on the matter, the referring entity shall notify the Attorney General. It is the intent of the Legislature that the Department of Justice avoid any conflict of interest in representing the State of California in any civil litigation that may arise in a case in which an investigation has been or is currently being conducted by the Bureau of Investigation by contracting when necessary for private counsel.

(g) Upon the completion of any investigation, the Inspector General shall prepare a written report, which shall be held as confidential and disclosed in confidence, only to the Secretary of the Youth and Adult Correctional Agency, the Governor, and the appropriate director or law enforcement agency. A summary of the report's findings and conclusions shall be made available, upon request, to the person who requested the investigation, the person or persons who were the subjects of the investigation, and to any Member of the Legislature.

(h) Nothing in this section shall preclude the office of the Inspector General from following all applicable laws regarding confidentiality, including, but not limited to, the California Public Records Act, the Public Safety Officers Procedural Bill of Rights, the Information Practices Act of 1977, the Confidentiality of Medical Information Act, and the provisions of Section 832.7 relating to the disposition notification for complaints against peace officers.

SEC. 12. Section 14669.20 of the Government Code is repealed.

SEC. 13. Section 912 of the Welfare and Institutions Code is amended to read:

912. Effective July 1, 2003, for each person committed to the Department of the Youth Authority, the county from which he or she is committed shall pay the state one hundred seventy-six dollars (\$176) per month for the time that person remains in any institution under the direct supervision of the Department of the Youth Authority, or in any institution, boarding home, foster home, or other private or public institution in which he or she is placed by the Department of the Youth Authority, on parole or otherwise, and cared for and supported at the expense of the Department of the Youth Authority. This section applies to any person committed to the Department of the Youth Authority by a juvenile court, including persons committed to the Department of the Youth Authority prior to July 1, 2003, who on or after July 1, 2003, remain in or return to the facilities described in this section.

The Department of the Youth Authority shall present to the county, not more frequently than monthly, a claim for the amount due the state under this section, which the county shall process and pay pursuant to Chapter 4 (commencing with Section 29700) of Division 3 of Title 3 of the Government Code.

SEC. 14. Section 912.1 of the Welfare and Institutions Code is amended to read:

912.1. (a) The Department of the Youth Authority shall present to each county, not more frequently than monthly, a statement of per capita institutional cost.

(b) As of July 1, 2003, "per capita institutional cost," as used in this section and Section 912.5, means thirty-six thousand five hundred four dollars (\$36,504).

(c) The "per capita institutional cost" set forth in subdivision (b) shall be adjusted annually, on July 1, to reflect any increases in the California Consumer Price Index for All Urban Consumers, as published by the California Department of Industrial Relations, based on regional data from the United States Department of Labor, Bureau of Labor Statistics.

SEC. 15. (a) The Department of the Youth Authority shall close a facility with a design capacity of at least 640 as identified by the

department, no later than March 1, 2005. Up to 50 percent of an amount equal to the initial full year of savings accrued in the 2005–06 fiscal year, as calculated by the Department of Finance, resulting from this closure shall be available to the department annually, subject to legislative approval and appropriation through the budget process, to implement a plan as provided in this section.

(b) The plan shall be developed by an advisory committee chaired by the director of the department or his or her designee, and shall include, at a minimum, a department representative experienced in institutional treatment services, a department representative currently working in parole services, a member of the Youth Authority Board, a victim's representative knowledgeable about the department, one chief probation officer, one administrator of a group home serving delinquent youth, a juvenile justice advocate experienced in matters pertaining to the department, a mental health professional knowledgeable about the treatment needs of delinquent youth, a representative from the Assembly, a representative from the Senate, and any other person identified by the director. The plan shall include any quantifiable savings from reduced recidivism. The plan shall describe strategies to implement the following priorities for the department, and shall identify appropriate benchmarks to measure the success of the department in implementing the following priorities:

(1) Enhanced parole services to improve ward performance upon release and enhance long-term public safety, including transitional housing, vocational and educational counseling and placement, maintenance of substance abuse treatment protocols, and improved supervision designed to ensure parole success.

(2) Improved mental health professional staff-to-ward ratios.

(3) Improved diagnosis and treatment of wards who require mental health treatment, including the prompt mental health assessment of wards upon intake and effective subsequent institutional care.

(4) Improved sex offender treatment, including expanding treatment availability to include more wards who are sex offenders.

(5) Improved institutional substance abuse treatment services, including expanding treatment availability to serve more wards requiring treatment and condensing the duration of these services in conformity with best practices identified by the professional substance abuse treatment community.

(6) The development and implementation of a statistically significant methodology for tracking the ward population for no less than five years after release from the department's custody for the purposes of measuring recidivism, including, but not limited to, tracking arrests and convictions.

(7) Other priorities as the director deems appropriate.

(c) The plan required by this section shall be submitted to the Legislature at the same time the Governor's May revision of the Budget is submitted to the Legislature in May of 2004.

SEC. 16. 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 orderly implementation of the Budget Act of 2003, it is necessary for this act to take effect immediately.

CHAPTER 159

An act to amend Section 116.820 of, to amend, repeal, and add Section 116.230 of, and to add Section 1021.8 to, the Code of Civil Procedure, to amend Sections 12598, 12989.3, 68086, 68926, 68926.1, 68927, and 69927 of, to amend, repeal, and add Sections 26827, 26830, 72055, and 72056 of, to add Sections 12530, 68085.5, 68933, and 69926.5 to, and to add and repeal Section 26826.4 of, the Government Code, and to add Section 1465.8 to the Penal Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 116.230 of the Code of Civil Procedure is amended to read:

116.230. (a) A fee of twenty dollars (\$20) shall be collected for the filing of a claim if the number of claims previously filed by the party in each court within the previous 12 months is 12 or less.

(b) A fee of sixty dollars (\$60) shall be collected for the filing of any additional claims.

(c) A fee to cover the actual cost of court service by mail, adjusted upward to the nearest dollar, shall be charged and collected for each defendant to whom the court clerk mails a copy of the claim under Section 116.340.

(d) The number of claims filed by a party during the previous 12 months shall be determined by a declaration by the party stating the number of claims so filed and submitted to the clerk with the current claim.

(e) Five dollars (\$5) of the fee authorized in subdivision (a) shall be deposited upon collection in the special account in the county treasury

established pursuant to subdivision (b) of Section 68085 of the Government Code, and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(f) Thirty dollars (\$30) of the fee authorized in subdivision (b) shall be deposited upon collection in the special account in the county treasury established pursuant to subdivision (b) of Section 68085 of the Government Code and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(g) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 2. Section 116.230 is added to the Code of Civil Procedure, to read:

116.230. (a) A fee of twenty dollars (\$20) shall be charged and collected for the filing of a claim if the number of claims previously filed by the party in each court within the previous 12 months is 12 or less; and a fee of thirty-five dollars (\$35) shall be collected for the filing of any additional claims.

(b) A fee to cover the actual cost of court service by mail, adjusted upward to the nearest dollar, shall be charged and collected for each defendant to whom the court clerk mails a copy of the claim under Section 116.340.

(c) The number of claims filed by a party during the previous 12 months shall be determined by a declaration by the party stating the number of claims so filed and submitted to the clerk with the current claim.

(d) Five dollars (\$5) of the fees authorized in subdivision (a) shall be deposited upon collection in the special account in the county treasury established pursuant to subdivision (b) of Section 68085 of the Government Code, and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(e) This section shall become operative July 1, 2006.

SEC. 3. Section 116.820 of the Code of Civil Procedure is amended to read:

116.820. (a) The judgment of a small claims court may be enforced as provided in Title 9 (commencing with Section 680.010) of Part 2 and in Sections 674 and 1174 on the enforcement of judgments of other courts. A judgment of the superior court after a hearing on appeal, and after transfer to the small claims court under subdivision (d) of Section 116.780, may be enforced like other judgments of the small claims court, as provided in Title 9 (commencing with Section 680.010) of Part 2 and in Sections 674 and 1174 on the enforcement of judgments of other courts.

(b) The fees specified in Sections 26828, 26830, and 26834 of the Government Code shall be charged and collected by the clerk for the issuance of a writ of execution, an order of examination of a judgment debtor, or an abstract of judgment. Except as provided in Section 26830 of the Government Code, all the fees shall be deposited in a special account in the county treasury and transmitted therefrom to the Controller for deposit in the Trial Court Trust Fund.

(c) The prevailing party in any action subject to this chapter is entitled to the costs of enforcing the judgment and accrued interest.

SEC. 4. Section 1021.8 is added to the Code of Civil Procedure, to read:

1021.8. (a) Whenever the Attorney General prevails in a civil action to enforce Section 22445, 22446.5, 22958, or 22962 of the Business and Professions Code, Section 52, 52.1, or 55 of the Civil Code, Section 1603.1, 2014, or 5650.1 of the Fish and Game Code, Section 4458, 12606, 12607, 12598, 12989.3, 66640, 66641, or 66641.7 of the Government Code, Section 13009, 13009.1, 19958.5, 25299, or 118950 of the Health and Safety Code, Section 308.1 or 308.3 of the Penal Code, Section 30820, 30821.6, or 30822 of the Public Resources Code, or Section 275, 1052, 1845, 13350, or 13385 of the Water Code, the court shall award to the Attorney General all costs of investigating and prosecuting the action, including expert fees, reasonable attorney's fees, and costs. Awards under this section shall be paid to the Public Rights Law Enforcement Special Fund established by Section 12530 of the Government Code.

(b) This section applies to any action pending on the effective date of this section and to any actions filed thereafter.

SEC. 5. Section 12530 is added to the Government Code, to read:

12530. The Public Rights Law Enforcement Special Fund is hereby established in the State Treasury, to be administered by the Department of Justice. Moneys in the fund, upon appropriation by the Legislature, shall be used by the Attorney General to support the investigation and prosecution of any matter within the authority of the Department of Justice's Public Rights Division.

SEC. 6. Section 12598 of the Government Code is amended to read:

12598. (a) The primary responsibility for supervising charitable trusts in California, for insuring compliance with trusts and articles of incorporation, and for protection of assets held by charitable trusts and public benefit corporations, resides in the Attorney General. The Attorney General has broad powers under common law and California statutory law to carry out these charitable trust enforcement responsibilities. These powers include, but are not limited to, charitable trust enforcement actions under all of the following:

(1) This article.

(2) Title 8 (commencing with Section 2223) of Part 4 of Division 3 of the Civil Code.

(3) Division 2 (commencing with Section 5000) of Title 1 of the Corporations Code.

(4) Sections 8111, 11703, 15004, 15409, 15680 to 15685, 16060 to 16062, 16064, and 17200 to 17210, inclusive, of the Probate Code.

(5) Chapter 5 (commencing with Section 17200) of Part 2 of Division 7 of the Business and Professions Code, and Sections 17500 and 17535 of the Business and Professions Code.

(6) Sections 319, 326.5, and 532d of the Penal Code.

(b) The Attorney General shall be entitled to recover from defendants named in a charitable trust enforcement action all reasonable attorney's fees and actual costs incurred in conducting that action, including, but not limited to, the costs of auditors, consultants, and experts employed or retained to assist with the investigation, preparation, and presentation in court of the charitable trust enforcement action.

(c) Attorney's fees and costs shall be recovered by the Attorney General pursuant to court order. When awarding attorneys' fees and costs, the court shall order that the attorneys' fees and costs be paid by the charitable organization and the individuals named as defendants in or otherwise subject to the action, in a manner that the court finds to be equitable and fair.

(d) Upon a finding by the court that a lawsuit filed by the Attorney General was frivolous or brought in bad faith, the court may award the defendant charity the costs of that action.

(e) (1) The Attorney General may refuse to register or may revoke or suspend the registration of a charitable corporation or trustee, commercial fundraiser, fundraising counsel, or coventurer whenever the Attorney General finds that the charitable corporation or trustee, commercial fundraiser, fundraising counsel, or coventurer has violated or is operating in violation of any provisions of this article.

(2) All actions of the Attorney General shall be taken subject to the rights authorized pursuant to Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2.

SEC. 7. Section 12989.3 of the Government Code is amended to read:

12989.3. (a) Whenever the Attorney General has reasonable cause to believe that any person or group of persons is engaged in a pattern or practice of denying to others the full enjoyment of any of the rights granted by this article, or that any group of persons has been denied any of the rights granted by this article and that denial raises an issue of general public importance, the Attorney General shall commence a civil action in any court.

(b) Upon referral from the department, the Attorney General may commence a civil action in any appropriate court for appropriate relief with respect to a discriminatory housing practice referred to the Attorney General by the department under subdivision (b) of Section 12981.

(c) A civil action under this section may be commenced not later than the expiration of 18 months after the date of the occurrence or termination of the alleged discriminatory housing practice.

(d) The Attorney General shall commence a civil action in any appropriate court for appropriate relief with respect to breach of a conciliation agreement referred to the Attorney General by the department. A civil action shall be commenced under this paragraph not later than the expiration of 90 days after the referral of the alleged breach.

(e) The Attorney General, on behalf of the department or other party at whose request a subpoena is issued, under this article, shall enforce that subpoena in appropriate proceedings in the court for the judicial district in which the person to whom the subpoena was addressed resides, was served, or transacts business.

(f) In a civil action under this section, the court may award any of the following:

(1) Preventive relief, including a permanent or temporary injunction, restraining order, or other order against the person responsible for a violation of this title as is necessary to assure the full enjoyment of the rights granted by this title.

(2) Other relief as the court deems appropriate, including monetary damages to persons aggrieved.

(3) A civil penalty in an amount not exceeding fifty thousand dollars (\$50,000), for a first violation, and in an amount not exceeding one hundred thousand dollars (\$100,000), for any subsequent violation.

(g) In a civil action under this section, the court, in its discretion, may allow the prevailing party, reasonable attorney's fees and costs, including expert witness fees, against any party other than the state.

(h) Upon timely application, any person may intervene in a civil action commenced by the Attorney General under this section that involves an alleged discriminatory housing practice with respect to which that person is an aggrieved person or a conciliation agreement to which that person is a party. The court may grant appropriate relief to any intervening party as is authorized to be granted to a plaintiff in a civil action under Section 12989.2.

SEC. 8. Section 26826.4 is added to the Government Code, to read:

26826.4. (a) Each party filing papers requesting or opposing the designation of a case as a complex case, as specified in the California Rules of Court, shall pay a designation fee to the clerk of the court, for the adjudication of the designation, at the time of filing the paper requesting or opposing the designation.

(b) In each case in which a court has designated a case as a complex case, each party who has not paid the fee provided for by subdivision (a) shall pay a designation fee to the clerk of the court within 10 calendar days of the filing of the court's order.

(c) Each party in each case that is designated, counterdesignated, or found to be complex shall pay a separate fee.

(d) The fee established by this section shall be five hundred dollars (\$500). The fee shall be deposited in a special account in the county treasury and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(e) The fees provided by this section shall be subject to the surcharge imposed by Section 68087.

(f) The fees provided by this section are in addition to the total filing fee authorized by Section 26820.4, 26826, 72055, or 72056, or any other fee authorized by law.

(g) Failure to pay the fees required by this section shall have the same effect as the failure to pay a filing fee, and shall be subject to the same enforcement and penalties.

(h) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 9. Section 26827 of the Government Code is amended to read:

26827. (a) The total fee for filing the first petition for letters of administration, a petition for special letters of administration, a petition for letters testamentary, or a first account of a testamentary trustee of a trust that is subject to the continuing jurisdiction of the court pursuant to Chapter 4 (commencing with Section 17300) of Part 5 of Division 9 of the Probate Code is, as follows:

(1) One hundred eighty-five dollars (\$185) for estates under two hundred fifty thousand dollars (\$250,000).

(2) Two hundred fifty dollars (\$250) for estates of at least two hundred fifty thousand dollars (\$250,000) and less than five hundred thousand dollars (\$500,000).

(3) Three hundred fifty dollars (\$350) for estates of at least five hundred thousand dollars (\$500,000) and less than seven hundred fifty thousand dollars (\$750,000).

(4) Five hundred dollars (\$500) for estates of at least seven hundred fifty thousand dollars (\$750,000) and less than one million dollars (\$1,000,000).

(5) One thousand dollars (\$1,000) for estates of at least one million dollars (\$1,000,000) and less than one million five hundred thousand dollars (\$1,500,000).

(6) Two thousand dollars (\$2,000) for estates of at least one million five hundred thousand dollars (\$1,500,000) and less than two million dollars (\$2,000,000).

(7) Two thousand five hundred dollars (\$2,500) for estates of at least two million dollars (\$2,000,000) and less than two million five hundred thousand dollars (\$2,500,000).

(8) Three thousand five hundred dollars (\$3,500) for estates of at least two million five hundred thousand dollars (\$2,500,000) and less than three million five hundred thousand dollars (\$3,500,000).

(9) Three thousand five hundred dollars (\$3,500) plus 0.2 percent of the amount over three million five hundred thousand dollars (\$3,500,000) for estates of three million five hundred thousand dollars (\$3,500,000) or more.

(b) The petitioner under subdivision (a) shall estimate the value of the decedent's estate in the petition. The filing fee shall be determined based on the estimate by the petitioner at the time the petition is filed. If the final appraised value of the decedent's estate would result in a filing fee different from the filing fee actually paid, an adjustment shall be made at the time of the final account, under rules adopted by the Judicial Council. The filing fee for a trustee under subdivision (a) shall be based on the value of the trust shown in the first account.

(c) The total fee for filing the first petition for letters of guardianship, a petition for letters of conservatorship, a petition for compromise of a minor's claim, a petition pursuant to Section 13151 of the Probate Code, a petition pursuant to Section 13650 of the Probate Code, except as provided in Section 13652 of the Probate Code, or a petition to contest any will or codicil is one hundred eighty-five dollars (\$185).

(d) A fee of one hundred eighty-five dollars (\$185) shall also be charged for filing any subsequent petition of a type described in subdivision (a) or (c) in the same proceeding by a person other than the original petitioner.

(e) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 10. Section 26827 is added to the Government Code, to read:

26827. (a) The total fee for filing the first petition for letters of administration, a petition for special letters of administration, a petition for letters testamentary, a first account of a testamentary trustee of a trust that is subject to the continuing jurisdiction of the court pursuant to Chapter 4 (commencing with Section 17300) of Part 5 of Division 9 of the Probate Code, a petition for letters of guardianship, a petition for letters of conservatorship, a petition for compromise of a minor's claim, a petition pursuant to Section 13151 of the Probate Code, a petition

pursuant to Section 13650 of the Probate Code (except as provided in Section 13652 of the Probate Code), or a petition to contest any will or codicil is one hundred eighty-five dollars (\$185).

(b) The fee set forth in subdivision (a) shall also be charged for filing any subsequent petition of a type described in subdivision (a) in the same proceeding by a person other than the original petitioner.

(c) This section shall become operative July 1, 2006.

SEC. 11. Section 26830 of the Government Code is amended to read:

26830. (a) Except as provided in subdivisions (b), (c), and (d), the fee for filing any notice of motion, or any other paper requiring a hearing subsequent to the first paper, or any notice of intention to move for a new trial of any civil action or special proceeding, or an application for renewal of a judgment, is thirty-three dollars (\$33).

However, there shall be no fee for filing any of the following:

- (1) An amended notice of motion.
- (2) A civil case management statement.
- (3) A hearing on a petition for emancipation of a minor.
- (4) Default hearings.
- (5) A show-cause hearing on a petition for an injunction prohibiting harassment.
- (6) A show-cause hearing on an application for an order prohibiting domestic violence.
- (7) A show-cause hearing on writs of review, mandate, or prohibition.
- (8) A show-cause hearing on a petition for a change of name.
- (9) A hearing to compromise a claim of a minor or an insane or incompetent person.

(b) The fee for filing a motion for summary judgment or summary adjudication of issues is one hundred fifty dollars (\$150).

(c) The fee for the filing of any motion in small claims court matters is fourteen dollars (\$14), which shall be deposited in the county general fund for use as county general fund revenue.

(d) If a continuance is granted, in addition to the notice of motion fee required under subdivision (a), a fee of one hundred dollars (\$100) shall be collected for filing a motion or a stipulation for continuance of a trial, or requesting a continuance for trial orally, which shall be deposited in a special account in the county treasury and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(e) Notwithstanding Section 68085, fourteen dollars (\$14) of the thirty-three dollar (\$33) fee authorized in subdivision (a) and one hundred dollars (\$100) of the one hundred fifty dollar (\$150) fee established by subdivision (b) shall be deposited in the county general fund for use as county general fund revenue. The balance of the fees collected shall all be deposited in a special account in the county treasury

and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(f) Regardless of whether each motion or matter is heard at a single hearing or at separate hearings, the filing fees required by subdivisions (a), (b), (c), and (d) apply separately to each motion or other paper filed.

(g) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 12. Section 26830 is added to the Government Code, to read:

26830. (a) Except as provided in subdivisions (b) and (c), the fee for filing any notice of motion, or any other paper requiring a hearing subsequent to the first paper, or any notice of intention to move for a new trial of any civil action or special proceeding, or an application for renewal of a judgment, is thirty-three dollars (\$33).

However, there shall be no fee for filing any of the following:

- (1) An amended notice of motion.
- (2) A civil case management statement.
- (3) A hearing on a petition for emancipation of a minor.
- (4) Default hearings.
- (5) A show-cause hearing on a petition for an injunction prohibiting harassment.

(6) A show-cause hearing on an application for an order prohibiting domestic violence.

(7) A show-cause hearing on writs of review, mandate, or prohibition.

(8) A show-cause hearing on a petition for a change of name.

(9) A hearing to compromise a claim of a minor or an insane or incompetent person.

(b) The fee for filing a motion for summary judgment or summary adjudication of issues is one hundred dollars (\$100).

(c) The fee for the filing of any motion in small claims court matters is fourteen dollars (\$14), which shall be deposited in the county general fund for use as county general fund revenue.

(d) Notwithstanding Section 68085, fourteen dollars (\$14) of the thirty-three dollar (\$33) fee authorized in subdivision (a) and the one hundred dollar (\$100) fee established by subdivision (b) shall be deposited in the county general fund for use as county general fund revenue. The balance of the fees collected shall all be deposited in a special account in the county treasury and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(e) Regardless of whether each motion or matter is heard at a single hearing or at separate hearings, the filing fees required by subdivisions (a), (b), and (c) apply separately to each motion or other paper filed.

(f) This section shall become operative July 1, 2006.

SEC. 13. Section 68085.5 is added to the Government Code, to read: 68085.5. (a) Notwithstanding any other provision of law, the fees and fines collected pursuant to Sections 116.390, 116.570, 116.760, 116.860, 491.150, 704.750, 708.160, 724.100, 1134, and 1161.2 of the Code of Civil Procedure, Sections 26824, 26828, 26829, 26834, and 72059 of the Government Code, and Section 1835 of the Probate Code, that are not part of a local revenue sharing agreement or practice shall be deposited in a special account in the county treasury and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(b) Notwithstanding any other provision of law, the fees and fines collected pursuant to Sections 26827.6, 26827.7, 26840.1, 26847, 26854, 26855.1, 26855.2, 26859, 27293, 71386, and 72061 of the Government Code, Section 103470 of the Health and Safety Code, Sections 1203.4 and 1203.45 of the Penal Code, Sections 2343, 7660, and 13201 of the Probate Code, and Section 14607.6 of the Vehicle Code, that are not subject to a local revenue sharing agreement or practice, shall be deposited in a special account in the county treasury.

(c) However, if a superior court incurs the cost or provides the services specified in subdivision (b), the fees and fines collected shall be transmitted from the special account in the county treasury monthly to the Controller for deposit in the Trial Court Trust Fund.

(d) (1) Until July 1, 2005, each superior court and each county shall maintain the distribution of revenue from the fees specified in subdivisions (a) and (b) that is in effect pursuant to an agreement or practice that is in place at the time this section takes effect.

(2) In order to ensure that expenditures from revenue sharing agreements are consistent with Judicial Council fiscal and budgetary policy, the Administrative Director of the Courts shall review and approve all distribution of revenue agreements that are negotiated after the effective date of this section. If approval of an agreement negotiated after the effective date of this section is not granted, the director shall advise the court and county of the reasons for not granting approval and suggest modifications that will make the agreement consistent with the Judicial Council fiscal and budgetary policies.

(e) The Administrative Office of the Courts and the California State Association of Counties shall jointly determine and administer on or after January 1, 2004, and on or after January 1, 2005, all of the following:

(1) The amount of revenue that was deposited in the Trial Court Trust Fund pursuant to subdivision (a) and (b) during the calendar year that just ended.

(2) The difference between the amount specified in subdivision (c) and thirty-one million dollars (\$31,000,000).

(3) A county-by-county transfer of the amount specified in paragraph (2) to the Trial Court Trust Fund in two equal installments, on February 15 and May 15, in each fiscal year.

(4) Any payment to correct for an overpayment or underpayment made for the 2003–04 fiscal year, shall be paid to the appropriate party on or before September 15, 2004.

(5) The sum of the amounts specified in paragraphs (1) and (2) may not exceed thirty-one million dollars (\$31,000,000), and shall be deposited in the Trial Court Trust Fund.

(f) Each superior court and each county shall provide detailed quarterly reports of the revenues generated by the fees and fines specified in subdivisions (a) and (b), Sections 177.5 and 1218 of the Civil Code of Procedure, and Sections 166 and 1214.1 of the Penal Code. The reports shall include the total amount collected and retained by the court or county and the existing distribution of those fees.

(g) On or before January 1, 2005, the Administrative Office of the Courts and the California State Association of Counties shall jointly propose to the Legislature a long-term revenue allocation schedule, to take effect on July 1, 2005, for the fees and fines specified in subdivisions (a) and (b), Sections 177.5 and 1218 of the Civil Code of Procedure, and Sections 166 and 1214.1 of the Penal Code. The revenue allocation schedule shall include provision for any underpayment or overpayment made pursuant to this section.

(h) No other transfers of the fees and fines specified in subdivisions (a) and (b), Sections 177.5 and 1218 of the Code of Civil Procedure, and Sections 166 and 1214.1 of the Penal Code shall take effect prior to July 1, 2005.

(i) Nothing in this section shall be deemed to alter or make void the shift of responsibility for court funding from the counties to the state.

SEC. 14. Section 68086 of the Government Code is amended to read:

68086. (a) The following provisions apply in superior court:

(1) In addition to any other fee required in civil actions or cases, for each proceeding lasting more than one hour, a fee equal to the actual cost of providing that service shall be charged per one-half day of services to the parties, on a pro rata basis, for the services of an official reporter on the first and each succeeding judicial day those services are provided pursuant to Section 269 of the Code of Civil Procedure.

(2) All parties shall deposit their pro rata shares of these fees with the clerk of the court as specified by the court, but not later than the conclusion of each day's court session.

(3) For purposes of this section, "one-half day" means any period of judicial time, in excess of one hour but not more than four hours, during either the morning or afternoon court session.

(4) In addition to the fees authorized by Sections 26820.4, 26826, 72055, and 72056, a one-time fee of twenty-five dollars (\$25) for the cost of the services of an official reporter shall be charged to each party upon the filing of a first paper in a civil action or proceeding in the superior court, unless the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less. No additional fee shall be charged to a party for the cost of the services of an official reporter in proceedings lasting one hour or less.

(5) The costs for the services of the official reporter shall be recoverable as taxable costs by the prevailing party as otherwise provided by law.

(6) The Judicial Council shall adopt rules to ensure all of the following:

(A) That parties are given adequate and timely notice of the availability of an official reporter.

(B) That if an official reporter is not available, a party may arrange for the presence of a certified shorthand reporter to serve as an official pro tempore reporter, the costs therefore recoverable as provided in paragraph (5).

(C) That if the services of an official pro tempore reporter are utilized pursuant to subparagraph (B), no other charge will be made to the parties.

(b) The fees collected pursuant to this section shall only be used to pay the cost for services of an official reporter in civil proceedings.

(c) The Judicial Council shall report on or before February 1 of each year to the Joint Legislative Budget Committee on the total fees collected and the total amount spent for official court reporter services in civil proceedings in the prior fiscal year.

SEC. 15. 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 four hundred eighty-five dollars (\$485). The fee for filing a petition for a writ within the original civil jurisdiction of the Supreme Court is four hundred twenty dollars (\$420). The fee for filing a petition for a writ within the original civil jurisdiction of a court of appeal is four hundred eighty-five dollars (\$485). 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 fees imposed by subdivision (b) of Section 68926.1 and 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. 16. Section 68926.1 of the Government Code is amended to read:

68926.1. (a) Upon filing a notice of appeal for which a fee is paid pursuant to Section 68926, the appellant shall deposit the sum of one hundred dollars (\$100) with the clerk of the originating court. The deposit shall be credited against the amount chargeable for the preparation of the clerk's transcript or any other appeal processing or notification.

The deposit shall be forfeited in the event of abandonment or dismissal of appeal prior to filing of the record in the reviewing court.

(b) Upon filing a notice of appeal, a petition for a writ, or a petition for a hearing for which a fee is paid pursuant to Section 68926 or 68927, the appellant shall pay an additional fee in the amount of one hundred seventy dollars (\$170). The fees collected pursuant to this subdivision shall be transmitted to the State Treasury for deposit in the Appellate Court Trust Fund.

SEC. 17. Section 68927 of the Government Code is amended to read:

68927. The fee for filing a petition for hearing in a civil case in the Supreme Court after decision in a court of appeal is four hundred twenty dollars (\$420).

SEC. 18. Section 68933 is added to the Government Code, to read:

68933. (a) There is hereby established the Appellate Court Trust Fund, the proceeds of which shall be used for the purpose of funding the courts of appeal and the Supreme Court.

(b) The fund, upon appropriation by the Legislature, shall be apportioned by the Judicial Council as follows:

(1) One-half of the amount received from a court of appeal or the Supreme Court shall be allocated to that court.

(2) The remainder of the money in the Appellate Court Trust Fund shall be allocated to the courts of appeal and the Supreme Court as determined by the Judicial Council, taking into consideration all other funds available to each court and the needs of each court, in a manner that promotes equal access to the courts, ensures the ability of the courts to carry out their functions, and promotes implementation of statewide policies. The Judicial Council may delegate its authority to make the determination under this paragraph to the Administrative Presiding Justices Advisory Committee established by Rule 6.52 of the California Rules of Court.

(c) Notwithstanding any other provision of law, the fees listed in subdivision (d) shall all be transmitted for deposit in the Appellate Court Trust Fund within the State Treasury.

(d) This section applies to all fees collected pursuant to Section 68926, excluding that portion subject to Section 68926.3; subdivision

(b) of Section 68926.1; and Sections 68927, 68928, 68929, 68930, and 68932.

(e) Before making any apportionments under this section, the Controller shall deduct, from the annual appropriation for that purpose, the actual administrative costs that will be incurred under this section. Costs reimbursed under this section shall be determined on an annual basis in consultation with the Judicial Council.

(f) The Appellate Court Trust Fund shall be invested in the Surplus Money Investment Fund and all interest earned shall be allocated to the Appellate Court Trust Fund semiannually and used as specified in this section.

SEC. 19. Section 69926.5 is added to the Government Code, to read:

69926.5. (a) To ensure and maintain adequate funding for court security, a surcharge of twenty dollars (\$20) is added to the total fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056.

(b) Notwithstanding any other provision of law, the surcharges collected pursuant to subdivision (a) shall all be deposited in a special account in the county treasury, and transmitted therefrom monthly to the State Controller for deposit in the Trial Court Trust Fund.

SEC. 20. Section 69927 of the Government Code is amended to read:

69927. (a) It is the intent of the Legislature in enacting this section to develop a definition of the court security component of court operations that modifies Function 8 of Rule 810 of the California Rules of Court in a manner that will standardize billing and accounting practices and court security plans, and identify allowable law enforcement security costs after the operative date of this article. It is not the intent of the Legislature to increase or decrease the responsibility of a county for the cost of court operations, as defined in Section 77003 or Rule 810 of the California Rules of Court, as it read on July 1, 1996, for court security services provided prior to January 1, 2003. It is the intent of the Legislature that a sheriff or marshal's court law enforcement budget may not be reduced as a result of this article. Any new court security costs permitted by this article shall not be operative unless the funding is provided by the Legislature.

(1) The Judicial Council shall adopt a rule establishing a working group on court security. The group shall consist of six representatives from the judicial branch of government, as selected by the Administrative Director of the Courts, two representatives of the counties, as selected by the California State Association of Counties, and three representatives of the county sheriffs, as selected by the California State Sheriffs' Association. It is the intent of the Legislature that this working group may recommend modifications only to the template used to determine that the security costs submitted by the courts to the

Administrative Office of the Courts are permitted pursuant to this article. The template shall be a part of the trial court's financial policies and procedures manual and used in place of the definition of law enforcement costs in Function 8 of Rule 810 of the California Rules of Court. If the working group determines that there is a need to make recommendations to the template that specifically involve law enforcement or security personnel in courtrooms or court detention facilities, the membership of the working group shall change and consist of six representatives from the judicial branch of government selected by the Administrative Director of the Courts, two representatives of the counties selected by the California State Association of Counties, two representatives of the county sheriffs selected by the California State Sheriffs' Association, and two representatives of labor selected by the California Coalition of Law Enforcement Associations.

(2) The Judicial Council shall establish a working group on court security to promulgate recommended uniform standards and guidelines that may be used by the Judicial Council and any sheriff or marshal for the implementation of trial court security services. The working group shall consist of representatives from the judicial branch of government, the California State Sheriffs' Association, the California State Association of Counties, the Peace Officer's Research Association of California, and the California Coalition of Law Enforcement Associations, for the purpose of developing guidelines. The Judicial Council, after requesting and receiving recommendations from the working group on court security, shall promulgate and implement rules, standards, and policy directions for the trial courts in order to achieve efficiencies that will reduce security operating costs and constrain growth in those costs.

(3) When mutually agreed to by the courts, county, and the sheriff or marshal in any county, the costs of perimeter security in any building that the court shares with any county agency, excluding the sheriff or marshal's department, shall be apportioned based on the amount of the total noncommon square feet of space occupied by the court and any county agency.

(4) "Allowable costs for equipment, services, and supplies," as defined in the contract law enforcement template, means the purchase and maintenance of security screening equipment and the cost of ammunition, batons, bulletproof vests, handcuffs, holsters, leather gear, chemical spray and holders, radios, radio chargers and holders, uniforms, and one primary duty sidearm.

(5) "Allowable costs for professional support staff for court security operations," as defined in the contract law enforcement template, means the salary, benefits, and overtime of staff performing support functions

that, at a minimum, provide payroll, human resources, information systems, accounting, or budgeting.

Allowable costs for professional support staff for court security operations in each trial court shall not exceed 6 percent of total allowable costs for law enforcement security personnel services in courts whose total allowable costs for law enforcement security personnel services is less than ten million dollars (\$10,000,000) per year. Allowable costs for professional support staff for court security operations for each trial court shall not exceed 4 percent of total allowable costs for law enforcement security personnel services in courts whose total allowable costs for law enforcement security personnel services exceeds ten million dollars (\$10,000,000) per year. Additional costs for services related to court-mandated special project support, beyond those provided for in the contract law enforcement template, are allowable only when negotiated by the trial court and the court law enforcement provider. Allowable costs shall not exceed actual costs of providing support staff services for law enforcement security personnel services.

The working group established pursuant to paragraph (1) of subdivision (a) may periodically recommend changes to the limit for allowable costs for professional support staff for court security operations based on surveys of actual expenditures incurred by trial courts and the court law enforcement provider in the provision of law enforcement security personnel services. Limits for allowable costs as stated in this section shall remain in effect until changes are recommended by the working group and adopted by the Judicial Council.

(6) "Allowable costs for security personnel services," as defined in the contract law enforcement template, means the salary and benefits of an employee, including, but not limited to, county health and welfare, county incentive payments, deferred compensation plan costs, FICA or Medicare, general liability premium costs, leave balance payout commensurate with an employee's time in court security services as a proportion of total service credit earned after January 1, 1998, premium pay, retirement, state disability insurance, unemployment insurance costs, worker's compensation paid to an employee in lieu of salary, worker's compensation premiums of supervisory security personnel through the rank of captain, line personnel, inclusive of deputies, court attendants, contractual law enforcement services, prisoner escorts within the courts, and weapons screening personnel, court required training, and overtime and related benefits of law enforcement supervisory and line personnel.

(A) The Administrative Office of the Courts shall use the actual salary and benefits costs approved for court law enforcement personnel

as of June 30 of each year in determining the funding request that will be presented to the Department of Finance.

(B) Courts and court security providers shall manage their resources to minimize the use of overtime.

(7) "Allowable costs for vehicle use for court security needs," as defined in the contract law enforcement template, means the per mile recovery cost for vehicles used in rendering court law enforcement services, exclusive of prisoner or detainee transport to or from court. The standard mileage rate applied against the miles driven for the above shall be the standard reimbursable mileage rate in effect for judicial officers and employees at the time of contract development.

(b) Nothing in this article may increase a county's obligation or require any county to assume the responsibility for a cost of any service that was defined as a court operation cost, as defined by Function 8 of Rule 810 of the California Rules of Court, as it read on July 1, 1996, or that meets the definition of any new law enforcement component developed pursuant to this article.

SEC. 21. Section 72055 of the Government Code is amended to read:

72055. (a) The total fee for filing of the first paper in a limited civil case shall be one hundred eighty-five dollars (\$185), except that in a case where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less, the fee shall be eighty-three dollars (\$83). The first page of the first paper shall state whether the amount demanded exceeds or does not exceed ten thousand dollars (\$10,000).

(b) This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

(c) The term "total fee" as used in this section and Section 72056 includes any amount allocated to the Judges' Retirement Fund pursuant to Section 72056.1, any automation fee imposed pursuant to Section 68090.7, any construction fee imposed pursuant to Section 76238, and the law library fee established pursuant to Article 2 (commencing with Section 6320) of Chapter 5 of Division 3 of the Business and Professions Code. The term "total fee" as used in this section and Section 72056 also includes any dispute resolution fee imposed pursuant to Section 470.3 of the Business and Professions Code, but the Judicial Council may authorize any trial court to exclude any portion of this dispute resolution fee from the term "total fee."

(d) The fee shall be waived in any action for damages against a defendant, based upon the defendant's commission of a felony offense, upon presentation to the clerk of the court of a certified copy of the

abstract of judgment of conviction of the defendant of the felony giving rise to the claim for damages. If the plaintiff would have been entitled to recover those fees from the defendant had they been paid, the court may assess the amount of the waived fees against the defendant and order the defendant to pay that sum to the county.

(e) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 22. Section 72055 is added to the Government Code, to read:

72055. (a) The total fee for filing of the first paper in a limited civil case shall be ninety dollars (\$90), except that in a case where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less, the fee shall be eighty-three dollars (\$83). The first page of the first paper shall state whether the amount demanded exceeds or does not exceed ten thousand dollars (\$10,000).

(b) This section applies to the initial complaint, petition, or application, and any papers transmitted from another court on the transfer of a civil action or proceeding, but does not include documents filed pursuant to Section 491.150, 704.750, or 708.160 of the Code of Civil Procedure.

(c) The term "total fee" as used in this section and Section 72056 includes any amount allocated to the Judges' Retirement Fund pursuant to Section 72056.1, any automation fee imposed pursuant to Section 68090.7, any construction fee imposed pursuant to Section 76238, and the law library fee established pursuant to Article 2 (commencing with Section 6320) of Chapter 5 of Division 3 of the Business and Professions Code. The term "total fee" as used in this section and Section 72056 also includes any dispute resolution fee imposed pursuant to Section 470.3 of the Business and Professions Code, but the Judicial Council may authorize any trial court to exclude any portion of this dispute resolution fee from the term "total fee."

(d) The fee shall be waived in any action for damages against a defendant, based upon the defendant's commission of a felony offense, upon presentation to the clerk of the court of a certified copy of the abstract of judgment of conviction of the defendant of the felony giving rise to the claim for damages. If the plaintiff would have been entitled to recover those fees from the defendant had they been paid, the court may assess the amount of the waived fees against the defendant and order the defendant to pay that sum to the county.

(e) This section shall become operative July 1, 2006.

SEC. 23. Section 72056 of the Government Code is amended to read:

72056. (a) The total fee for filing of the first paper in a limited civil case on behalf of any party other than a plaintiff shall be one hundred eighty-five dollars (\$185), except that in a case where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less, the fee shall be eighty dollars (\$80).

(b) This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute that is enacted before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 24. Section 72056 is added to the Government Code, to read:

72056. (a) The total fee for filing of the first paper in a limited civil case on behalf of any party other than a plaintiff shall be eighty dollars (\$80).

(b) This section shall become operative July 1, 2006.

SEC. 25. Section 1465.8 is added to the Penal Code, to read:

1465.8. (a) (1) To ensure and maintain adequate funding for court security, a fee of twenty dollars (\$20) shall be imposed on every conviction for a criminal offense, including a traffic offense, except parking offenses as defined in subdivision (i) of Section 1463, involving a violation of a section of the Vehicle Code or any local ordinance adopted pursuant to the Vehicle Code.

(2) For the purposes of this section, "conviction" includes the dismissal of a traffic violation on the condition that the defendant attend a court-ordered traffic violator school, as authorized by Sections 41501 and 42005 of the Vehicle Code. This security fee shall be deposited in accordance with subdivision (d), and may not be included with the fee calculated and distributed pursuant to Section 42007 of the Vehicle Code.

(b) This fee shall be in addition to the state penalty assessed pursuant to Section 1464 and may not be included in the base fine to calculate the state penalty assessment as specified in subdivision (a) of Section 1464.

(c) When bail is deposited for an offense to which this section applies, and for which a court appearance is not necessary, the person making the deposit shall also deposit a sufficient amount to include the fee prescribed by this section.

(d) Notwithstanding any other provision of law, the fees collected pursuant to subdivision (a) shall all be deposited in a special account in the county treasury and transmitted therefrom monthly to the Controller for deposit in the Trial Court Trust Fund.

(e) The Judicial Council shall provide for the administration of this section.

SEC. 26. 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. 27. Sections 1, 8, 9, 11, 19, 21, 23, and 25 of this act shall become operative only if the total appropriation for the support of trial court funding in Item 0450-101-0932 of the Budget Act of 2003, as enacted, is two billion one hundred eighty-six million eight hundred sixty-four thousand dollars (\$2,186,864,000) or more and the total appropriation for support of trial court funding in Item 0450-111-0001 of the Budget Act of 2003, as enacted, is one billion one million one thousand dollars (\$1,001,001,000) or more ; and in that event, shall become operative on the 15th day after the effective date of this act or on July 1, 2003, whichever is later.

SEC. 28. Sections 15, 16, 17, and 18 of this act shall become operative only if the total appropriation for support of the judiciary in Item 0250-001-0001 of the Budget Act of 2003, as enacted, is two hundred eighty million four hundred ninety thousand dollars (\$280,490,000) or more; and in that event shall become operative on the 15th day after the effective date of this act or July 1, 2003, whichever is later.

SEC. 29. 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 changes to implement the Budget Act of 2003, it is necessary that this act take effect immediately.

CHAPTER 160

An act to make an appropriation in augmentation of the Budget Act of 2002, relating to contingencies and emergencies, to take effect immediately as an appropriation for the usual current expenses of the state.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. The sum of five hundred two million six hundred forty-six thousand dollars (\$502,646,000) is hereby appropriated for

expenditure for the 2002–03 fiscal year in augmentation and for the purposes of Contingencies or Emergencies as provided in Items 9840-001-0001, 9840-001-0494, and 9840-001-0988 of Section 2.00 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002), in accordance with the following schedule:

(a) Four hundred fifty-eight million two hundred sixty-eight thousand dollars (\$458,268,000) from the General Fund to the Augmentation for Contingencies or Emergencies in Item 9840-001-0001.

(b) Twelve million three hundred fifty-eight thousand dollars (\$12,358,000) from unallocated special funds to the Augmentation for Contingencies or Emergencies in Item 9840-001-0494.

(c) Thirty-two million twenty thousand dollars (\$32,020,000) from unallocated nongovernmental cost funds to the Augmentation for Contingencies or Emergencies in Item 9840-001-0988.

SEC. 2. The sum of seventy million seven hundred seventy-four thousand dollars (\$70,774,000) is hereby appropriated in augmentation and for the purposes of Contingencies or Emergencies as provided in Item 9840-001-0001 of Section 2.00 of the Budget Act of 2001 (Chapter 106 of the Statutes of 2001), as reappropriated by Item 9840-490 of Section 2.00 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002), for allocation to the Department of Corrections for expenditure for the 2001–02 fiscal year.

SEC. 3. The sum of forty-eight million two hundred seventy-three thousand dollars (\$48,273,000) is hereby appropriated for expenditure for the 2002–03 fiscal year in augmentation of Schedule (2)(a) of Item 5180-111-0001 of Section 2.00 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002).

SEC. 4. The Director of Finance may withhold authorization for the expenditure of funds provided in this act until such time as, and to the extent that, preliminary estimates of potential deficiencies are verified.

SEC. 5. This act makes an appropriation for the usual current expenses of the state within the meaning of subdivision (c) of Section 8 of Article IV of the California Constitution and shall go into immediate effect.

CHAPTER 161

An act to add Section 12693.915 to the Insurance Code, relating to health care, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 12693.915 is added to the Insurance Code, to read:

12693.915. (a) It is the intent of the Legislature to utilize fiscal resources in the most prudent and cost-efficient manner and to maximize the use of federal funds for services when feasible. Therefore, the Legislature intends to access funds from the Unallocated Account in the Cigarette and Tobacco Products Surtax Fund created in Section 30122 of the Revenue and Taxation Code, and as appropriated in the annual Budget Act, and to use these funds to obtain a 65-percent federal match through California's allocation from the State Children's Health Insurance Program (SCHIP). These funds will then be used under the state's Healthy Families Program specifically for the rural demonstration projects established in Section 12693.91.

(b) Notwithstanding Section 30122 of the Revenue and Taxation Code, funding for the rural demonstration projects as provided under the Health Families Program may be made available from the funds appropriated from the Unallocated Account in the Cigarette and Tobacco Products Surtax Fund and from funding received pursuant to Title XXI of the federal Social Security Act. These funds shall be used as provided under Section 12693.91.

(c) Subdivision (b) constitutes an amendment of the Tobacco Tax and Health Protection Act of 1988, as added by Proposition 99.

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 the provisions of this act to take effect at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 162

An act to add Section 97.68 to the Revenue and Taxation Code, relating to local government finance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 97.68 is added to the Revenue and Taxation Code, to read:

97.68. Notwithstanding any other provision of law, in allocating ad valorem property tax revenue allocations for each fiscal year during the fiscal adjustment period, all of the following apply:

(a) (1) The total amount of ad valorem property tax revenue otherwise required to be allocated to a county's Educational Revenue Augmentation Fund shall be reduced by the countywide adjustment amount.

(2) The countywide adjustment amount shall be deposited in a Sales and Use Tax Compensation Fund that shall be established in the treasury of each county.

(b) For purposes of this section, the following definitions apply:

(1) "Fiscal adjustment period" means the period beginning with the 2004-05 fiscal year and continuing through the fiscal year in which the Director of Finance notifies the State Board of Equalization pursuant to subdivision (b) of Section 99006 of the Government Code.

(2) "Countywide adjustment amount" means the combined total revenue loss of the county and each city in the county that is annually estimated by the Director of Finance, based on the taxable sales in that county in the prior fiscal year as determined by the State Board of Equalization and reported to the director on or before August 15 of each fiscal year during the fiscal adjustment period, to result for each of those fiscal years from the 0.5 percent reduction in local sales and use rate tax authority applied by Section 7203.1.

(c) For each fiscal year during the fiscal adjustment period, moneys in the Sales and Use Tax Compensation Fund shall be allocated among the county and the cities in the county, and those allocations shall be subsequently adjusted, as follows:

(1) The Director of Finance shall, on or before September 1 of each fiscal year during the fiscal adjustment period, notify each county auditor of that portion of the countywide adjustment amount for that fiscal year that is attributable to the county and to each city within that county.

(2) The county auditor shall allocate revenues in the Sales and Use Tax Compensation Fund among the county and cities in the county in the amounts described in paragraph (1). The auditor shall allocate one-half of the amount described in paragraph (1) in each January during the fiscal adjustment period and shall allocate the balance of that amount in each May during the fiscal adjustment period.

(3) After the end of each fiscal year during the fiscal adjustment period, other than a fiscal year subject to subdivision (d), the Director of

Finance shall, based on the actual taxable sales for the prior fiscal year, recalculate each amount estimated under paragraph (1) and notify the county auditor of the recalculated amount.

(4) If the amount recalculated under paragraph (3) for the county or any city in the county is greater than the amount allocated to that local agency under paragraph (2), the county auditor shall, in the fiscal year next following the fiscal year for which the allocation was made, transfer an amount of ad valorem property tax revenue equal to this difference from the Sales and Use Tax Compensation Fund to that local agency.

(5) If the amount recalculated under paragraph (3) for the county or any city in the county is less than the amount allocated to that local agency under paragraph (2), the county auditor shall, in the fiscal year next following the fiscal year for which the allocation was made, reduce the total amount of ad valorem property tax revenue otherwise allocated to that city or county from the Sales and Use Tax Compensation Fund by an amount equal to this difference and instead allocate this difference to the county Educational Revenue Augmentation Fund.

(6) If there is an insufficient amount of moneys in a county's Sales and Use Tax Compensation Fund to make the transfers required by paragraph (4), the county auditor shall transfer from the county Educational Revenue Augmentation Fund an amount sufficient to make the full amount of these transfers.

(d) (1) If Section 7203.1 ceases to be operative during any calendar quarter that is not the calendar quarter in which the fiscal year begins, the excess amount, as defined in paragraph (2), of the county and each city in the county shall be reallocated from each of those local agencies to the Educational Revenue Augmentation Fund.

(2) For purposes of this subdivision, "excess amount" means the product of both of the following:

(A) The total amount of ad valorem property tax revenue allocated to that local agency pursuant to paragraph (2) of subdivision (c).

(B) That percentage of the fiscal year in which Section 7203.1 is not operative.

(e) For the 2005–06 fiscal year and each fiscal year thereafter, the amounts determined under subdivision (a) of Section 96.1, or any successor to that provision, may not reflect any portion of any property tax revenue allocation required by this section for a preceding fiscal year.

(f) This section may not be construed to do any of the following:

(1) Reduce any allocations of excess, additional, or remaining funds that would otherwise have been allocated to cities, counties, cities and counties, or special districts pursuant to clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.2 and clause (i) of subparagraph (B) of paragraph (4) of subdivision (d) of Section 97.3, had

this section not been enacted. The allocation made pursuant to subdivisions (a) and (c) shall be adjusted to comply with this paragraph.

(2) Require an increased ad valorem property tax revenue allocation to a community redevelopment agency.

(3) Alter the manner in which ad valorem property tax revenue growth from fiscal year to fiscal year is determined or allocated in a county.

SEC. 2. Existing tax exchange or revenue sharing agreements, entered into prior to the operative date of this act, between local agencies or between local agencies and nonlocal agencies shall be deemed to be temporarily modified to account for the reduced sales and use tax revenues, resulting from the temporary reduction in the local sales and use tax rate, with those reduced revenues to be replaced in kind by property tax revenue from a Sales and Use Tax Compensation Fund or an Educational Revenue Augmentation Fund, on a temporary basis, as provided by this act.

SEC. 3. 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. 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 enact the necessary statutory changes to implement the Budget Act of 2003 to allow the state to provide essential public services that are needed to maintain the public peace, health, and safety, it is necessary that this act take effect immediately.

CHAPTER 163

An act to add Section 22062 to the Financial Code, relating to finance lending.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 22062 is added to the Financial Code, to read: 22062. (a) This division does not apply to a commercial bridge loan made by a venture capital company to an operating company.

(b) For purposes of this section:

(1) "Venture capital company" means a person other than an individual or sole proprietorship that meets all of the following:

(A) Engages primarily in the business of promoting economic, business, or industrial development through venture capital investments or the provision of financial or management assistance to operating companies.

(B) At all times maintains at least 50 percent of its assets in venture capital investments or commitments to make venture capital investments, and maintains or, assuming consummation of the equity investment to which the commercial bridge loan relates, will maintain a material equity interest in the operating company.

(C) Approves each loan made to an operating company through the venture capital company's board of directors, executive committee, or similar policy body, based on a reasonable belief that the loan is appropriate for the operating company after reasonable inquiry concerning the operating company's financing objectives and financial situation.

(D) Complies, when making the loan, with all applicable federal and state laws and rules or orders governing securities transactions including, but not limited to, the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Corporate Securities Law of 1968.

(2) "Operating company" means a person that meets all of the following:

(A) Primarily engages, wholly or substantially, directly or indirectly through a majority owned subsidiary or subsidiaries, in the production or sale, or the research or development, of a product or service other than the management or investment of capital. This shall not include any of the following:

(i) A person that is either an individual or a sole proprietorship.

(ii) A person that has no specific business plan or purpose or has indicated that its business plan is to engage in a merger or acquisition with an unidentified company or companies or other entity or person.

(B) Uses all of the proceeds of the commercial bridge loan for the operations of its business.

(C) Approves each commercial bridge loan through its board of directors, executive committee, or similar policy board, in the exercise of its fiduciary duty, based on a reasonable belief that the loan is

appropriate for the operating company after reasonable inquiry concerning the operating company's financing objectives and financial situation.

(3) "Commercial bridge loan" means a loan that meets all of the following criteria:

(A) A loan of a principal amount of five thousand dollars (\$5,000) or more, or any loan under an open-end credit program, whether secured by personal property or unsecured, the proceeds of which are intended by the operating company for use primarily for other than personal, family, or household purposes.

(B) Is made with a maturity date not to exceed one year, and in connection with or in bona fide contemplation of, an equity investment in the operating company.

(C) Is secured, if at all, solely by the operating company's business assets, exclusive of any real property.

(D) Is subject to the implied covenant of good faith and fair dealing under Section 1655 of the Civil Code.

(4) For purposes of paragraph (1), "venture capital investment" is an acquisition of securities in an operating company that a person, an investment adviser of the person, or an affiliated person of either, has or obtains management rights to.

(c) For purposes of paragraph (3) of subdivision (b), for the purposes of determining whether a loan is a commercial bridge loan, a venture capital company may rely on any written statement of intended purposes signed by the operating company. The statement may be a separate statement signed by the operating company or may be contained in another document signed by the operating company, but in each case it shall be approved by its board of directors, executive committee, or similar policy body. The venture capital company may not be required to ascertain that the proceeds of the loan are used in accordance with the statement of intended purposes.

(d) For purposes of subparagraph (A) of paragraph (3) of subdivision (b), the principles set forth in Section 22551 shall be used to determine whether the specified amount of a commercial bridge loan is a bona fide principal amount.

(e) This section shall apply only to a commercial bridge loan made by a venture capital company to an operating company on or after January 1, 2004.

(f) Nothing in this section is intended to abrogate or diminish the application of any other laws that are designed to protect borrowers, including, but not limited to, laws pertaining to licensing, unfair competition, usury, and conflicts of interest.

SEC. 2. The Legislature finds and declares it is not necessary or appropriate in the public interest or for the protection of borrowers to

regulate commercial bridge loans made by venture capital companies to operating companies under the limited circumstances described in Section 1 of this act.

CHAPTER 164

An act to amend Section 12926 of, and to add Section 12949 to, the Government Code, relating to discrimination.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 12926 of the Government Code is amended to read:

12926. As used in this part in connection with unlawful practices, unless a different meaning clearly appears from the context:

(a) "Affirmative relief" or "prospective relief" includes the authority to order reinstatement of an employee, awards of backpay, reimbursement of out-of-pocket expenses, hiring, transfers, reassignments, grants of tenure, promotions, cease and desist orders, posting of notices, training of personnel, testing, expunging of records, reporting of records, and any other similar relief that is intended to correct unlawful practices under this part.

(b) "Age" refers to the chronological age of any individual who has reached his or her 40th birthday.

(c) "Employee" does not include any individual employed by his or her parents, spouse, or child, or any individual employed under a special license in a nonprofit sheltered workshop or rehabilitation facility.

(d) "Employer" includes any person regularly employing five or more persons, or any person acting as an agent of an employer, directly or indirectly, the state or any political or civil subdivision of the state, and cities, except as follows:

"Employer" does not include a religious association or corporation not organized for private profit.

(e) "Employment agency" includes any person undertaking for compensation to procure employees or opportunities to work.

(f) "Essential functions" means the fundamental job duties of the employment position the individual with a disability holds or desires. "Essential functions" does not include the marginal functions of the position.

(1) A job function may be considered essential for any of several reasons, including, but not limited to, any one or more of the following:

(A) The function may be essential because the reason the position exists is to perform that function.

(B) The function may be essential because of the limited number of employees available among whom the performance of that job function can be distributed.

(C) The function may be highly specialized, so that the incumbent in the position is hired for his or her expertise or ability to perform the particular function.

(2) Evidence of whether a particular function is essential includes, but is not limited to, the following:

(A) The employer's judgment as to which functions are essential.

(B) Written job descriptions prepared before advertising or interviewing applicants for the job.

(C) The amount of time spent on the job performing the function.

(D) The consequences of not requiring the incumbent to perform the function.

(E) The terms of a collective bargaining agreement.

(F) The work experiences of past incumbents in the job.

(G) The current work experience of incumbents in similar jobs.

(g) "Labor organization" includes any organization that exists and is constituted for the purpose, in whole or in part, of collective bargaining or of dealing with employers concerning grievances, terms or conditions of employment, or of other mutual aid or protection.

(h) "Medical condition" means either of the following:

(1) Any health impairment related to or associated with a diagnosis of cancer or a record or history of cancer.

(2) Genetic characteristics. For purposes of this section, "genetic characteristics" means either of the following:

(A) Any scientifically or medically identifiable gene or chromosome, or combination or alteration thereof, that is known to be a cause of a disease or disorder in a person or his or her offspring, or that is determined to be associated with a statistically increased risk of development of a disease or disorder, and that is presently not associated with any symptoms of any disease or disorder.

(B) Inherited characteristics that may derive from the individual or family member, that are known to be a cause of a disease or disorder in a person or his or her offspring, or that are determined to be associated with a statistically increased risk of development of a disease or disorder, and that are presently not associated with any symptoms of any disease or disorder.

(i) "Mental disability" includes, but is not limited to, all of the following:

(1) Having any mental or psychological disorder or condition, such as mental retardation, organic brain syndrome, emotional or mental illness, or specific learning disabilities, that limits a major life activity. For purposes of this section:

(A) "Limits" shall be determined without regard to mitigating measures, such as medications, assistive devices, or reasonable accommodations, unless the mitigating measure itself limits a major life activity.

(B) A mental or psychological disorder or condition limits a major life activity if it makes the achievement of the major life activity difficult.

(C) "Major life activities" shall be broadly construed and shall include physical, mental, and social activities and working.

(2) Any other mental or psychological disorder or condition not described in paragraph (1) that requires special education or related services.

(3) Having a record or history of a mental or psychological disorder or condition described in paragraph (1) or (2), which is known to the employer or other entity covered by this part.

(4) Being regarded or treated by the employer or other entity covered by this part as having, or having had, any mental condition that makes achievement of a major life activity difficult.

(5) Being regarded or treated by the employer or other entity covered by this part as having, or having had, a mental or psychological disorder or condition that has no present disabling effect, but that may become a mental disability as described in paragraph (1) or (2).

"Mental disability" does not include sexual behavior disorders, compulsive gambling, kleptomania, pyromania, or psychoactive substance use disorders resulting from the current unlawful use of controlled substances or other drugs.

(j) "On the bases enumerated in this part" means or refers to discrimination on the basis of one or more of the following: race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation.

(k) "Physical disability" includes, but is not limited to, all of the following:

(1) Having any physiological disease, disorder, condition, cosmetic disfigurement, or anatomical loss that does both of the following:

(A) Affects one or more of the following body systems: neurological, immunological, musculoskeletal, special sense organs, respiratory, including speech organs, cardiovascular, reproductive, digestive, genitourinary, hemic and lymphatic, skin, and endocrine.

(B) Limits a major life activity. For purposes of this section:

(i) "Limits" shall be determined without regard to mitigating measures such as medications, assistive devices, prosthetics, or reasonable accommodations, unless the mitigating measure itself limits a major life activity.

(ii) A physiological disease, disorder, condition, cosmetic disfigurement, or anatomical loss limits a major life activity if it makes the achievement of the major life activity difficult.

(iii) "Major life activities" shall be broadly construed and includes physical, mental, and social activities and working.

(2) Any other health impairment not described in paragraph (1) that requires special education or related services.

(3) Having a record or history of a disease, disorder, condition, cosmetic disfigurement, anatomical loss, or health impairment described in paragraph (1) or (2), which is known to the employer or other entity covered by this part.

(4) Being regarded or treated by the employer or other entity covered by this part as having, or having had, any physical condition that makes achievement of a major life activity difficult.

(5) Being regarded or treated by the employer or other entity covered by this part as having, or having had, a disease, disorder, condition, cosmetic disfigurement, anatomical loss, or health impairment that has no present disabling effect but may become a physical disability as described in paragraph (1) or (2).

(6) "Physical disability" does not include sexual behavior disorders, compulsive gambling, kleptomania, pyromania, or psychoactive substance use disorders resulting from the current unlawful use of controlled substances or other drugs.

(l) Notwithstanding subdivisions (i) and (k), if the definition of "disability" used in the Americans with Disabilities Act of 1990 (Public Law 101-336) would result in broader protection of the civil rights of individuals with a mental disability or physical disability, as defined in subdivision (i) or (k), or would include any medical condition not included within those definitions, then that broader protection or coverage shall be deemed incorporated by reference into, and shall prevail over conflicting provisions of, the definitions in subdivisions (i) and (k).

(m) "Race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, or sexual orientation" includes a perception that the person has any of those characteristics or that the person is associated with a person who has, or is perceived to have, any of those characteristics.

(n) "Reasonable accommodation" may include either of the following:

(1) Making existing facilities used by employees readily accessible to, and usable by, individuals with disabilities.

(2) Job restructuring, part-time or modified work schedules, reassignment to a vacant position, acquisition or modification of equipment or devices, adjustment or modifications of examinations, training materials or policies, the provision of qualified readers or interpreters, and other similar accommodations for individuals with disabilities.

(o) "Religious creed," "religion," "religious observance," "religious belief," and "creed" include all aspects of religious belief, observance, and practice.

(p) "Sex" includes, but is not limited to, pregnancy, childbirth, or medical conditions related to pregnancy or childbirth. "Sex" also includes, but is not limited to, a person's gender, as defined in Section 422.76 of the Penal Code, except that, for purposes of this part, the reference in that definition to the "victim" shall mean the employee or applicant and the reference in that definition to the "defendant" shall mean the employer or other covered entity or person subject to applicable prohibitions under this part.

(q) "Sexual orientation" means heterosexuality, homosexuality, and bisexuality.

(r) "Supervisor" means any individual having the authority, in the interest of the employer, to hire, transfer, suspend, lay off, recall, promote, discharge, assign, reward, or discipline other employees, or the responsibility to direct them, or to adjust their grievances, or effectively to recommend that action, if, in connection with the foregoing, the exercise of that authority is not of a merely routine or clerical nature, but requires the use of independent judgment.

(s) "Undue hardship" means an action requiring significant difficulty or expense, when considered in light of the following factors:

(1) The nature and cost of the accommodation needed.

(2) The overall financial resources of the facilities involved in the provision of the reasonable accommodations, the number of persons employed at the facility, and the effect on expenses and resources or the impact otherwise of these accommodations upon the operation of the facility.

(3) The overall financial resources of the covered entity, the overall size of the business of a covered entity with respect to the number of employees, and the number, type, and location of its facilities.

(4) The type of operations, including the composition, structure, and functions of the workforce of the entity.

(5) The geographic separateness, administrative, or fiscal relationship of the facility or facilities.

SEC. 2. Section 12949 is added to the Government Code, to read:

12949. Nothing in this part relating to gender-based discrimination affects the ability of an employer to require an employee to adhere to reasonable workplace appearance, grooming, and dress standards not precluded by other provisions of state or federal law, provided that an employer shall allow an employee to appear or dress consistently with the employee's gender identity.

CHAPTER 165

An act to amend Section 19995.4 of the Government Code, relating to state employment.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 19995.4 of the Government Code is amended to read:

19995.4. (a) The department shall devise plans for, and cooperate with appointing powers in the conduct of, supervisory employee training programs so that the quality of supervisory services rendered by persons in those positions may be continually improved.

(b) Each supervisory employee, upon the employee's initial appointment to a designated supervisory position, shall be provided a minimum of 80 hours of training, at least 40 hours of which shall be structured and be provided by a qualified instructor. The training shall consist of the role of the supervisor, techniques of supervision, planning, organizing, staffing and controlling, performance standards, performance appraisal, affirmative action, discipline, labor relations, employment law relating to persons with disabilities, and grievances. Every supervisor shall have access to a copy of each bargaining agreement covering the employees he or she supervises. The additional 40 hours of training may be provided on-the-job by a qualified higher level supervisor or manager.

(c) The entire 80 hours of training shall be completed within the term of the probationary period or within 12 months of appointment to a supervisory classification. The training shall be completed within the term of the probationary period unless it is demonstrated that to do so creates additional costs or that the training cannot be completed during

the probationary period due to the limited availability of training courses.

CHAPTER 166

An act to amend Section 10508 of, and to add Sections 10508.6, 10508.7, and 10508.8 to, the Insurance Code, relating to records.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 10508 of the Insurance Code is amended to read:

10508. (a) It is the obligation of every insurer admitted in this state to transact life or disability insurance, or both, to maintain certain records specified in this article pertaining to the activities of its life, life and disability, and disability agents and any other agents for the inspection and examination of the commissioner.

(b) The original or certified copies of the records shall be delivered to the commissioner within a period of 30 days following receipt of written demand therefor.

(c) The records required to be maintained or made available in this state may be in the form of originals, carbon, or facsimile copies, microfilm copies, or electronic data-processing records if printouts are available within a reasonable period of time, and shall include, to the extent the data are pertinent and available for each insurance transaction, the names, dates, amounts and policy numbers involved. The records are composed of all of the following:

(1) The original application for each insurance policy or contract sold in this state.

(2) Records showing, for each insurance policy or contract issued, the premiums received by the insurer.

(3) Production records showing all insurance policies or contracts sold by each agent or other agent in the expired portion of the current calendar year and the whole of each of the preceding five calendar years.

(4) Records showing, for each insurance policy or contract issued, the amount of commissions paid and to whom.

(5) Records or memoranda identifying any agent other, than the agent whose name appears on the application who, to the actual knowledge of the insurer, handled any part of an insurance transaction for which the other agent was not compensated.

(6) Correspondence, written solicitations or proposals, or other written communications sent by the insurer to a prospect, applicant, or insured, or received from him or her by the insurer, excluding printed material in general use distributed by the insurer, either directly or indirectly through its life agents.

(7) Correspondence, written proposals, notices, a statement of reasons, or other written communications, if any, pertaining to the rescission, termination, or nonrenewal of a policy or contract, or the election of nonforfeiture values thereunder, sent by an insurer to a policyholder or contractholder or received from him or her by an insurer.

(8) A copy of a written comparison of benefits, limitations, exclusions, and costs of existing accident, sickness, or long-term care coverage and proposed coverage.

(9) A copy of the outline of coverage or disclosure statement required by law or regulation.

(10) Copies of any correspondence between the policyholder or prospective policyholder and the agent or insurer.

(11) Copies of correspondence between anyone acting on behalf of the policyholder or prospective policyholder and the agent or insurer.

(d) Except as otherwise provided, the records shall be maintained for a minimum period of five years following the actual delivery of the insurance policy or contract to which each pertains, or, if no policy or contract was issued, for a minimum period of five years after the date of the application therefor.

SEC. 2. Section 10508.6 is added to the Insurance Code, to read:

10508.6. (a) The Legislature finds and declares that there is no statutory authority for the commissioner to gather information or data on life insurance, annuity, or disability products for the purpose of evaluating trends in the marketplace or the uses these contracts serve.

(b) The commissioner may collect, compile, analyze, and report data relating to life and disability insurance, annuity contracts, and related contracts offered, issued, delivered, or renewed in this state through any method of marketing.

(c) Any officer, manager, agent, or employee of any institution offering life and disability insurance, annuity contracts, or related contracts, shall, upon request by the commissioner, exhibit to the commissioner all books, records, accounts, documents, or agreements governing its method of operation, together with all data, statistics, and information of every kind and character collected or considered by the institution in the conduct of its operations.

(d) The commissioner may adopt reasonable rules and regulations requiring an annual reporting of the data authorized for collection under this section.

(e) The commissioner may, for the purpose of furthering the uniform administration of regulatory laws, exchange information and data with law enforcement officials of this and other states relating to the implementation of the reporting requirements imposed by this section, and may consult with those officials regarding that information and data.

SEC. 3. Section 10508.7 is added to the Insurance Code, to read:

10508.7. A person subject to the requirements of Section 10508.6 who submits any false information in connection with a request for information or data pursuant to that section shall be liable for a civil penalty not to exceed one hundred thousand dollars (\$100,000). A person subject to the requirements of Section 10508.6 who fails to comply with a request for information or data pursuant to that section shall be liable for a civil penalty not to exceed five thousand dollars (\$5,000) for each 30-day period in which the person fails to comply. If the failure to comply is willful, the person shall be liable for a civil penalty not to exceed ten thousand dollars (\$10,000) for each 30-day period in which the person fails to comply, but not to exceed an aggregate amount of one hundred thousand dollars (\$100,000). In determining the penalty, the commissioner shall consider the good faith of the person and any similar prior violations by the person under this code.

SEC. 4. Section 10508.8 is added to the Insurance Code, to read:

10508.8. The commissioner shall ensure, to the furthest extent possible, that any data call issued by him or her does not conflict with any similar data call or data collection request, including, but not limited to, a request issued by the National Association of Insurance Commissioners.

CHAPTER 167

An act to amend Section 116287 of the Health and Safety Code, relating to drinking water.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 116287 of the Health and Safety Code is amended to read:

116287. (a) The department, in implementing subdivision (s) of Section 116275 and Section 116286, shall place requirements on affected public water systems and water districts that are consistent with this chapter and the guidelines established by the United States

Environmental Protection Agency for implementing comparable provisions of the federal Safe Drinking Water Act of 1996.

(b) The department, in making the determinations specified in paragraphs (2) and (3) of subdivision (s) of Section 116275 and subdivisions (a) and (b) of Section 116286, shall utilize criteria that are consistent with this chapter and those used by the United States Environmental Protection Agency in administering the comparable provisions of the federal Safe Drinking Water Act.

(c) The department shall periodically monitor and review the conditions under which a public water system, or a water district as defined in subdivision (b) of Section 116286, has met the requirements of this chapter pursuant to subdivision (s) of Section 116275 or Section 116286, or pursuant to the federal act, to ensure that the conditions continue to be met.

(d) The department may prescribe reasonable, feasible, and cost-effective actions to be taken by a public water system, water district, as defined in subdivision (b) of Section 116286, or users subject to subdivision (s) of Section 116275 or Section 116286 to ensure that alternative water or treated water provided by the water systems, water districts, or users pursuant to Section 116275 or 116286 will not be injurious to health.

(e) A notice prominently titled "Notice of Noncompliance with Safe Drinking Water Requirements" at the top of the document that states the requirements and actions prescribed by the department under subdivisions (a) and (d), describes the real property by assessors parcel number or legal description to which these requirements and actions apply, and names the record owners of that real property, may be recorded by the affected public water system or water district in the county where the real property is located. Recordation and proper indexing, as prescribed by law, shall provide constructive notice of these requirements and actions and shall not constitute a title defect, lien, or encumbrance. The public water system or water district shall provide notice of this recordation to the record owners of the real property by first-class mail, postage prepaid, to the address as shown on the latest county assessment roll. If the public water system or water district later determines that the record owners of the real property have complied with the requirements and actions prescribed by the department, the public water system or water district, within 10 days of that determination, shall record a subsequent notice titled "Notice of Compliance with Safe Drinking Water Requirements" that states that the "Notice of Noncompliance with Safe Drinking Water Requirements" has no further force or effect.

(f) A water district subject to this section shall annually publish a notice in a newspaper of general circulation describing any requirements

and actions prescribed by the department to be taken by the water district and any record of compliance by the water district with these requirements and actions.

(g) This section shall not relieve a water district from complying with any other provisions of law.

CHAPTER 168

An act to amend and repeal Sections 307, 5211, 7211, and 9211 of the Corporations Code, relating to corporations.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 307 of the Corporations Code, as amended by Section 7 of Chapter 1008 of the Statutes of 2002, is amended to read:

307. (a) Unless otherwise provided in the articles or, subject to paragraph (5) of subdivision (a) of Section 204, in the bylaws, all of the following apply:

(1) Meetings of the board may be called by the chair of the board or the president or any vice president or the secretary or any two directors.

(2) Regular meetings of the board may be held without notice if the time and place of the meetings are fixed by the bylaws or the board. Special meetings of the board shall be held upon four days' notice by mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. The articles or bylaws may not dispense with notice of a special meeting. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the board.

(3) Notice of a meeting need not be given to a director who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to that director. These waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

(4) A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of an adjournment to another time or place shall be given prior to the time of the adjourned

meeting to the directors who were not present at the time of the adjournment.

(5) Meetings of the board may be held at a place within or without the state that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, designated in the bylaws or by resolution of the board.

(6) Members of the board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone pursuant to this subdivision constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through the use of electronic video screen communication or other communications equipment, other than conference telephone, pursuant to this subdivision constitutes presence in person at that meeting if all of the following apply:

(A) Each member participating in the meeting can communicate with all of the other members concurrently.

(B) Each member is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

(C) The corporation adopts and implements some means of verifying both of the following:

(i) A person participating in the meeting is a director or other person entitled to participate in the board meeting.

(ii) All actions of, or votes by, the board are taken or cast only by the directors and not by persons who are not directors.

(7) A majority of the authorized number of directors constitutes a quorum of the board for the transaction of business. The articles or bylaws may not provide that a quorum shall be less than one-third the authorized number of directors or less than two, whichever is larger, unless the authorized number of directors is one, in which case one director constitutes a quorum.

(8) An act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board, subject to the provisions of Section 310 and subdivision (e) of Section 317. The articles or bylaws may not provide that a lesser vote than a majority of the directors present at a meeting is the act of the board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

(b) An action required or permitted to be taken by the board may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings of the board. The action by written consent shall have the same force and effect as a unanimous vote of the directors.

(c) This section applies also to committees of the board and incorporators and action by those committees and incorporators, *mutatis mutandis*.

SEC. 2. Section 307 of the Corporations Code, as amended by Section 8 of Chapter 1008 of the Statutes of 2002, is repealed.

SEC. 3. Section 5211 of the Corporations Code, as amended by Section 9 of Chapter 1008 of the Statutes of 2002, is amended to read:

5211. (a) Unless otherwise provided in the articles or in the bylaws, all of the following apply:

(1) Meetings of the board may be called by the chair of the board or the president or any vice president or the secretary or any two directors.

(2) Regular meetings of the board may be held without notice if the time and place of the meetings are fixed by the bylaws or the board. Special meetings of the board shall be held upon four days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. The articles or bylaws may not dispense with notice of a special meeting. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the board.

(3) Notice of a meeting need not be given to a director who signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to that director. These waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

(4) A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of an adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

(5) Meetings of the board may be held at a place within or without the state that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, designated in the bylaws or by resolution of the board.

(6) Members of the board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone pursuant to this subdivision constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment, other than conference telephone, pursuant to this subdivision constitutes presence in person at that meeting if all of the following apply:

(A) Each member participating in the meeting can communicate with all of the other members concurrently.

(B) Each member is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

(C) The corporation adopts and implements some means of verifying both of the following:

(i) A person participating in the meeting is a director or other person entitled to participate in the board meeting.

(ii) All actions of, or votes by, the board are taken or cast only by the directors and not by persons who are not directors.

(7) A majority of the number of directors authorized in the articles or bylaws constitutes a quorum of the board for the transaction of business. The articles or bylaws may not provide that a quorum shall be less than one-fifth the number of directors authorized in the articles or bylaws, or less than two, whichever is larger, unless the number of directors authorized in the articles or bylaws is one, in which case one director constitutes a quorum.

(8) Subject to the provisions of Sections 5212, 5233, 5234, 5235, and subdivision (e) of Section 5238, an act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board. The articles or bylaws may not provide that a lesser vote than a majority of the directors present at a meeting is the act of the board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting, or a greater number required by this division, the articles or bylaws.

(b) An action required or permitted to be taken by the board may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings of the board. The action by written consent shall have the same force and effect as the

unanimous vote of the directors. For the purposes of this section only, “all members of the board” does not include an “interested director” as defined in Section 5233.

(c) The provisions of this section apply also to incorporators, to committees of the board, and to action by those incorporators or committees *mutatis mutandis*.

SEC. 4. Section 5211 of the Corporations Code, as amended by Section 10 of Chapter 1008 of the Statutes of 2002, is repealed.

SEC. 5. Section 7211 of the Corporations Code, as amended by Section 11 of Chapter 1008 of the Statutes of 2002, is amended to read:

7211. (a) Unless otherwise provided in the articles or in the bylaws, all of the following apply:

(1) Meetings of the board may be called by the chair of the board or the president or any vice president or the secretary or any two directors.

(2) Regular meetings of the board may be held without notice if the time and place of the meetings are fixed by the bylaws or the board. Special meetings of the board shall be held upon four days’ notice by first-class mail or 48 hours’ notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. The articles or bylaws may not dispense with notice of a special meeting. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the board.

(3) Notice of a meeting need not be given to a director who signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to that director. These waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

(4) A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 hours, notice of an adjournment to another time or place shall be given prior to the time of the adjourned meeting to the directors who were not present at the time of the adjournment.

(5) Meetings of the board may be held at a place within or without the state that has been designated in the notice of the meeting or, if not stated in the notice or if there is no notice, designated in the bylaws or by resolution of the board.

(6) Members of the board may participate in a meeting through use of conference telephone, electronic video screen communications, or other communications equipment. Participation in a meeting through

use of conference telephone pursuant to this subdivision constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment, other than conference telephone, pursuant to this subdivision constitutes presence in person at that meeting if all of the following apply:

(A) Each member participating in the meeting can communicate with all of the other members concurrently.

(B) Each member is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

(C) The corporation adopts and implements some means of verifying both of the following:

(i) A person participating in the meeting is a director or other person entitled to participate in the board meeting.

(ii) All actions of, or votes by, the board are taken or cast only by the directors and not by persons who are not directors.

(7) A majority of the number of directors authorized in the articles or bylaws constitutes a quorum of the board for the transaction of business. The articles or bylaws may not provide that a quorum shall be less than one-fifth the number of directors authorized in the articles or bylaws, or less than two, whichever is larger, unless the number of directors authorized in the articles or bylaws is one, in which case one director constitutes a quorum.

(8) Subject to the provisions of Sections 7212, 7233, 7234, and subdivision (e) of Section 7237 and Section 5233, insofar as it is made applicable pursuant to Section 7238, an act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board. The articles or bylaws may not provide that a lesser vote than a majority of the directors present at a meeting is the act of the board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting, or a greater number required by this division, the articles or bylaws.

(b) An action required or permitted to be taken by the board may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings of the board. The action by written consent shall have the same force and effect as a unanimous vote of the directors. For the purposes of this section only, "all members of the board" does not include an "interested director" as

defined in Section 5233, insofar as it is made applicable pursuant to Section 7238.

(c) This section applies also to incorporators, to committees of the board, and to action by those incorporators or committees *mutatis mutandis*.

SEC. 6. Section 7211 of the Corporations Code, as amended by Section 12 of Chapter 1008 of the Statutes of 2002, is repealed.

SEC. 7. Section 9211 of the Corporations Code, as amended by Section 13 of Chapter 1008 of the Statutes of 2002, is amended to read:

9211. (a) Unless otherwise provided in the articles or in the bylaws, all of the following apply:

(1) Meetings of the board may be called by the chair of the board or the president or any vice president or the secretary or any two directors.

(2) Regular meetings of the board may be held without notice if the time and place of the meetings are fixed by the bylaws or the board. Special meetings of the board shall be held upon four days' notice by first-class mail or 48 hours' notice delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail, or other electronic means. The articles or bylaws may not dispense with notice of a special meeting. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the board.

(3) Notice of a meeting need not be given to a director who signed a waiver of notice or a written consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to that director. These waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.

(4) A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place.

(5) Meetings of the board may be held at a place within or without the state that has been designated in the notice of the meeting or, if not stated in the notice or there is no notice, designated in the bylaws or by resolution of the board.

(6) Members of the board may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone pursuant to this subdivision constitutes presence in person at that meeting as long as all members participating in the meeting are able to hear one another. Participation in a meeting through use of electronic video screen communication or other communications equipment, other than conference telephone, pursuant

to this subdivision constitutes presence in person at that meeting, if all of the following apply:

(A) Each member participating in the meeting can communicate with all of the other members concurrently.

(B) Each member is provided the means of participating in all matters before the board, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the corporation.

(C) The corporation adopts and implements some means of verifying both of the following:

(i) A person participating in the meeting is a director or other person entitled to participate in the board meeting.

(ii) All actions of or votes by the board are taken or cast only by the directors and not by persons who are not directors.

(7) A majority of the number of directors authorized in the articles or bylaws constitutes a quorum of the board for the transaction of business.

(8) An act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the board. The articles or bylaws may not provide that a lesser vote than a majority of the directors present at a meeting is the act of the board. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting, or a greater number as is required by this division, the articles or bylaws.

(b) An action required or permitted to be taken by the board may be taken without a meeting, if all members of the board shall individually or collectively consent in writing to that action. The written consent or consents shall be filed with the minutes of the proceedings of the board. The action by written consent shall have the same force and effect as the unanimous vote of the directors.

(c) This section applies also to incorporators, to committees of the board, and to action by those incorporators or committees *mutatis mutandis*.

SEC. 8. Section 9211 of the Corporations Code, as amended by Section 14 of Chapter 1008 of the Statutes of 2002, is repealed.

CHAPTER 169

An act to amend Section 1861.02 of the Insurance Code, relating to automobile insurance, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor August 2, 2003. Filed with
Secretary of State August 2, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 1861.02 of the Insurance Code is amended to read:

1861.02. (a) Rates and premiums for an automobile insurance policy, as described in subdivision (a) of Section 660, shall be determined by application of the following factors in decreasing order of importance:

- (1) The insured's driving safety record.
- (2) The number of miles he or she drives annually.
- (3) The number of years of driving experience the insured has had.
- (4) Those other factors that the commissioner may adopt by regulation and that have a substantial relationship to the risk of loss. The regulations shall set forth the respective weight to be given each factor in determining automobile rates and premiums. Notwithstanding any other provision of law, the use of any criterion without approval shall constitute unfair discrimination.

(b) (1) Every person who meets the criteria of Section 1861.025 shall be qualified to purchase a Good Driver Discount policy from the insurer of his or her choice. An insurer shall not refuse to offer and sell a Good Driver Discount policy to any person who meets the standards of this subdivision.

(2) The rate charged for a Good Driver Discount policy shall comply with subdivision (a) and shall be at least 20% below the rate the insured would otherwise have been charged for the same coverage. Rates for Good Driver Discount policies shall be approved pursuant to this article.

(3) (A) This subdivision shall not prevent a reciprocal insurer, organized prior to November 8, 1988, by a motor club holding a certificate of authority under Chapter 2 (commencing with Section 12160) of Part 5 of Division 2, and which requires membership in the motor club as a condition precedent to applying for insurance from requiring membership in the motor club as a condition precedent to obtaining insurance described in this subdivision.

(B) This subdivision shall not prevent an insurer which requires membership in a specified voluntary, nonprofit organization, which was in existence prior to November 8, 1988, as a condition precedent to applying for insurance issued to or through those membership groups, including franchise groups, from requiring such membership as a condition to applying for the coverage offered to members of the group, provided that it or an affiliate also offers and sells coverage to those who are not members of those membership groups.

(C) However, all of the following conditions shall be applicable to the insurance authorized by subparagraphs (A) and (B):

(i) Membership, if conditioned, is conditioned only on timely payment of membership dues and other bona fide criteria not based upon driving record or insurance, provided that membership in a motor club may not be based on residence in any area within the state.

(ii) Membership dues are paid solely for and in consideration of the membership and membership benefits and bear a reasonable relationship to the benefits provided. The amount of the dues shall not depend on whether the member purchases insurance offered by the membership organization. None of those membership dues or any portion thereof shall be transferred by the membership organization to the insurer, or any affiliate of the insurer, attorney-in-fact, subsidiary, or holding company thereof, provided that this provision shall not prevent any bona fide transaction between the membership organization and those entities.

(iii) Membership provides bona fide services or benefits in addition to the right to apply for insurance. Those services shall be reasonably available to all members within each class of membership.

Any insurer that violates clause (i), (ii), or (iii) shall be subject to the penalties set forth in Section 1861.14.

(c) The absence of prior automobile insurance coverage, in and of itself, shall not be a criterion for determining eligibility for a Good Driver Discount policy, or generally for automobile rates, premiums, or insurability. However, notwithstanding subdivision (a), an insurer may use persistency of automobile insurance coverage with the insurer, an affiliate, or another insurer as an optional rating factor. The Legislature hereby finds and declares that it furthers the purpose of Proposition 103 to encourage competition among carriers so that coverage overall will be priced competitively. The Legislature further finds and declares that competition is furthered when insureds are able to claim a discount for regular purchases of insurance from any carrier offering this discount irrespective of whether or not the insured has previously purchased from a given carrier offering the discount. Persistency of coverage may be demonstrated by coverage under the low-cost automobile insurance program pursuant to Article 5.5 (commencing with Section 11629.7) and Article 5.6 (commencing with Section 11629.9) of Chapter 1 of Part 3 of Division 2, or by coverage under the assigned risk plans pursuant to Article 4 (commencing with Section 11620) of Chapter 1 of Part 3 of Division 2. Persistency shall be deemed to exist even if there is a lapse of coverage of up to two years due to an insured's absence from the state while in military service, and up to 90 days in the last five years for any other reason.

(d) An insurer may refuse to sell a Good Driver Discount policy insuring a motorcycle unless all named insureds have been licensed to drive a motorcycle for the previous three years.

(e) This section shall become operative on November 8, 1989. The commissioner shall adopt regulations implementing this section and insurers may submit applications pursuant to this article which comply with those regulations prior to that date, provided that no such application shall be approved prior to 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:

Because making a ratings discount portable will expand consumer access to insurance and consumer choice, and will result in increased competition in the marketplace, it is necessary that this act take effect immediately.

CHAPTER 170

An act to amend Section 18871 of the Revenue and Taxation Code, relating to designated taxpayer contributions.

[Approved by Governor August 3, 2003. Filed with
Secretary of State August 4, 2003.]

The people of the State of California do enact as follows:

SECTION 1. Section 18871 of the Revenue and Taxation Code is amended to read:

18871. In implementing this chapter, all of the following requirements shall apply:

(a) Unless otherwise specifically required by law, each voluntary contribution fund or account established by this chapter shall be included on the forms of the return through the taxable year immediately preceding the year of repeal of the article establishing that voluntary contribution fund or account.

(b) Notwithstanding the repeal of any article of this chapter, the voluntary contribution fund or account specified in that article shall continue in effect until December 31 of the year of the repeal of that article, and any contribution designated pursuant to that article on a timely filed initial return for the taxable year immediately preceding the date of repeal shall be transferred and disbursed, and all costs incurred by the Franchise Tax Board and Controller in connection with the

transfer and disbursement of these contribution amounts shall continue to be paid, in accordance with that article as it read immediately prior to its repeal.

(c) Unless otherwise specifically required by law, a contribution made to any voluntary contribution fund or account established by this chapter shall be subject to the following provisions:

(1) In the event that no designee is specified, the contribution shall, after reimbursement of the direct actual costs of the Franchise Tax Board for the collection and administration of contributions made under this article, be transferred to the General Fund.

(2) In the event an individual designates a contribution to more than one account or fund listed on the tax return, and the amount available is insufficient to satisfy the total amount designated, the contribution shall be allocated among the designees on a pro rata basis.

(d) (1) If the number of contingent voluntary contribution designations that are eligible to be added to the tax return for a taxable year is greater than the number of voluntary contribution designations removed, those contingent voluntary contribution designations that are eligible to be added to the tax return shall be added to the tax return in the order of the date of enactment, with the voluntary contribution designation with the earliest date of enactment to be added first.

(2) For purposes of this subdivision:

(A) A contingent voluntary contribution designation means a voluntary contribution designation authorized under this chapter that may not be added to the tax return until another voluntary contribution designation is removed from the tax form.

(B) The date of enactment of a contingent voluntary contribution designation authorized under this chapter shall be the date the act authorizing the contingent voluntary contribution designation was filed with the Secretary of State. In the event that more than one act authorizing a contingent voluntary contribution designation is filed with the Secretary of State on the same date, the act with the lowest chapter number will be conclusively presumed to have been filed with the Secretary of State before any other act authorizing a contingent voluntary contribution designation with a higher number.

(e) Notwithstanding subdivision (d), or the contingency language of an act prohibiting the addition of a contingent voluntary contribution designation until another voluntary contribution designation is removed, the Franchise Tax Board may add one or more voluntary contribution designations if the board determines that space is available on the tax return to accommodate the additional voluntary contribution designation.
