

Volume 1

STATUTES OF CALIFORNIA

AND DIGESTS OF MEASURES

2005

Constitution of 1879 as Amended

Measures Submitted to Vote of Electors,
Special Statewide Election, November 8, 2005

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

2005–06 Regular Session
2005–06 First Extraordinary Session



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EFFECTIVE DATES

Regular Session

The 2005–06 Regular Session convened on December 6, 2004, and the interim study recess commenced on September 8, 2005. Statutes enacted in 2005, other than those taking immediate effect, will become effective January 1, 2006.

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 2005–06 First Extraordinary Session convened on January 6, 2005. This Extraordinary Session 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 Special Statewide Election, November 8, 2005:

<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	2005	—	73	Waiting Period and Parental Notification Before Termination of Minor's Pregnancy.
IV	10	Amendment	Initiative Measure	2005	—	76	State Spending and School Funding Limits.
	12	Amendment	Initiative Measure	2005	—	76	State Spending and School Funding Limits.
XIII B	6	Amendment	Initiative Measure	2005	—	76	State Spending and School Funding Limits.
XVI	8	Amendment	Initiative Measure	2005	—	76	State Spending and School Funding Limits.
XIX	6	Amendment	Initiative Measure	2005	—	76	State Spending and School Funding Limits.
XIX A	1	Amendment	Initiative Measure	2005	—	76	State Spending and School Funding Limits.
XIX B	1	Amendment	Initiative Measure	2005	—	76	State Spending and School Funding Limits.
XXI	1	Amendment	Initiative Measure	2005	—	77	Redistricting.

**CONSTITUTION OF THE STATE
OF CALIFORNIA**

1879

CONSTITUTION OF THE STATE OF CALIFORNIA*

AS AMENDED AND IN FORCE NOVEMBER 2, 2004

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—Right of Access to Government Information]

SEC. 3. (a) The people have the right to instruct their representatives, petition government for redress of grievances, and assemble freely to consult for the common good.

(b) (1) The people have the right of access to information concerning the conduct of the people’s business, and therefore, the meetings of public bodies and the writings of public officials and agencies shall be open to public scrutiny.

(2) A statute, court rule, or other authority, including those in effect on the effective date of this subdivision, shall be broadly construed if it furthers the people’s right of access, and narrowly construed if it limits the right of access. A statute, court rule, or other authority adopted after the effective date of this subdivision that limits the right of access shall be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

(3) Nothing in this subdivision supersedes or modifies the right of privacy guaranteed by Section 1 or affects the construction of any statute, court rule, or other authority to the extent that it protects that right to privacy, including any statutory procedures governing discovery or disclosure of information concerning the official performance or professional qualifications of a peace officer.

(4) Nothing in this subdivision supersedes or modifies any provision of this Constitution, including the guarantees that a person may not be deprived of life, liberty, or property without due process of law, or denied equal protection of the laws, as provided in Section 7.

(5) This subdivision does not repeal or nullify, expressly or by implication, any constitutional or statutory exception to the right of access to public records or meetings of public bodies that is in effect on the effective date of this subdivision, including, but not limited to, any statute protecting the confidentiality of law enforcement and prosecution records.

(6) Nothing in this subdivision repeals, nullifies, supersedes, or modifies protections for the confidentiality of proceedings and records of the Legislature, the Members of the Legislature, and its employees, committees, and caucuses provided by Section 7 of Article IV, state law, or legislative rules adopted in furtherance of those provisions; nor does it affect

the scope of permitted discovery in judicial or administrative proceedings regarding deliberations of the Legislature, the Members of the Legislature, and its employees, committees, and caucuses. [*As amended November 4, 2004.*]

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 transportation. 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 re-

sponsibility 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. 2¾. [Repealed November 7, 1972.]

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

[Residence—Registration—Free Elections]

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

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

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

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

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

[Primary Elections for Partisan Offices—Open Presidential Primary—Election Rights of Political Parties]

SEC. 5. (a) 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.

(b) A political party that participated in a primary election for a partisan office has the right to participate in the general election for that office and shall not be denied the ability to place on the general election ballot the candidate who received, at the primary election, the highest vote among that party's candidates. [As amended November 2, 2004.]

[Nonpartisan Offices]

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

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

[*Voting—Secret*]

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

[*Initiative*]

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

(b) An initiative measure may be proposed by presenting to the Secretary of State a petition that sets forth the text of the proposed statute or amendment to the Constitution and is certified to have been signed by electors equal in number to 5 percent in the case of a statute, and 8 percent in the case of an amendment to the Constitution, of the votes for all candidates for Governor at the last gubernatorial election.

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

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

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

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

[*Referendum*]

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

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

copy of the petition is submitted to the Attorney General pursuant to subdivision (d) of Section 10 of Article II before January 1.

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

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

SEC. 10. (a) An initiative statute or referendum approved by a majority of votes thereon takes effect the day after the election unless the measure provides otherwise. If a referendum petition is filed against a part of a statute the remainder shall not be delayed from going into effect.

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

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

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

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

[*Initiative and Referendum—Cities or Counties*]

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

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

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

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

SEC. 12. No amendment to the Constitution, and no statute proposed to the electors by the Legislature or by initiative, that names any individual

to hold any office, or names or identifies any private corporation to perform any function or to have any power or duty, may be submitted to the electors or have any effect. [*Former Section 26 of Article IV, as renumbered June 8, 1976.*]

[*Recall Defined*]

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

[*Recall Petitions*]

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

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

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

[*Recall Elections*]

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

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

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

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

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

[Recall of Governor or Secretary of State]

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

[Reimbursement of Recall Election Expenses]

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

SECTION 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.]*

* New Article III adopted November 7, 1972.

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

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

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

(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 sub-

division (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.]

[*Sale of Surplus State Property*]

SEC. 9. The proceeds from the sale of surplus state property occurring on or after the effective date of this section, and any proceeds from the previous sale of surplus state property that have not been expended or encumbered as of that date, shall be used to pay the principal and interest on bonds issued pursuant to the Economic Recovery Bond Act authorized at the March 2, 2004, statewide primary election. Once the principal and interest on those bonds are fully paid, the proceeds from the sale of surplus state property shall be deposited into the Special Fund for Economic Uncertainties, or any successor fund. For purposes of this section, surplus state property does not include property purchased with revenues described in Article XIX or any other special fund moneys. [New section adopted November 2, 2004.]

ARTICLE IV

LEGISLATIVE

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

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

[*Legislative Power*]

SECTION 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 before 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—Fiscal Emergencies]

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.

(f) (1) If, following the enactment of the budget bill for the 2004–05 fiscal year or any subsequent fiscal year, the Governor determines that, for that fiscal year, General Fund revenues will decline substantially below the estimate of General Fund revenues upon which the budget bill for that fiscal year, as enacted, was based, or General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both, the Governor may issue a proclamation declaring a fiscal emergency and shall thereupon cause the Legislature to assemble in special session for this purpose. The proclamation shall identify the nature of the fiscal emergency and shall be submitted by the Governor to the Legislature, accompanied by proposed legislation to address the fiscal emergency.

(2) If the Legislature fails to pass and send to the Governor a bill or bills to address the fiscal emergency by the 45th day following the issuance of the proclamation, the Legislature may not act on any other bill, nor may the Legislature adjourn for a joint recess, until that bill or those bills have been passed and sent to the Governor.

(3) A bill addressing the fiscal emergency declared pursuant to this section shall contain a statement to that effect. [*As amended March 2, 2004.*]

[*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) (1) The budget shall be accompanied by a budget bill itemizing recommended expenditures.

(2) The budget bill shall be introduced immediately in each house by the persons chairing the committees that consider the budget.

(3) The Legislature shall pass the budget bill by midnight on June 15 of each year.

(4) 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.

(f) For the 2004–05 fiscal year, or any subsequent fiscal year, the Legislature may not send to the Governor for consideration, nor may the Governor sign into law, a budget bill that would appropriate from the General Fund, for that fiscal year, a total amount that, when combined with all appropriations from the General Fund for that fiscal year made as of the date of the budget bill's passage, and the amount of any General Fund moneys transferred to the Budget Stabilization Account for that fiscal year pursuant to Section 20 of Article XVI, exceeds General Fund revenues for that fiscal year estimated as of the date of the budget bill's passage. That estimate of General Fund revenues shall be set forth in the budget bill passed by the Legislature. [*As amended March 2, 2004.*]

[*Legislators—Ineligible for Certain Offices*]

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

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

[*Members—Not Subject to Civil Process*]

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

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

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

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

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

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

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

[*Grant of Extra Compensation or Allowance Prohibited*]

SEC. 17. The Legislature has no power to grant, or to authorize a city, county, or other public body to grant, extra compensation or extra allowance to a public officer, public employee, or contractor after service has been rendered or a contract has been entered into and performed in whole or in part, or to authorize the payment of a claim against the State or a city, county, or other public body under an agreement made without authority of law. [*New section adopted November 8, 1966.*]

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

[*Impeachment*]

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

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

[*Lotteries—Horse Races Regulated—Bingo Games 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 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.

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

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

(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.]

[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

* New Article V adopted November 8, 1966.

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]

SECTION 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.

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.

* New Article VI adopted November 8, 1966.

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

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

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

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

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

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

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

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

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 con-

troversy, 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 institute appropriate attorney disciplinary proceedings against any judge who retires or resigns from office with judicial disciplinary charges pending.

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

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

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

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

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

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

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

(k) The commission may make explanatory statements.

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

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

[*Subordinate Judicial Officers—Discipline*]

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

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

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

[*Disciplined Judge Under Consideration for Judicial Appointment*]

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

(b) Upon request, the Commission on Judicial Performance shall provide the President of the United States the text of any private admonishment, advisory letter, or other disciplinary action together with any information that the Commission on Judicial Performance deems necessary to

a full understanding of the commission's action, with respect to any applicant whom the President indicates is under consideration for any federal judicial appointment.

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

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

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

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

[*Judges—Compensation*]

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

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

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

[*Judges—Retirement—Disability*]

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

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

[*Temporary Judges*]

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

[*Appointment of Officers—Subordinate Judicial Duties*]

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

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

[*Superior and Municipal Court Consolidation*]

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

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

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

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

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

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

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

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

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

(7) Penal Code procedures that necessitate superior court review of, or action based on, a ruling or order by a municipal court judge shall be performed by a superior court judge other than the judge who originally made the ruling or order.

(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 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.*]

* New Article VII 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 gu-

bernatorial 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.*]

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

[*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.

(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 sec-

tarian influence and kept free therefrom in the appointment of its regents and in the administration of its affairs, and no person shall be debarred admission to any department of the university on account of race, religion, ethnic heritage, or sex.

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

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

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

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

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

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

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

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

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

[*Boards of Education—City Charter Provisions*]

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

[*Charter Amendments—Approval by Voters*]

(b) Notwithstanding Section 3 of Article XI, when the boundaries of a school district or community college district extend beyond the limits of a city whose charter provides for any or all of the foregoing with respect to the members of its board of education, no charter amendment effecting a change in the manner in which, the times at which, or the terms for which the members of the board of education shall be elected or appointed, for their qualifications, compensation, or removal, or for the number which shall constitute such board, shall be adopted unless it is submitted to and approved by a majority of all the qualified electors of the school district or community college district voting on the question. Any such amendment,

and any portion of a proposed charter or a revised charter which would establish or change any of the foregoing provisions respecting a board of education, shall be submitted to the electors of the school district or community college district as one or more separate questions. The failure of any such separate question to be approved shall have the result of continuing in effect the applicable existing law with respect to that board of education. [*As amended June 6, 1978.*]

ARTICLE X*

WATER

[*State's Right of Eminent Domain*]

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

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

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

* New Article X 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; (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.*]

* New Article X A adopted November 4, 1980.

† Chapter 632, Statutes of 1980.

[*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 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,

† Chapter 632, Statutes of 1980.

† Chapter 632, Statutes of 1980.

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.*]

† Chapter 632, Statutes of 1980.

ARTICLE X B*

MARINE RESOURCES PROTECTION ACT OF 1990

[Title]

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

[Definitions]

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

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

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

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

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

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

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

[Gill and Trammel Nets—Usage]

SEC. 3. (a) From January 1, 1991, to December 31, 1993, inclusive, gill nets or trammel nets may only be used in the zone pursuant to a 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.

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

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

[*Gill and Trammel Nets—Usage*]

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

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

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

[*Permit Fees*]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

[*Marine Resources Protection Account—Grants*]

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

[*Report to Legislature*]

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

[Violations]

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

[Commercial Fishing Daily Landings Monitoring and Evaluating Program]

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

[Penalties for Violations—Probation—Fine]

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

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

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

[New Ecological Reserves]

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

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

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

[*Severability*]

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

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

ARTICLE XI*

LOCAL GOVERNMENT

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

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

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

* New Article XI adopted June 2, 1970.

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, proposition for the issuance of bonds, or other question or proposition submitted to the voters of a city, or to the voters of a county at an election held throughout an entire single county. [New section adopted June 2, 1998.]

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

[Counties—Performance of Municipal Functions]

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

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

SEC. 8½. [Repealed June 2, 1970.]

[*Local Utilities*]

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

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

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

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

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

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

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

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

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

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

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

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

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

[*Distribution of Powers—Construction of Article*]

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

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

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

[*Local Government—Taxation*]

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

[*Vehicle License Fee Allocations*]

SEC. 15. (a) From the revenues derived from taxes imposed pursuant to the Vehicle License Fee Law (Part 5 (commencing with Section 10701) of Division 2 of the Revenue and Taxation Code), or its successor, other than fees on trailer coaches and mobilehomes, over and above the costs of collection and any refunds authorized by law, those revenues derived from that portion of the vehicle license fee rate that does not exceed 0.65 percent of the market value of the vehicle shall be allocated as follows:

(1) An amount shall be specified in the Vehicle License Fee Law, or the successor to that law, for deposit in the State Treasury to the credit of the Local Revenue Fund established in Chapter 6 (commencing with Section 17600) of Part 5 of Division 9 of the Welfare and Institutions Code, or its successor, if any, for allocation to cities, counties, and cities and counties as otherwise provided by law.

(2) The balance shall be allocated to cities, counties, and cities and counties as otherwise provided by law.

(b) If a statute enacted by the Legislature reduces the annual vehicle license fee below 0.65 percent of the market value of a vehicle, the Legislature shall, for each fiscal year for which the reduced fee applies, provide by statute for the allocation of an additional amount of money that is equal to the decrease, resulting from the fee reduction, in the total amount of revenues that are otherwise required to be deposited and allocated under subdivision (a) for that same fiscal year. That amount shall be allocated to cities, counties, and cities and counties in the same pro rata amounts and for the same purposes as are revenues subject to subdivision (a). [*As amended November 2, 2004.*]

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*]

SECTION 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. 12³/₄. [*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. 14⁵/₅. [*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 subvened to a local government under Section 25 may be used for state or local purposes. [New section adopted November 5, 1974.]

SEC. 25. [Repealed November 5, 1974. See Section 25, below.]

[Homeowners' Exemption, Reimbursement of Local Government]

SEC. 25. The Legislature shall provide, in the same fiscal year, reimbursements to each local government for revenue lost because of Section 3(k). [New section adopted November 5, 1974.]

[Ad Valorem Property Tax Revenue Allocations]

SEC. 25.5. (a) On or after November 3, 2004, the Legislature shall not enact a statute to do any of the following:

(1) (A) Except as otherwise provided in subparagraph (B), modify the manner in which as valorem property tax revenues are allocated in accordance with subdivision (a) of Section 1 of Article XIII A so as to reduce for any fiscal year the percentage of the total amount of ad valorem property tax revenues in a county that is allocated among all of the local agencies in that county below the percentage of the total amount of those revenues that would be allocated among those agencies for the same fiscal year un-

der the statutes in effect on November 3, 2004. For purposes of this subparagraph, “percentage” does not include any property tax revenues referenced in paragraph (2).

(B) Beginning with the 2008–09 fiscal year and except as otherwise provided in subparagraph (C), subparagraph (A) may be suspended for a fiscal year if all of the following conditions are met:

(i) The Governor issues a proclamation that declares that, due to a severe state fiscal hardship, the suspension of subparagraph (A) is necessary.

(ii) The Legislature enacts an urgency 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, that contains a suspension of subparagraph (A) for that fiscal year and does not contain any other provision.

(iii) No later than the effective date of the statute described in clause (ii), a statute is enacted that provides for the full repayment to local agencies of the total amount of revenue losses, including interest as provided by law, resulting from the modification of ad valorem property tax revenue allocations to local agencies. This full repayment shall be made not later than the end of the third fiscal year immediately following the fiscal year to which the modification applies.

(C) (i) Subparagraph (A) shall not be suspended for more than two fiscal years during any period of 10 consecutive fiscal years, which period begins with the first fiscal year for which subparagraph (A) is suspended.

(ii) Subparagraph (A) shall not be suspended during any fiscal year if the full repayment required by a statute enacted in accordance with clause (iii) of subparagraph (B) has not yet been completed.

(iii) Subparagraph (A) shall not be suspended during any fiscal year if the amount that was required to be paid to cities, counties, and cities and counties under Section 10754.11 of the Revenue and Taxation Code, as that section read on November 3, 2004, has not been paid in full prior to the effective date of the statute providing for that suspension as described in clause (ii) of subparagraph (B).

(iv) A suspension of subparagraph (A) shall not result in a total ad valorem property tax revenue loss to all local agencies within a county that exceeds 8 percent of the total amount of ad valorem property tax revenues that were allocated among all local agencies within that county for the fiscal year immediately preceding the fiscal year for which subparagraph (A) is suspended.

(2) (A) Except as otherwise provided in subparagraphs (B) and (C), restrict the authority of a city, county, or city and county to impose a tax rate under, or change the method of distributing revenues derived under, the Bradley-Burns Uniform Local Sales and Use Tax Law set forth in Part 1.5 (commencing with Section 7200) of Division 2 of the Revenue and Taxation Code, as that law read on November 3, 2004. The restriction imposed

by this subparagraph also applies to the entitlement of a city, county, or city and county to the change in tax rate resulting from the end of the revenue exchange period, as defined in Section 7203.1 of the Revenue and Taxation Code as that section read on November 3, 2004.

(B) The Legislature may change by statute the method of distributing the revenues derived under a use tax imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law to allow the State to participate in an interstate compact or to comply with federal law.

(C) The Legislature may authorize by statute two or more specifically identified local agencies within a county, with the approval of the governing body of each of those agencies, to enter into a contract to exchange allocations of ad valorem property tax revenues for revenues derived from a tax rate imposed under the Bradley-Burns Uniform Local Sales and Use Tax Law. The exchange under this subparagraph of revenues derived from a tax rate imposed under that law shall not require voter approval for the continued imposition of any portion of an existing tax rate from which those revenues are derived.

(3) Except as otherwise provided in subparagraph (C) of paragraph (2), change for any fiscal year the pro rata shares in which ad valorem property tax revenues are allocated among local agencies in a county other than pursuant to a bill passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring.

(4) Extend beyond the revenue exchange period, as defined in Section 7203.1 of the Revenue and Taxation Code as that section read on November 3, 2004, the suspension of the authority, set forth in that section on that date, of a city, county, or city and county to impose a sales and use tax rate under the Bradley-Burns Uniform Local Sales and Use Tax Law.

(5) Reduce, during any period in which the rate authority suspension described in paragraph (4) is operative, the payments to a city, county, or city and county that are required by Section 97.68 of the Revenue and Taxation Code, as that section read on November 3, 2004.

(6) Restrict the authority of a local entity to impose a transactions and use tax rate in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code), or change the method for distributing revenues derived under a transaction and use tax rate imposed under that law, as it read on November 3, 2004.

(b) For purposes of this section, the following definitions apply:

(1) "Ad valorem property tax revenues" means all revenues derived from the tax collected by a county under subdivision (a) of Section 1 of Article XIII A, regardless of any of this revenue being otherwise classified by statute.

(2) “Local agency” has the same meaning as specified in Section 95 of the Revenue and Taxation Code as that section read on November 3, 2004. [*New section adopted November 2, 2004.*]

[*Income Tax*]

SEC. 26. (a) Taxes on or measured by income may be imposed on persons, corporations, or other entities as prescribed by law.

(b) Interest on bonds issued by the State or a local government in the State is exempt from taxes on income.

(c) Income of a nonprofit educational institution of collegiate grade within the State of California is exempt from taxes on or measured by income if both of the following conditions are met:

(1) The income is not unrelated business income as defined by the Legislature.

(2) The income is used exclusively for educational purposes.

(d) A nonprofit organization that is exempted from taxation by Chapter 4 (commencing with Section 23701) of Part 11 of Division 2 of the Revenue and Taxation Code or Subchapter F (commencing with Section 501) of Chapter 1 of Subtitle A of the Internal Revenue Code of 1986, or the successor of either, is exempt from any business license tax or fee measured by income or gross receipts that is levied by a county or city, whether charter or general law, a city and county, a school district, a special district, or any other local agency. [*As amended June 7, 1994.*]

[*Bank and Corporation Taxes*]

SEC. 27. The Legislature, a majority of the membership of each house concurring, may tax corporations, including state and national banks, and their franchises by any method not prohibited by this Constitution or the Constitution or laws of the United States. Unless otherwise provided by the Legislature, the tax on state and national banks shall be according to or measured by their net income and shall be in lieu of all other taxes and license fees upon banks or their shares, except taxes upon real property and vehicle registration and license fees. [*As amended June 8, 1976.*]

[*Taxation of Insurance Companies*]

SEC. 28. (a) “Insurer,” as used in this section, includes insurance companies or associations and reciprocal or interinsurance exchanges together with their corporate or other attorneys in fact considered as a single unit, and the State Compensation Insurance Fund. As used in this paragraph, “companies” includes persons, partnerships, joint stock associations, companies and corporations.

(b) An annual tax is hereby imposed on each insurer doing business in this State on the base, at the rates, and subject to the deductions from the tax hereinafter specified.

(c) In the case of an insurer not transacting title insurance in this State, the “basis of the annual tax” is, in respect to each year, the amount of gross premiums, less return premiums, received in such year by such insurer upon its business done in this State, other than premiums received for reinsurance and for ocean marine insurance.

In the case of an insurer transacting title insurance in this State, the “basis of the annual tax” is, in respect to each year, all income upon business done in this State, except:

- (1) Interest and dividends.
- (2) Rents from real property.
- (3) Profits from the sale or other disposition of investments.
- (4) Income from investments.

“Investments” as used in this subdivision includes property acquired by such insurer in the settlement or adjustment of claims against it but excludes investments in title plants and title records. Income derived directly or indirectly from the use of title plants and title records is included in the basis of the annual tax.

In the case of an insurer transacting title insurance in this State which has a trust department and does a trust business under the banking laws of this State, there shall be excluded from the basis of the annual tax imposed by this section, the income of, and from the assets of, such trust department and such trust business, if such income is taxed by this State or included in the measure of any tax imposed by this State.

(d) The rate of the tax to be applied to the basis of the annual tax in respect to each year is 2.35 percent.

(f) The tax imposed on insurers by this section is in lieu of all other taxes and licenses, state, county, and municipal, upon such insurers and their property, except:

- (1) Taxes upon their real estate.

(2) That an insurer transacting title insurance in this State which has a trust department or does a trust business under the banking laws of this State is subject to taxation with respect to such trust department or trust business to the same extent and in the same manner as trust companies and the trust departments of banks doing business in this State.

(3) When by or pursuant to the laws of any other state or foreign country any taxes, licenses and other fees, in the aggregate, and any fines, penalties, deposit requirements or other material obligations, prohibitions or restrictions are or would be imposed upon California insurers, or upon the agents or representatives of such insurers, which are in excess of such taxes, licenses and other fees, in the aggregate, or which are in excess of the fines, penalties, deposit requirements or other obligations, prohibitions, or restrictions directly imposed upon similar insurers, or upon the agents or representatives of such insurers, of such other state or country under the statutes of this State; so long as such laws of such other state or

country continue in force or are so applied, the same taxes, licenses and other fees, in the aggregate, or fines, penalties or deposit requirements or other material obligations, prohibitions, or restrictions, of whatever kind shall be imposed upon the insurers, or upon the agents or representatives of such insurers, of such other state or country doing business or seeking to do business in California. Any tax, license or other fee or other obligation imposed by any city, county, or other political subdivision or agency of such other state or country on California insurers or their agents or representatives shall be deemed to be imposed by such state or country within the meaning of this paragraph (3) of subdivision (f).

The provisions of this paragraph (3) of subdivision (f) shall not apply as to personal income taxes, nor as to ad valorem taxes on real or personal property nor as to special purpose obligations or assessments heretofore imposed by another state or foreign country in connection with particular kinds of insurance, other than property insurance; except that deductions, from premium taxes or other taxes otherwise payable, allowed on account of real estate or personal property taxes paid shall be taken into consideration in determining the propriety and extent of retaliatory action under this paragraph (3) of subdivision (f).

For the purposes of this paragraph (3) of subdivision (f) the domicile of an alien insurer, other than insurers formed under the laws of Canada, shall be that state in which is located its principal place of business in the United States.

In the case of an insurer formed under the laws of Canada or a province thereof, its domicile shall be deemed to be that province in which its head office is situated.

The provisions of this paragraph (3) of subdivision (f) shall also be applicable to reciprocals or interinsurance exchanges and fraternal benefit societies.

(4) The tax on ocean marine insurance.

(5) Motor vehicle and other vehicle registration license fees and any other tax or license fee imposed by the State upon vehicles, motor vehicles or the operation thereof.

(6) That each corporate or other attorney in fact of a reciprocal or interinsurance exchange shall be subject to all taxes imposed upon corporations or others doing business in the State, other than taxes on income derived from its principal business as attorney in fact.

A corporate or other attorney in fact of each exchange shall annually compute the amount of tax that would be payable by it under prevailing law except for the provisions of this section, and any management fee due from each exchange to its corporate or other attorney in fact shall be reduced pro tanto by a sum equivalent to the amount so computed.

(g) Every insurer transacting the business of ocean marine insurance in this State shall annually pay to the State a tax measured by that proportion of the underwriting profit of such insurer from such insurance written in the United States, which the gross premiums of the insurer from such insurance written in this State bear to the gross premiums of the insurer from such insurance written within the United States, at the rate of 5 per centum, which tax shall be in lieu of all other taxes and licenses, state, county and municipal, upon such insurer, except taxes upon real estate, and such other taxes as may be assessed or levied against such insurer on account of any other class of insurance written by it. The Legislature shall define the terms “ocean marine insurance” and “underwriting profit,” and shall provide for the assessment, levy, collection and enforcement of the ocean marine tax.

(h) The taxes provided for by this section shall be assessed by the State Board of Equalization.

(i) The Legislature, a majority of all the members elected to each of the two houses voting in favor thereof, may by law change the rate or rates of taxes herein imposed upon insurers.

(j) This section is not intended to and does not change the law as it has previously existed with respect to the meaning of the words “gross premiums, less return premiums, received” as used in this article. [*As amended June 8, 1976.*]

[*Local Government Tax Sharing*]

SEC. 29. (a) The Legislature may authorize counties, cities and counties, and cities to enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them that is collected for them by the State. Before the contract becomes operative, it shall be authorized by a majority of those voting on the question in each jurisdiction at a general or direct primary election.

(b) Notwithstanding subdivision (a), on and after the operative date of this subdivision, counties, cities and counties, and cities may enter into contracts to apportion between them the revenue derived from any sales or use tax imposed by them pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or any successor provisions, that is collected for them by the State, if the ordinance or resolution proposing each contract is approved by a two-thirds vote of the governing body of each jurisdiction that is a party to the contract. [*As amended November 3, 1998.*]

[*Tax Liens—Presumption of Payment of Taxes*]

SEC. 30. Every tax shall be conclusively presumed to have been paid after 30 years from the time it became a lien unless the property subject to the lien has been sold in the manner provided by the Legislature for the payment of the tax. [*New section adopted November 5, 1974.*]

[*Power to Tax*]

SEC. 31. The power to tax may not be surrendered or suspended by grant or contract. [*New section adopted November 5, 1974.*]

[*Proceedings Relating to Collection*]

SEC. 32. No legal or equitable process shall issue in any proceeding in any court against this State or any officer thereof to prevent or enjoin the collection of any tax. After payment of a tax claimed to be illegal, an action may be maintained to recover the tax paid, with interest, in such manner as may be provided by the Legislature. [*New section adopted November 5, 1974.*]

[*Legislature to Enact Laws*]

SEC. 33. The Legislature shall pass all laws necessary to carry out the provisions of this article. [*New section adopted November 5, 1974.*]

[*Food Products—Taxation*]

SEC. 34. Neither the State of California nor any of its political subdivisions shall levy or collect a sales or use tax on the sale of, or the storage, use or other consumption in this State of food products for human consumption except as provided by statute as of the effective date of this section. [*New section adopted November 3, 1992. Operative January 1, 1993. Initiative measure.*]

[*Local Public Safety Services*]

SEC. 35. (a) The people of the State of California find and declare all of the following:

(1) Public safety services are critically important to the security and well-being of the State's citizens and to the growth and revitalization of the State's economic base.

(2) The protection of the public safety is the first responsibility of local government and local officials have an obligation to give priority to the provision of adequate public safety services.

(3) In order to assist local government in maintaining a sufficient level of public safety services, the proceeds of the tax enacted pursuant to this section shall be designated exclusively for public safety.

(b) In addition to any sales and use taxes imposed by the Legislature, the following sales and use taxes are hereby imposed:

(1) For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers at the rate of ½ percent of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in this State on and after January 1, 1994.

(2) An excise tax is hereby imposed on the storage, use, or other consumption in this State of tangible personal property purchased from any

retailer on and after January 1, 1994, for storage, use, or other consumption in this State at the rate of ½ percent of the sales price of the property.

(c) The Sales and Use Tax Law, including any amendments made thereto on or after the effective date of this section, shall be applicable to the taxes imposed by subdivision (b).

(d) (1) All revenues, less refunds, derived from the taxes imposed pursuant to subdivision (b) shall be transferred to the Local Public Safety Fund for allocation by the Legislature, as prescribed by statute, to counties in which either of the following occurs:

(A) The board of supervisors, by a majority vote of its membership, requests an allocation from the Local Public Safety Fund in a manner prescribed by statute.

(B) A majority of the county's voters voting thereon approve the addition of this section.

(2) Moneys in the Local Public Safety Fund shall be allocated for use exclusively for public safety services of local agencies.

(e) Revenues derived from the taxes imposed pursuant to subdivision (b) shall not be considered proceeds of taxes for purposes of Article XIII B or State General Fund proceeds of taxes within the meaning of Article XVI.

(f) Except for the provisions of Section 34, this section shall supersede any other provisions of this Constitution that are in conflict with the provisions of this section, including, but not limited to, Section 9 of Article II. *[New section adopted November 2, 1993.]*

SEC. 37. *[Repealed November 5, 1974.]*

SEC. 37.5. *[Repealed November 5, 1974.]*

SEC. 38. *[Repealed November 5, 1974.]*

SEC. 39. *[Repealed November 5, 1974.]*

SEC. 40. *[Repealed November 5, 1974.]*

SEC. 41. *[Repealed November 5, 1974.]*

SEC. 42. *[Repealed November 5, 1974.]*

SEC. 44. *[Repealed November 5, 1974.]*

ARTICLE XIII A*

TAX LIMITATION

[Maximum Ad Valorem Tax on Real Property—Apportionment of Tax Revenues]

SECTION 1. (a) The maximum amount of any ad valorem tax on real property shall not exceed One percent (1%) of the full cash value of such

* New Article XIII A adopted June 6, 1978. Initiative measure.

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 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 exclusion 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 acquired 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 pre-

sumption 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 effective 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. 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. 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. 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*]

SECTION 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.*]

* New Article XIII B adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.

[*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 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 proceeds 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]

SEC. 6. (a) 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 that local government for the costs of the program or increased level of service, except that the Legislature may, but need not, provide a subvention of funds for the following mandates:

- (1) Legislative mandates requested by the local agency affected.
- (2) Legislation defining a new crime or changing an existing definition of a crime.
- (3) Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975.

(b) (1) Except as provided in paragraph (2), for the 2005–06 fiscal year and every subsequent fiscal year, for a mandate for which the costs of a local government claimant have been determined in a preceding fiscal year to be payable by the State pursuant to law, the Legislature shall either appropriate, in the annual Budget Act, the full payable amount that has not been previously paid, or suspend the operation of the mandate for the fiscal year for which the annual Budget Act is applicable in a manner prescribed by law.

(2) Payable claims for costs incurred prior to the 2004–05 fiscal year that have not been paid prior to the 2005–06 fiscal year may be paid over a term of years, as prescribed by law.

(3) Ad valorem property tax revenues shall not be used to reimburse a local government for the costs of a new program or higher level of service.

(4) This subdivision applies to a mandate only as it affects a city, county, city and county, or special district.

(5) This subdivision shall not apply to a requirement to provide or recognize any procedural or substantive protection, right, benefit, or employment status of any local government employee or retiree, or of any local government employee organization, that arises from, affects, or directly relates to future, current, or past local government employment and that constitutes a mandate subject to this section.

(c) A mandated new program or higher level of service includes a transfer by the Legislature from the State to cities, counties, cities and counties, or special districts of complete or partial financial responsibility for a required program for which the State previously had complete or partial financial responsibility. [*As amended November 2, 2004.*]

[*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 there-

after approved according to law by a vote of the electors of the issuing entity voting in an election for that purpose.

(h) The “appropriations limit” of each entity of government for each fiscal year is that amount which total annual appropriations subject to limitation may not exceed under Sections 1 and 3. However, the “appropriations limit” of each entity of government for fiscal year 1978–79 is the total of the appropriations subject to limitation of the entity for that fiscal year. For fiscal year 1978–79, state subventions to local governments, exclusive of federal grants, are deemed to have been derived from the proceeds of state taxes.

(i) Except as otherwise provided in Section 5, “appropriations subject to limitation” do not include local agency loan funds or indebtedness funds, investment (or authorizations to invest) funds of the State, or of an entity of local government in accounts at banks or savings and loan associations or in liquid securities. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 9. “Appropriations subject to limitation” for each entity of government do not include:

(a) Appropriations for debt service.

(b) Appropriations required to comply with mandates of the courts or the federal government which, without discretion, require an expenditure for additional services or which unavoidably make the provision of existing services more costly.

(c) Appropriations of any special district which existed on January 1, 1978, and which did not as of the 1977–78 fiscal year levy an ad valorem tax on property in excess of 12½ cents per \$100 of assessed value; or the appropriations of any special district then existing or thereafter created by a vote of the people, which is totally funded by other than the proceeds of taxes.

(d) Appropriations for all qualified capital outlay projects, as defined by the Legislature.

(e) Appropriations of revenue which are derived from any of the following:

(1) That portion of the taxes imposed on motor vehicle fuels for use in motor vehicles upon public streets and highways at a rate of more than nine cents (\$0.09) per gallon.

(2) Sales and use taxes collected on that increment of the tax specified in paragraph (1).

(3) That portion of the weight fee imposed on commercial vehicles which exceeds the weight fee imposed on those vehicles on January 1, 1990. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Effective Date of Article*]

SEC. 10. This Article shall be effective commencing with the first day of the fiscal year following its adoption. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Appropriations Limit on or after July 1, 1990*]

SEC. 10.5. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986–87 fiscal year adjusted for the changes made from that fiscal year pursuant to this article, as amended by the measure adding this section, adjusted for the changes required by Section 3. [*New section adopted June 5, 1990. Operative July 1, 1990.*]

[*Category Added or Removed from Appropriations Subject to Limitation—Severability*]

SEC. 11. If any appropriation category shall be added to or removed from appropriations subject to limitation, pursuant to final judgment of any court of competent jurisdiction and any appeal therefrom, the appropriations limit shall be adjusted accordingly. If any section, part, clause or phrase in this Article is for any reason held invalid or unconstitutional, the remaining portions of this Article shall not be affected but shall remain in full force and effect. [*New section adopted November 6, 1979. Operative commencing first day of fiscal year following adoption. Initiative measure.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 12. “Appropriations subject to limitation” of each entity of government shall not include appropriations of revenue from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the Cigarette and Tobacco Products Surtax Fund created by the Tobacco Tax and Health Protection Act of 1988. [*New section adopted November 8, 1988. Initiative measure.*]

[*Exceptions to Appropriations Subject to Limitation*]

SEC. 13. “Appropriations subject to limitation” of each entity of government shall not include appropriations of revenue from the California Children and Families First Trust Fund created by the California Children and Families First Act of 1998. No adjustment in the appropriations limit of any entity of government shall be required pursuant to Section 3 as a result of revenue being deposited in or appropriated from the California Children and Families First Trust Fund. The surtax created by the Cali-

fornia 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 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

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

if it is imposed at a rate not higher than the maximum rate so approved. [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 3. Initiative Power for Local Taxes, Assessments, Fees and Charges. Notwithstanding any other provision of this Constitution, including, but not limited to, Sections 8 and 9 of Article II, the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge. The power of initiative to affect local taxes, assessments, fees and charges shall be applicable to all local governments and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives. [*New section adopted November 5, 1996. Initiative measure.*]

ARTICLE XIII D*

ASSESSMENT AND PROPERTY-RELATED FEE REFORM

SECTION 1. Application. Notwithstanding any other provision of law, the provisions of this article shall apply to all assessments, fees and charges, whether imposed pursuant to state statute or local government charter authority. Nothing in this article or Article XIII C shall be construed to:

(a) Provide any new authority to any agency to impose a tax, assessment, fee, or charge.

(b) Affect existing laws relating to the imposition of fees or charges as a condition of property development.

(c) Affect existing laws relating to the imposition of timber yield taxes. [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 2. Definitions. As used in this article:

(a) "Agency" means any local government as defined in subdivision (b) of Section 1 of Article XIII C.

(b) "Assessment" means any levy or charge upon real property by an agency for a special benefit conferred upon the real property. "Assessment" includes, but is not limited to, "special assessment," "benefit assessment," "maintenance assessment" and "special assessment tax."

(c) "Capital cost" means the cost of acquisition, installation, construction, reconstruction, or replacement of a permanent public improvement by an agency.

(d) "District" means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service.

(e) "Fee" or "charge" means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon

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

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 assess-

ment unless the agency can demonstrate by clear and convincing evidence that those publicly owned parcels in fact receive no special benefit.

(b) All assessments shall be supported by a detailed engineer's report prepared by a registered professional engineer certified by the State of California.

(c) The amount of the proposed assessment for each identified parcel shall be calculated and the record owner of each parcel shall be given written notice by mail of the proposed assessment, the total amount thereof chargeable to the entire district, the amount chargeable to the owner's particular parcel, the duration of the payments, the reason for the assessment and the basis upon which the amount of the proposed assessment was calculated, together with the date, time, and location of a public hearing on the proposed assessment. Each notice shall also include, in a conspicuous place thereon, a summary of the procedures applicable to the completion, return, and tabulation of the ballots required pursuant to subdivision (d), including a disclosure statement that the existence of a majority protest, as defined in subdivision (e), will result in the assessment not being imposed.

(d) Each notice mailed to owners of identified parcels within the district pursuant to subdivision (c) shall contain a ballot which includes the agency's address for receipt of the ballot once completed by any owner receiving the notice whereby the owner may indicate his or her name, reasonable identification of the parcel, and his or her support or opposition to the proposed assessment.

(e) The agency shall conduct a public hearing upon the proposed assessment not less than 45 days after mailing the notice of the proposed assessment to record owners of each identified parcel. At the public hearing, the agency shall consider all protests against the proposed assessment and tabulate the ballots. The agency shall not impose an assessment if there is a majority protest. A majority protest exists if, upon the conclusion of the hearing, ballots submitted in opposition to the assessment exceed the ballots submitted in favor of the assessment. In tabulating the ballots, the ballots shall be weighted according to the proportional financial obligation of the affected property.

(f) In any legal action contesting the validity of any assessment, the burden shall be on the agency to demonstrate that the property or properties in question receive a special benefit over and above the benefits conferred on the public at large and that the amount of any contested assessment is proportional to, and no greater than, the benefits conferred on the property or properties in question.

(g) Because only special benefits are assessable, electors residing within the district who do not own property within the district shall not be deemed under this Constitution to have been deprived of the right to vote for any assessment. If a court determines that the Constitution of the United States or other federal law requires otherwise, the assessment shall

not be imposed unless approved by a two-thirds vote of the electorate in the district in addition to being approved by the property owners as required by subdivision (e). [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 5. Effective Date. Pursuant to subdivision (a) of Section 10 of Article II, the provisions of this article shall become effective the day after the election unless otherwise provided. Beginning July 1, 1997, all existing, new, or increased assessments shall comply with this article. Notwithstanding the foregoing, the following assessments existing on the effective date of this article shall be exempt from the procedures and approval process set forth in Section 4:

(a) Any assessment imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.

(b) Any assessment imposed pursuant to a petition signed by the persons owning all of the parcels subject to the assessment at the time the assessment is initially imposed. Subsequent increases in such assessments shall be subject to the procedures and approval process set forth in Section 4.

(c) Any assessment the proceeds of which are exclusively used to repay bonded indebtedness of which the failure to pay would violate the Contract Impairment Clause of the Constitution of the United States.

(d) Any assessment which previously received majority voter approval from the voters voting in an election on the issue of the assessment. Subsequent increases in those assessments shall be subject to the procedures and approval process set forth in Section 4. [*New section adopted November 5, 1996. Initiative measure.*]

SEC. 6. Property-Related Fees and Charges. (a) Procedures for New or Increased Fees and Charges. An agency shall follow the procedures pursuant to this section in imposing or increasing any fee or charge as defined pursuant to this article, including, but not limited to, the following:

(1) The parcels upon which a fee or charge is proposed for imposition shall be identified. The amount of the fee or charge proposed to be imposed upon each parcel shall be calculated. The agency shall provide written notice by mail of the proposed fee or charge to the record owner of each identified parcel upon which the fee or charge is proposed for imposition, the amount of the fee or charge proposed to be imposed upon each, the basis upon which the amount of the proposed fee or charge was calculated, the reason for the fee or charge, together with the date, time, and location of a public hearing on the proposed fee or charge.

(2) The agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice of the proposed fee or charge to the record owners of each identified parcel upon which the fee or charge is proposed for imposition. At the public hearing, the agency shall consider all protests against the proposed fee or charge. If written protests against the proposed fee or charge are presented by a majority of owners of the identified parcels, the agency shall not impose the fee or charge.

(b) Requirements for Existing, New or Increased Fees and Charges. A fee or charge shall not be extended, imposed, or increased by any agency unless it meets all of the following requirements:

(1) Revenues derived from the fee or charge shall not exceed the funds required to provide the property-related service.

(2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.

(3) The amount of a fee or charge imposed upon any parcel or person as an incident of property ownership shall not exceed the proportional cost of the service attributable to the parcel.

(4) No fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Fees or charges based on potential or future use of a service are not permitted. Standby charges, whether characterized as charges or assessments, shall be classified as assessments and shall not be imposed without compliance with Section 4.

(5) No fee or charge may be imposed for general governmental services including, but not limited to, police, fire, ambulance or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Reliance by an agency on any parcel map, including, but not limited to, an assessor's parcel map, may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership for purposes of this article. In any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance with this article.

(c) Voter Approval for New or Increased Fees and Charges. Except for fees or charges for sewer, water, and refuse collection services, no property-related fee or charge shall be imposed or increased unless and until that fee or charge is submitted and approved by a majority vote of the property owners of the property subject to the fee or charge or, at the option of the agency, by a two-thirds vote of the electorate residing in the affected area. The election shall be conducted not less than 45 days after the public hearing. An agency may adopt procedures similar to those for increases in assessments in the conduct of elections under this subdivision.

(d) Beginning July 1, 1997, all fees or charges shall comply with this section. [*New section adopted November 5, 1996. Initiative measure.*]

ARTICLE XIV. [*Repealed June 8, 1976. See Article XIV, below.*]

ARTICLE XIV*

LABOR RELATIONS

SECTION 1. [*Repealed June 8, 1976. See Section 1, below.*]

[*Minimum Wages and General Welfare of Employees*]

SECTION 1. The Legislature may provide for minimum wages and for the general welfare of employees and for those purposes may confer on a commission legislative, executive, and judicial powers. [*New section adopted June 8, 1976.*]

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

[*Eight-hour Workday*]

SEC. 2. Worktime of mechanics or workers on public works may not exceed eight hours a day except in wartime or extraordinary emergencies that endanger life or property. The Legislature shall provide for enforcement of this section. [*New section adopted June 8, 1976.*]

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

[*Mechanics' Liens*]

SEC. 3. Mechanics, persons furnishing materials, artisans, and laborers of every class, shall have a lien upon the property upon which they have bestowed labor or furnished material for the value of such labor done and material furnished; and the Legislature shall provide, by law, for the speedy and efficient enforcement of such liens. [*New section adopted June 8, 1976.*]

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

[*Workers' Compensation*]

SEC. 4. The Legislature is hereby expressly vested with plenary power, unlimited by any provision of this Constitution, to create, and enforce a complete system of workers' compensation, by appropriate legislation, and in that behalf to create and enforce a liability on the part of any or all persons to compensate any or all of their workers for injury or disability, and their dependents for death incurred or sustained by the said workers in the course of their employment, irrespective of the fault of any party. A complete system of workers' compensation includes adequate

* New Article XIV adopted June 8, 1976.

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 per-

* New Article XV adopted June 8, 1976.

sonal, 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 "Building and Loan Association Act," approved May 5, 1931, as amended, or to any corporation incorporated in the manner prescribed in and operating under that certain act entitled "An act defining industrial loan companies, providing for their incorporation, powers and supervision," approved May 18, 1917, as amended, or any corporation incorporated in the manner prescribed in and operating under that certain act entitled "An act defining credit unions, providing for their incorporation, powers, management and supervision," approved March 31, 1927, as amended or any duly licensed pawnbroker or personal property broker, or any loans made or arranged by any person licensed as a real estate broker by the State of California and secured in whole or in part by liens on real property, or any bank as defined in and operating under that certain act known as the "Bank Act," approved March 1, 1909, as amended, or any

bank created and operating under and pursuant to any laws of this State or of the United States of America or any nonprofit cooperative association organized under Chapter 1 (commencing with Section 54001) of Division 20 of the Food and Agricultural Code in loaning or advancing money in connection with any activity mentioned in said title or any corporation, association, syndicate, joint stock company, or partnership engaged exclusively in the business of marketing agricultural, horticultural, viticultural, dairy, live stock, poultry and bee products on a cooperative nonprofit basis in loaning or advancing money to the members thereof or in connection with any such business or any corporation securing money or credit from any federal intermediate credit bank, organized and existing pursuant to the provisions of an act of Congress entitled "Agricultural Credits Act of 1923," as amended in loaning or advancing credit so secured, or any other class of persons authorized by statute, or to any successor in interest to any loan or forbearance exempted under this article, nor shall any such charge of any said exempted classes of persons be considered in any action or for any purpose as increasing or affecting or as connected with the rate of interest hereinbefore fixed. The Legislature may from time to time prescribe the maximum rate per annum of, or provide for the supervision, or the filing of a schedule of, or in any manner fix, regulate or limit, the fees, bonuses, commissions, discounts or other compensation which all or any of the said exempted classes of persons may charge or receive from a borrower in connection with any loan or forbearance of any money, goods or things in action.

[Judgments Rendered in Court—Rate of Interest]

The rate of interest upon a judgment rendered in any court of this State shall be set by the Legislature at not more than 10 percent per annum. Such rate may be variable and based upon interest rates charged by federal agencies or economic indicators, or both.

In the absence of the setting of such rate by the Legislature, the rate of interest on any judgment rendered in any court of the State shall be 7 percent per annum.

[Scope of Section]

The provisions of this section shall supersede all provisions of this Constitution and laws enacted thereunder in conflict therewith. *[As amended November 6, 1979.]*

SEC. 2. *[Repealed June 8, 1976.]*

SEC. 3. *[Repealed June 8, 1976.]*

ARTICLE XVI

PUBLIC FINANCE

[*Heading as amended November 5, 1974.*]

[*State Indebtedness—Limitation—Two-thirds Vote to Submit Bond Law—Submission of Law to Electors*]

SECTION 1. The Legislature shall not, in any manner create any debt or debts, liability or liabilities, which shall, singly or in the aggregate with any previous debts or liabilities, exceed the sum of three hundred thousand dollars (\$300,000), except in case of war to repel invasion or suppress 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.*]

[*Budget Deficits*]

SEC. 1.3. (a) For the purposes of Section 1, a “single object or work,” for which the Legislature may create a debt or liability in excess of three hundred thousand dollars (\$300,000) subject to the requirements set forth in Section 1, includes the funding of an accumulated state budget deficit to the extent, and in the amount, that funding is authorized in a measure submitted to the voters at the March 2, 2004, statewide primary election.

(b) As used in subdivision (a), “accumulated state budget deficit” means the aggregate of both of the following, as certified by the Director of Finance:

(1) The estimated negative balance of the Special Fund for Economic Uncertainties arising on or before June 30, 2004, not including the effect of the estimated amount of net proceeds of any bonds issued or to be issued pursuant to the California Fiscal Recovery Financing Act (Title 17 (commencing with Section 99000) of the Government Code) and any bonds issued or to be issued pursuant to the measure submitted to the voters at the March 2, 2004, statewide primary election as described in subdivision (a).

(2) Other General Fund obligations incurred by the State prior to June 30, 2004, to the extent not included in that negative balance.

(c) Subsequent to the issuance of any state bonds described in subdivision (a), the State may not obtain moneys to fund a year-end state budget deficit, as may be defined by statute, pursuant to any of the following: (1) indebtedness incurred pursuant to Section 1 of this article, (2) a debt obligation under which funds to repay that obligation are derived solely from a designated source of revenue, or (3) a bond or similar instrument for the borrowing of moneys for which there is no legal obligation of repayment. This subdivision does not apply to funding obtained through a short-term obligation incurred in anticipation of the receipt of tax proceeds or other

[†] Chapter 740.

revenues that may be applied to the payment of that obligation, for the purposes and not exceeding the amounts of existing appropriations to which the resulting proceeds are to be applied. For purposes of this subdivision, “year-end state budget deficit” does not include an obligation within the accumulated state budget deficit as defined by subdivision (b). [*New section adopted March 2, 2004.*]

[*General Obligation Bond Proceeds Fund*]

SEC. 1.5. The Legislature may create and establish a “General Obligation Bond Proceeds Fund” in the State Treasury, and may provide for the proceeds of the sale of general obligation bonds of the State heretofore or hereafter issued, including any sums paid as accrued interest thereon, under any or all acts authorizing the issuance of such bonds, to be paid into or transferred to, as the case may be, the “General Obligation Bond Proceeds Fund.” Accounts shall be maintained in the “General Obligation Bond Proceeds Fund” of all moneys deposited in the State Treasury to the credit of that fund and the proceeds of each bond issue shall be maintained as a separate and distinct account and shall be paid out only in accordance with the law authorizing the issuance of the particular bonds from which the proceeds were derived. The Legislature may abolish, subject to the conditions of this section, any fund in the State Treasury heretofore or hereafter created by any act for the purpose of having deposited therein the proceeds from the issuance of bonds if such proceeds are transferred to or paid into the “General Obligation Bond Proceeds Fund” pursuant to the authority granted in this section; provided, however, that nothing in this section shall prevent the Legislature from re-establishing any bond proceeds fund so abolished and transferring back to its credit all proceeds in the “General Obligation Bond Proceeds Fund” which constitute the proceeds of the particular bond fund being re-established. [*New section adopted November 6, 1962.*]

SEC. 2. [*Repealed November 6, 1962. See Section 2, below.*]

[*Bond Issues—Submission by Constitutional Amendment Prohibited—
Repeal of Certain Constitutional Provisions*]

SEC. 2. (a) No amendment to this Constitution which provides for the preparation, issuance and sale of bonds of the State of California shall hereafter be submitted to the electors, nor shall any such amendment to the Constitution hereafter submitted to or approved by the electors become effective for any purpose.

Each measure providing for the preparation, issuance and sale of bonds of the State of California shall hereafter be submitted to the electors in the form of a bond act or statute.

(b) The provisions of this Constitution enumerated in subdivision (c) of this section are repealed and such provisions are continued as statutes

which have been approved, adopted, legalized, ratified, validated, and made fully and completely effective, by means of the adoption by the electorate of a ratifying constitutional amendment, except that the Legislature, in addition to whatever powers it possessed under such provisions, may amend or repeal such provisions when the bonds issued thereunder have been fully retired and when no rights thereunder will be damaged.

(c) The enumerated provisions of this Constitution are: Article XVI, Sections 2, 3, 4, 4½, 5, 6, 8, 8½, 15, 16, 16.5, 17, 18, 19, 19.5, 20 and 21. [*New section adopted November 6, 1962.*]

[*Appropriations*]

SEC. 3. No money shall ever be appropriated or drawn from the State Treasury for the purpose or benefit of any corporation, association, asylum, hospital, or any other institution not under the exclusive management and control of the State as a state institution, nor shall any grant or donation of property ever be made thereto by the State, except that notwithstanding anything contained in this or any other section of the Constitution:

[*Federal Funds*]

(1) Whenever federal funds are made available for the construction of hospital facilities by public agencies and nonprofit corporations organized to construct and maintain such facilities, nothing in this Constitution shall prevent the Legislature from making state money available for that purpose, or from authorizing the use of such money for the construction of hospital facilities by nonprofit corporations organized to construct and maintain such facilities.

[*Institution for Support of Orphans or Aged Indigents*]

(2) The Legislature shall have the power to grant aid to the institutions conducted for the support and maintenance of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation, or aged persons in indigent circumstances—such aid to be granted by a uniform rule, and proportioned to the number of inmates of such respective institutions.

[*Needy Blind*]

(3) The Legislature shall have the power to grant aid to needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions, and no person concerned with the administration of aid to needy blind persons shall dictate how any applicant or recipient shall expend such aid granted him, and all money paid to a recipient of such aid shall be intended to help him meet his individual

needs and is not for the benefit of any other person, and such aid when granted shall not be construed as income to any person other than the blind recipient of such aid, and the State Department of Social Welfare shall take all necessary action to enforce the provisions relating to aid to needy blind persons as heretofore stated.

[Physically Handicapped Persons]

(4) The Legislature shall have power to grant aid to needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State.

[Management of Institutions]

(5) The State shall have at any time the right to inquire into the management of such institutions.

[Orphans, Aged Indigents, Needy Blind—County Support]

(6) Whenever any county, or city and county, or city, or town, shall provide for the support of minor orphans, or half-orphans, or abandoned children, or children of a father who is incapacitated for gainful work by permanent physical disability or is suffering from tuberculosis in such a stage that he cannot pursue a gainful occupation, or aged persons in indigent circumstances, or needy blind persons not inmates of any institution supported in whole or in part by the State or by any of its political subdivisions, or needy physically handicapped persons not inmates of any institution under the supervision of the Department of Mental Hygiene and supported in whole or in part by the State or by any institution supported in whole or part by any political subdivision of the State; such county, city and county, city, or town shall be entitled to receive the same pro rata appropriations as may be granted to such institutions under church, or other control.

[Receipts and Expenditures of Public Moneys]

An accurate statement of the receipts and expenditures of public moneys shall be attached to and published with the laws at every regular session of the Legislature. *[New section adopted November 5, 1974.]*

[Loan Guarantees re Nonprofit Corporations and Public Agencies]

SEC. 4. The Legislature shall have the power to insure or guarantee loans made by private or public lenders to nonprofit corporations and public agencies, the proceeds of which are to be used for the construction, expansion, enlargement, improvement, renovation or repair of any public or nonprofit hospital, hospital facility, or extended care facility, facility for the treatment of mental illness, or all of them, including any outpatient fa-

cility and any other facility useful and convenient in the operation of the hospital and any original equipment for any such hospital or facility, or both.

No provision of this Constitution, including but not limited to, Section 1 of Article XVI and Section 14 of Article XI, shall be construed as a limitation upon the authority granted to the Legislature by this section. [*New section adopted November 5, 1974.*]

SEC. 4½. [*Repealed November 6, 1962.*]

[*Religious Institutions—Grants Prohibited*]

SEC. 5. Neither the Legislature, nor any county, city and county, township, school district, or other municipal corporation, shall ever make an appropriation, or pay from any public fund whatever, or grant anything to or in aid of any religious sect, church, creed, or sectarian purpose, or help to support or sustain any school, college, university, hospital, or other institution controlled by any religious creed, church, or sectarian denomination whatever; nor shall any grant or donation of personal property or real estate ever be made by the State, or any city, city and county, town, or other municipal corporation for any religious creed, church, or sectarian purpose whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI. [*New section adopted November 5, 1974.*]

[*Gifts or Loans of Public Moneys or Pledging of Credit Prohibited—Stock of Corporations*]

SEC. 6. The Legislature shall have no power to give or to lend, or to authorize the giving or lending, of the credit of the State, or of any county, city and county, city, township or other political corporation or subdivision of the State now existing, or that may be hereafter established, in aid of or to any person, association, or corporation, whether municipal or otherwise, or to pledge the credit thereof, in any manner whatever, for the payment of the liabilities of any individual, association, municipal or other corporation whatever; nor shall it have power to make any gift or authorize the making of any gift, of any public money or thing of value to any individual, municipal or other corporation whatever; provided, that nothing in this section shall prevent the Legislature granting aid pursuant to Section 3 of Article XVI; and it shall not have power to authorize the State, or any political subdivision thereof, to subscribe for stock, or to become a stockholder in any corporation whatever; provided, further, that irrigation districts for the purpose of acquiring the control of any entire international water system necessary for its use and purposes, a part of which is situated in the United States, and a part thereof in a foreign country, may in the manner authorized by law, acquire the stock of any foreign corporation which is the owner of, or which holds the title to the part of such system

situated in a foreign country; provided, further, that irrigation districts for the purpose of acquiring water and water rights and other property necessary for their uses and purposes, may acquire and hold the stock of corporations, domestic or foreign, owning waters, water rights, canals, waterworks, franchises or concessions subject to the same obligations and liabilities as are imposed by law upon all other stockholders in such corporation; and

[Insurance Pooling Arrangements]

Provided, further, that this section shall not prohibit any county, city and county, city, township, or other political corporation or subdivision of the State from joining with other such agencies in providing for the payment of workers' compensation, unemployment compensation, tort liability, or public liability losses incurred by such agencies, by entry into an insurance pooling arrangement under a joint exercise of powers agreement, or by membership in such publicly-owned nonprofit corporation or other public agency as may be authorized by the Legislature; and

[Aid to Veterans]

Provided, further, that nothing contained in this Constitution shall prohibit the use of state money or credit, in aiding veterans who served in the military or naval service of the United States during the time of war, in the acquisition of, or payments for, (1) farms or homes, or in projects of land settlement or in the development of such farms or homes or land settlement projects for the benefit of such veterans, or (2) any business, land or any interest therein, buildings, supplies, equipment, machinery, or tools, to be used by the veteran in pursuing a gainful occupation; and

[Disaster Assistance]

Provided, further, that nothing contained in this Constitution shall prohibit the State, or any county, city and county, city, township, or other political corporation or subdivision of the State from providing aid or assistance to persons, if found to be in the public interest, for the purpose of clearing debris, natural materials, and wreckage from privately owned lands and waters deposited thereon or therein during a period of a major disaster or emergency, in either case declared by the President. In such case, the public entity shall be indemnified by the recipient from the award of any claim against the public entity arising from the rendering of such aid or assistance. Such aid or assistance must be eligible for federal reimbursement for the cost thereof.

[Temporary Transfers of Funds to Political Subdivisions]

And provided, still further, that notwithstanding the restrictions contained in this Constitution, the treasurer of any city, county, or city and county shall have power and the duty to make such temporary transfers

from the funds in custody as may be necessary to provide funds for meeting the obligations incurred for maintenance purposes by any city, county, city and county, district, or other political subdivision whose funds are in custody and are paid out solely through the treasurer's office. Such temporary transfer of funds to any political subdivision shall be made only upon resolution adopted by the governing body of the city, county, or city and county directing the treasurer of such city, county, or city and county to make such temporary transfer. Such temporary transfer of funds to any political subdivision shall not exceed 85 percent of the anticipated revenues accruing to such political subdivision, shall not be made prior to the first day of the fiscal year nor after the last Monday in April of the current fiscal year, and shall be replaced from the revenues accruing to such political subdivision before any other obligation of such political subdivision is met from such revenue. [*As amended November 2, 1982.*]

[*Controller's Warrants*]

SEC. 7. Money may be drawn from the Treasury only through an appropriation made by law and upon a Controller's duly drawn warrant. [*New section adopted November 5, 1974.*]

[*School Funding Priority*]

SEC. 8. (a) From all state revenues there shall first be set apart the moneys to be applied by the State for support of the public school system and public institutions of higher education.

(b) Commencing with the 1990–91 fiscal year, the moneys to be applied by the State for the support of school districts and community college districts shall be not less than the greater of the following amounts:

(1) The amount which, as a percentage of General Fund revenues which may be appropriated pursuant to Article XIII B, equals the percentage of General Fund revenues appropriated for school districts and community college districts, respectively, in fiscal year 1986–87.

(2) The amount required to ensure that the total allocations to school districts and community college districts from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall not be less than the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B. This paragraph shall be operative only in a fiscal year in which the percentage growth in California per capita personal income is less than or equal to the percentage growth in per capita General Fund revenues plus one half of one percent.

(3) (A) The amount required to ensure that the total allocations to school districts and community college districts from General Fund pro-

ceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes shall equal the total amount from these sources in the prior fiscal year, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment and adjusted for the change in per capita General Fund revenues.

(B) In addition, an amount equal to one-half of one percent times the prior year total allocations to school districts and community colleges from General Fund proceeds of taxes appropriated pursuant to Article XIII B and allocated local proceeds of taxes, excluding any revenues allocated pursuant to subdivision (a) of Section 8.5, adjusted for changes in enrollment.

(C) This paragraph (3) shall be operative only in a fiscal year in which the percentage growth in California per capita personal income in a fiscal year is greater than the percentage growth in per capital General Fund revenues plus one half of one percent.

(c) In any fiscal year, if the amount computed pursuant to paragraph (1) of subdivision (b) exceeds the amount computed pursuant to paragraph (2) of subdivision (b) by a difference that exceeds one and one-half percent of General Fund revenues, the amount in excess of one and one-half percent of General Fund revenues shall not be considered allocations to school districts and community colleges for purposes of computing the amount of state aid pursuant to paragraph (2) or 3 of subdivision (b) in the subsequent fiscal year.

(d) In any fiscal year in which school districts and community college districts are allocated funding pursuant to paragraph (3) of subdivision (b) or pursuant to subdivision (h), they shall be entitled to a maintenance factor, equal to the difference between (1) the amount of General Fund moneys which would have been appropriated pursuant to paragraph (2) of subdivision (b) if that paragraph had been operative or the amount of General Fund moneys which would have been appropriated pursuant to subdivision (b) had subdivision (b) not been suspended, and (2) the amount of General Fund moneys actually appropriated to school districts and community college districts in that fiscal year.

(e) The maintenance factor for school districts and community college districts determined pursuant to subdivision (d) shall be adjusted annually for changes in enrollment, and adjusted for the change in the cost of living pursuant to paragraph (1) of subdivision (e) of Section 8 of Article XIII B, until it has been allocated in full. The maintenance factor shall be allocated in a manner determined by the Legislature in each fiscal year in which the percentage growth in per capita General Fund revenues exceeds the percentage growth in California per capita personal income. The maintenance factor shall be reduced each year by the amount allocated by the Legislature in that fiscal year. The minimum maintenance factor amount to be allocated in a fiscal year shall be equal to the product of General Fund rev-

enues from proceeds of taxes and one-half of the difference between the percentage growth in per capita General Fund revenues from proceeds of taxes and in California per capita personal income, not to exceed the total dollar amount of the maintenance factor.

(f) For purposes of this section, “changes in enrollment” shall be measured by the percentage change in average daily attendance. However, in any fiscal year, there shall be no adjustment for decreases in enrollment between the prior fiscal year and the current fiscal year unless there have been decreases in enrollment between the second prior fiscal year and the prior fiscal year and between the third prior fiscal year and the second prior fiscal year.

(h) Subparagraph (B) of paragraph (3) of subdivision (b) may be suspended for one year only when made part of or included within any bill enacted pursuant to Section 12 of Article IV. All other provisions of subdivision (b) may be suspended for one year by the enactment of an urgency statute pursuant to Section 8 of Article IV, provided that the urgency statute may not be made part of or included within any bill enacted pursuant to Section 12 of Article IV. [*As amended June 5, 1990. Operative July 1, 1990.*]

SEC. 8½. [*Repealed November 6, 1962.*]

[*Allocations to State School Fund*]

SEC. 8.5. (a) In addition to the amount required to be applied for the support of school districts and community college districts pursuant to Section 8, the Controller shall during each fiscal year transfer and allocate all revenues available pursuant to paragraph 1 of subdivision (a) of Section 2 of Article XIII B to that portion of the State School Fund restricted for elementary and high school purposes, and to that portion of the State School Fund restricted for community college purposes, respectively, in proportion to the enrollment in school districts and community college districts respectively.

(1) With respect to funds allocated to that portion of the State School Fund restricted for elementary and high school purposes, no transfer or allocation of funds pursuant to this section shall be required at any time that the Director of Finance and the Superintendent of Public Instruction mutually determine that current annual expenditures per student equal or exceed the average annual expenditure per student of the 10 states with the highest annual expenditures per student for elementary and high schools, and that average class size equals or is less than the average class size of the 10 states with the lowest class size for elementary and high schools.

(2) With respect to funds allocated to that portion of the State School Fund restricted for community college purposes, no transfer or allocation of funds pursuant to this section shall be required at any time that the Director of Finance and the Chancellor of the California Community Col-

leges mutually determine that current annual expenditures per student for community colleges in this State equal or exceed the average annual expenditure per student of the 10 states with the highest annual expenditure per student for community colleges.

(b) Notwithstanding the provisions of Article XIII B, funds allocated pursuant to this section shall not constitute appropriations subject to limitation.

(c) From any funds transferred to the State School Fund pursuant to subdivision (a), the Controller shall each year allocate to each school district and community college district an equal amount per enrollment in school districts from the amount in that portion of the State School Fund restricted for elementary and high school purposes and an equal amount per enrollment in community college districts from that portion of the State School Fund restricted for community college purposes.

(d) All revenues allocated pursuant to subdivision (a) shall be expended solely for the purposes of instructional improvement and accountability as required by law.

(e) Any school district maintaining an elementary or secondary school shall develop and cause to be prepared an annual audit accounting for such funds and shall adopt a School Accountability Report Card for each school. [*As amended June 5, 1990. Operative July 1, 1990.*]

[*Fish and Game*]

SEC. 9. Money collected under any state law relating to the protection or propagation of fish and game shall be used for activities relating thereto. [*New section adopted November 5, 1974.*]

[*Aged Aid—Federal-State Co-operation*]

SEC. 10. Whenever the United States government or any officer or agency thereof shall provide pensions or other aid for the aged, cooperation by the State therewith and therein is hereby authorized in such manner and to such extent as may be provided by law.

The money expended by any county, city and county, municipality, district or other political subdivision of this State made available under the provisions of this section shall not be considered as a part of the base for determining the maximum expenditure for any given year permissible under Section 20[†] of Article XI of this Constitution independent of the vote of the electors or authorization by the State Board of Equalization. [*As amended November 6, 1962.*]

[*Relief Administration*]

SEC. 11. The Legislature has plenary power to provide for the administration of any constitutional provisions or laws heretofore or hereafter

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

enacted concerning the administration of relief, and to that end may modify, transfer, or enlarge the powers vested in any state agency or officer concerned with the administration of relief or laws appertaining thereto. The Legislature, or the people by initiative, shall have power to amend, alter, or repeal any law relating to the relief of hardship and destitution, whether such hardship and destitution results from unemployment or from other causes, or to provide for the administration of the relief of hardship and destitution, whether resulting from unemployment or from other causes, either directly by the State or through the counties of the State, and to grant such aid to the counties therefor, or make such provision for reimbursement of the counties by the State, as the Legislature deems proper. [*As amended November 6, 1962.*]

SEC. 12. [*Repealed November 6, 1962.*]

[*Legislative Power to Release Encumbrances Taken as Security for Aid to Aged*]

SEC. 13. Notwithstanding any other provision of this Constitution, the Legislature shall have power to release, rescind, cancel, or otherwise nullify in whole or in part any encumbrance on property, personal obligation, or other form of security heretofore or hereafter exacted or imposed by the Legislature to secure the repayment to, or reimbursement of, the State, and the counties or other agencies of the state government, of aid lawfully granted to and received by aged persons. [*As amended November 6, 1962.*]

[*Bonds—Environmental Pollution Control Facilities*]

SEC. 14. The Legislature may provide for the issuance of revenue bonds to finance the acquisition, construction, and installation of environmental pollution control facilities, including the acquisition of all technological facilities necessary or convenient for pollution control, and for the lease or sale of such facilities to persons, associations, or corporations, other than municipal corporations; provided, that such revenue bonds shall not be secured by the taxing power of the State; and provided, further, that the Legislature may, by resolution adopted by either house, prohibit or limit any proposed issuance of such revenue bonds. No provision of this Constitution, including, but not limited to, Section 25 of Article XIII and Sections 1 and 2 of Article XVI, shall be construed as a limitation upon the authority granted to the Legislature pursuant to this section. Nothing herein contained shall authorize any public agency to operate any industrial or commercial enterprise. [*New section adopted November 7, 1972.*]

[*Energy Alternative Sources Facilities—Acquisition, Construction, Etc.—Revenue Bond Issuance*]

SEC. 14.5. The Legislature may provide for the issuance of revenue bonds to finance the acquisition, construction, and installation of facilities utilizing cogeneration technology, solar power, biomass, or any other al-

ternative source the Legislature may deem appropriate, including the acquisition of all technological facilities necessary or convenient for the use of alternative sources, and for the lease or sale of such facilities to persons, associations, or corporations, other than municipal corporations; provided, that such revenue bonds shall not be secured by the taxing power of the State; and provided, further, that the Legislature may, by resolution adopted by both houses, prohibit or limit any proposed issuance of such revenue bonds. No provision of this Constitution, including, but not limited to, Sections 1, 2, and 6, of this article, shall be construed as a limitation upon the authority granted to the Legislature pursuant to this section. Nothing contained herein shall authorize any public agency to operate any industrial or commercial enterprise. [*New section adopted June 3, 1980.*]

[*Parking Meter Revenues*]

SEC. 15. A public body authorized to issue securities to provide public parking facilities and any other public body whose territorial area includes such facilities are authorized to make revenues from street parking meters available as additional security. [*New section adopted November 5, 1974.*]

[*Taxation of Redevelopment Projects*]

SEC. 16. All property in a redevelopment project established under the Community Redevelopment Law as now existing or hereafter amended, except publicly owned property not subject to taxation by reason of that ownership, shall be taxed in proportion to its value as provided in Section 1 of this article, and those taxes (the word "taxes" as used herein includes, but is not limited to, all levies on an ad valorem basis upon land or real property) shall be levied and collected as other taxes are levied and collected by the respective taxing agencies.

The Legislature may provide that any redevelopment plan may contain a provision that the taxes, if any, so levied upon the taxable property in a redevelopment project each year by or for the benefit of the State of California, any city, county, city and county, district, or other public corporation (hereinafter sometimes called "taxing agencies") after the effective date of the ordinance approving the redevelopment plan, shall be divided as follows:

(a) That portion of the taxes which would be produced by the rate upon which the tax is levied each year by or for each of those taxing agencies upon the total sum of the assessed value of the taxable property in the redevelopment project as shown upon the assessment roll used in connection with the taxation of that property by the taxing agency, last equalized prior to the effective date of the ordinance, shall be allocated to, and when collected shall be paid into, the funds of the respective taxing agencies as taxes by or for those taxing agencies on all other property are paid (for the

purpose of allocating taxes levied by or for any taxing agency or agencies which did not include the territory in a redevelopment project on the effective date of the ordinance but to which that territory has been annexed or otherwise included after the ordinance's effective date, the assessment roll of the county last equalized on the effective date of that ordinance shall be used in determining the assessed valuation of the taxable property in the project on that effective date); and

(b) Except as provided in subdivision (c), that portion of the levied taxes each year in excess of that amount shall be allocated to and when collected shall be paid into a special fund of the redevelopment agency to pay the principal of and interest on loans, moneys advanced to, or indebtedness (whether funded, refunded, assumed or otherwise) incurred by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project. Unless and until the total assessed valuation of the taxable property in a redevelopment project exceeds the total assessed value of the taxable property in the project as shown by the last equalized assessment roll referred to in subdivision (a), all of the taxes levied and collected upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies. When the loans, advances, and indebtedness, if any, and interest thereon, have been paid, then all moneys thereafter received from taxes upon the taxable property in the redevelopment project shall be paid into the funds of the respective taxing agencies as taxes on all other property are paid.

(c) That portion of the taxes identified in subdivision (b) which are attributable to a tax rate levied by a taxing agency for the purpose of producing revenues in an amount sufficient to make annual repayments of the principal of, and the interest on, any bonded indebtedness for the acquisition or improvement of real property shall be allocated to, and when collected shall be paid into, the fund of that taxing agency. This paragraph shall only apply to taxes levied to repay bonded indebtedness approved by the voters of the taxing agency on or after January 1, 1989.

The Legislature may also provide that in any redevelopment plan or in the proceedings for the advance of moneys, or making of loans, or the incurring of any indebtedness (whether funded, refunded, assumed, or otherwise) by the redevelopment agency to finance or refinance, in whole or in part, the redevelopment project, the portion of taxes identified in subdivision (b), exclusive of that portion identified in subdivision (c), may be irrevocably pledged for the payment of the principal of and interest on those loans, advances, or indebtedness.

It is intended by this section to empower any redevelopment agency, city, county, or city and county under any law authorized by this section to exercise the provisions hereof separately or in combination with powers granted by the same or any other law relative to redevelopment agencies. This section shall not affect any other law or laws relating to the same or

a similar subject but is intended to authorize an alternative method of procedure governing the subject to which it refers.

The Legislature shall enact those laws as may be necessary to enforce the provisions of this section. [*As amended November 8, 1988.*]

SEC. 16.5. [*Repealed November 6, 1962.*]

[*State's Credit—Investment of Public Pension or Retirement Funds*]

SEC. 17. The State shall not in any manner loan its credit, nor shall it subscribe to, or be interested in the stock of any company, association, or corporation, except that the State and each political subdivision, district, municipality, and public agency thereof is hereby authorized to acquire and hold shares of the capital stock of any mutual water company or corporation when the stock is so acquired or held for the purpose of furnishing a supply of water for public, municipal or governmental purposes; and the holding of the stock shall entitle the holder thereof to all of the rights, powers and privileges, and shall subject the holder to the obligations and liabilities conferred or imposed by law upon other holders of stock in the mutual water company or corporation in which the stock is so held.

Notwithstanding any other provisions of law or this Constitution to the contrary, the retirement board of a public pension or retirement system shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system, subject to all of the following:

(a) The retirement board of a public pension or retirement system shall have the sole and exclusive fiduciary responsibility over the assets of the public pension or retirement system. The retirement board shall also have sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.

(b) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board's duty to its participants and their beneficiaries shall take precedence over any other duty.

(c) The members of the retirement board of a public pension or retirement system shall discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then pre-

vailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.

(d) The members of the retirement board of a public pension or retirement system shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.

(e) The retirement board of a public pension or retirement system, consistent with the exclusive fiduciary responsibilities vested in it, shall have the sole and exclusive power to provide for actuarial services in order to assure the competency of the assets of the public pension or retirement system.

(f) With regard to the retirement board of a public pension or retirement system which includes in its composition elected employee members, the number, terms, and method of selection or removal of members of the retirement board which were required by law or otherwise in effect on July 1, 1991, shall not be changed, amended, or modified by the Legislature unless the change, amendment, or modification enacted by the Legislature is ratified by a majority vote of the electors of the jurisdiction in which the participants of the system are or were, prior to retirement, employed.

(g) The Legislature may by statute continue to prohibit certain investments by a retirement board where it is in the public interest to do so, and provided that the prohibition satisfies the standards of fiduciary care and loyalty required of a retirement board pursuant to this section.

(h) As used in this section, the term "retirement board" shall mean the board of administration, board of trustees, board of directors, or other governing body or board of a public employees' pension or retirement system; provided, however, that the term "retirement board" shall not be interpreted to mean or include a governing body or board created after July 1, 1991 which does not administer pension or retirement benefits, or the elected legislative body of a jurisdiction which employs participants in a public employees' pension or retirement system. [*As amended November 3, 1992. Initiative measure.*]

[*Municipal Debt Exceeding Income*]

SEC. 18. (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 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.*]

[*Budget Stabilization Account*]

SEC. 20. (a) The Budget Stabilization Account is hereby created in the General Fund.

(b) In each fiscal year as specified in paragraphs (1) to (3), inclusive, the Controller shall transfer from the General Fund to the Budget Stabilization Account the following amounts:

(1) No later than September 30, 2006, a sum equal to 1 percent of the estimated amount of General Fund revenues for the 2006–07 fiscal year.

(2) No later than September 30, 2007, a sum equal to 2 percent of the estimated amount of General Fund revenues for the 2007–08 fiscal year.

(3) No later than September 30, 2008, and annually thereafter, a sum equal to 3 percent of the estimated amount of General Fund revenues for the current fiscal year.

(c) The transfer of moneys shall not be required by subdivision (b) in any fiscal year to the extent that the resulting balance in the account would exceed 5 percent of the General Fund revenues estimate set forth in the budget bill for that fiscal year, as enacted, or eight billion dollars (\$8,000,000,000), whichever is greater. The Legislature may, by statute, direct the Controller, for one or more fiscal years, to transfer into the account amounts in excess of the levels prescribed by this subdivision.

(d) Subject to any restriction imposed by this section, funds transferred to the Budget Stabilization Account shall be deemed to be General Fund revenues for all purposes of this Constitution.

(e) The transfer of moneys from the General Fund to the Budget Stabilization Account may be suspended or reduced for a fiscal year as specified by an executive order issued by the Governor no later than June 1 of the preceding fiscal year.

(f) (1) Of the moneys transferred to the account in each fiscal year, 50 percent, up to the aggregate amount of five billion dollars (\$5,000,000,000) for all fiscal years, shall be deposited in the Deficit Recovery Bond Retirement Sinking Fund Subaccount, which is hereby created in the account for the purpose of retiring deficit recovery bonds authorized and issued as described in Section 1.3, in addition to any other payments provided for by law for the purpose of retiring those bonds. The moneys in the sinking fund subaccount are continuously appropriated to the Treasurer to be expended for that purpose in the amounts, at the times, and in the manner deemed appropriate by the Treasurer. Any finds remaining in the sinking fund subaccount after all of the deficit recovery bonds are retired shall be transferred to the account, and may be transferred to the General Fund pursuant to paragraph (2).

(2) All other funds transferred to the account in a fiscal year shall not be deposited in the sinking fund subaccount and may, by statute, be transferred to the General Fund. [*New section adopted March 2, 2004.*]

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*]

SECTION 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.*]

* New Article XVIII 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.*]

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

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

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 manner which ensures the continuance of existing statutory allocation formulas for cities, counties, and areas of the State, until it determines that another basis for an equitable, geographical, and jurisdictional distribution exists; provided that, until such determination is made, any use of such revenues for purposes specified in subdivision (b) of Section 1 of this article by or in a city, county, or area of the State shall be included within the existing statutory allocations to, or for expenditure in, that city, county, or area. Any future statutory revisions shall provide for the allocation of these revenues, together with other similar revenues, in a manner which gives equal consideration to the transportation needs of all areas of the State and all segments of the population consistent with the orderly achievement of the adopted local, regional, and statewide goals for ground transportation in local general plans, regional transportation plans, and the California Transportation Plan. [*New section adopted June 4, 1974.*]

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

[*Authorization and Approval for Expenditures*]

SEC. 4. Revenues allocated pursuant to Section 3 may not be expended for the purposes specified in subdivision (b) of Section 1, except for research and planning, until such use is approved by a majority of the votes cast on the proposition authorizing such use of such revenues in an

election held throughout the county or counties, or a specified area of a county or counties, within which the revenues are to be expended. The Legislature may authorize the revenues approved for allocation or expenditure under this section to be pledged or used for the payment of principal and interest on voter-approved bonds issued for the purposes specified in subdivision (b) of Section 1. [*New section adopted June 4, 1974.*]

[*Expenditures for Payment of Bonds*]

SEC. 5. The Legislature may authorize up to 25 percent of the revenues available for expenditure by any city or county, or by the State, for the purposes specified in subdivision (a) of Section 1 of this article to be pledged or used for the payment of principal and interest on voter-approved bonds issued for such purposes. [*New section adopted June 4, 1974.*]

SEC. 6. [*Repealed November 3, 1998. See Section 6, below.*]

[*Loans to State General Fund*]

SEC. 6. The tax revenues designated under this article may be loaned to the General Fund only if one of the following conditions is imposed:

(a) That any amount loaned is to be repaid in full to the fund from which it was borrowed during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year.

(b) That any amount loaned is to be repaid in full to the fund from which it was borrowed within three fiscal years from the date on which the loan was made and one of the following has occurred:

(1) The Governor has proclaimed a state of emergency and declares that the emergency will result in a significant negative fiscal impact to the General Fund.

(2) The aggregate amount of General Fund revenues for the current fiscal year, as projected by the Governor in a report to the Legislature in May of the current fiscal year, is less than the aggregate amount of General Fund revenues for the previous fiscal year, adjusted for the change in the cost of living and the change in population, as specified in the budget submitted by the Governor pursuant to Section 12 of Article IV in the current fiscal year.

(c) Nothing in this section prohibits the Legislature from authorizing, by statute, loans to local transportation agencies, cities, counties, or cities and counties, from funds that are subject to this article, for the purposes authorized under this article. Any loan authorized as described by this subdivision shall be repaid, with interest at the rate paid on money in the Pooled Money Investment Account, or any successor to that account, during the period of time that the money is loaned, to the fund from which it

was borrowed, not later than four years after the date on which the loan was made. [*New section adopted November 3, 1998.*]

[*Scope of Article*]

SEC. 7. This article shall not affect or apply to fees or taxes imposed pursuant to the Sales and Use Tax Law or the Vehicle License Fee Law, and all amendments and additions now or hereafter made to such statutes. [*New section adopted June 4, 1974.*]

[*Use of Excess Lands for Parks and Recreation*]

SEC. 8. Notwithstanding Sections 1 and 2 of this article, any real property acquired by the expenditure of the designated tax revenues by an entity other than the State for the purposes authorized in those sections, but no longer required for such purposes, may be used for local public park and recreational purposes. [*New section adopted June 8, 1976.*]

[*Transfer of Surplus State Property Located in Coastal Zone*]

SEC. 9. Notwithstanding any other provision of this Constitution, the Legislature, by statute, with respect to surplus state property acquired by the expenditure of tax revenues designated in Sections 1 and 2 and located in the coastal zone, may authorize the transfer of such property, for a consideration at least equal to the acquisition cost paid by the state to acquire the property, to the Department of Parks and Recreation for state park purposes, or to the Department of Fish and Game for the protection and preservation of fish and wildlife habitat, or to the Wildlife Conservation Board for purposes of the Wildlife Conservation Law of 1947, or to the State Coastal Conservancy for the preservation of agricultural lands.

As used in this section, "coastal zone" means "coastal zone" as defined by Section 30103 of the Public Resources Code as such zone is described on January 1, 1977. [*New section adopted November 7, 1978.*]

ARTICLE XIX A*

LOANS FROM THE PUBLIC TRANSPORTATION ACCOUNT OR LOCAL TRANSPORTATION FUNDS

[*Loans to State General Fund*]

SECTION 1. The funds in the Public Transportation Account in the State Transportation Fund, or any successor to that account, may be loaned to the General Fund only if one of the following conditions is imposed:

(a) That any amount loaned is to be repaid in full to the account during the same fiscal year in which the loan was made, except that repayment may be delayed until a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year.

* New Article XIX A adopted November 3, 1998.

(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.

(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.

* New Article XIX B adopted November 5, 2002.

(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).

(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*]

SECTION 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

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

freely, without any mental reservation or purpose of evasion; and that I will well and faithfully discharge the duties upon which I am about to enter.

“And I do further swear (or affirm) that I do not advocate, nor am I a member of any party or organization, political or otherwise, that now advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means; that within the five years immediately preceding the taking of this oath (or affirmation) I have not been a member of any party or organization, political or otherwise, that advocated the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means except as follows:

(If no affiliations, write in the words “No Exceptions”)

and that during such time as I hold the office of _____

(name of office)

I will not advocate nor become a member of any party or organization, political or otherwise, that advocates the overthrow of the Government of the United States or of the State of California by force or violence or other unlawful means.”

And no other oath, declaration, or test, shall be required as a qualification for any public office or employment.

“Public officer and employee” includes every officer and employee of the State, including the University of California, every county, city, city and county, district, and authority, including any department, division, bureau, board, commission, agency, or instrumentality of any of the foregoing. [*As amended November 4, 1952.*]

SEC. 3.5. [*Repealed November 3, 1970.*]

[*Franchises*]

SEC. 4. The Legislature shall not pass any laws permitting the leasing or alienation of any franchise, so as to relieve the franchise or property held thereunder from the liabilities of the lessor or grantor, lessee, or grantee, contracted or incurred in the operation, use, or enjoyment of such franchise, or any of its privileges. [*Former Section 7, as renumbered June 8, 1976.*]

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

[*Laws Concerning Corporations*]

SEC. 5. All laws now in force in this State concerning corporations and all laws that may be hereafter passed pursuant to this section may be altered from time to time or repealed. [*Former Section 24, as renumbered June 8, 1976.*]

SEC. 6. [*Renumbered Section 2 June 8, 1976. See Section 6, below.*]

[*Reduction in Legislator's Term of Office—Retirement Benefits, Etc.*]

SEC. 6. Any legislator whose term of office is reduced by operation of the amendment to subdivision (a) of Section 2 of Article IV adopted by the people in 1972 shall, notwithstanding any other provision of this Constitution, be entitled to retirement benefits and compensation as if the term of office had not been so reduced. [*Former Section 25, as renumbered June 8, 1976.*]

[*Constitutional Officers—Number of Terms*]

SEC. 7. The limitations on the number of terms prescribed by Section 2 of Article IV, Sections 2 and 11 of Article V, Section 2 of Article IX, and Section 17 of Article XIII apply only to terms to which persons are elected or appointed on or after November 6, 1990, except that an incumbent Senator whose office is not on the ballot for the general election on that date may serve only one additional term. Those limitations shall not apply to any unexpired term to which a person is elected or appointed if the remainder of the term is less than half of the full term. [*New section adopted November 6, 1990. Initiative measure.*]

SEC. 8. [*Renumbered Section 21 of Article I and amended November 5, 1974.*]

SEC. 9. [*Repealed November 3, 1970.*]

SEC. 10. [*Repealed June 8, 1976.*]

SEC. 11. [*Repealed June 8, 1976.*]

SEC. 12. [*Repealed November 3, 1970.*]

SEC. 13. [*Repealed November 3, 1970.*]

SEC. 14. [*Repealed November 3, 1970.*]

SEC. 15. [*Repealed June 8, 1976.*]

SEC. 16. [*Repealed November 7, 1972.*]

SEC. 17. [*Repealed June 8, 1976.*]

SEC. 17½. [*Repealed June 8, 1976.*]

SEC. 18. [*Renumbered Section 8 of Article I and amended November 5, 1974.*]

SEC. 19. [*Repealed June 8, 1976.*]

SEC. 20. [*Repealed June 8, 1976.*]

SEC. 21. [*Repealed June 8, 1976.*]

[*Liquor Control*]

SEC. 22. The State of California, subject to the internal revenue laws of the United States, shall have the exclusive right and power to license and regulate the manufacture, sale, purchase, possession and transporta-

tion 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.

* New Article XXI adopted June 3, 1980.

(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 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*]

SEC. 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.*]

** New Article XXII 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, 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

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

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*]

SEC. 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*]

SEC. 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*]

SEC. 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.*]

ARTICLE XXXV*

MEDICAL RESEARCH

[*California Institute for Regenerative Medicine*]

SECTION 1. There is hereby established the California Institute for Regenerative Medicine. [*New section adopted November 2, 2004. Initiative measure.*]

* New Article XXXV adopted November 2, 2004. Initiative measure.

[*California Institute for Regenerative Medicine—Purposes*]

SEC. 2. The institute shall have the following purposes:

(a) To make grants and loans for stem cell research, for research facilities, and for other vital research opportunities to realize therapies, protocols, and/or medical procedures that will result in, as speedily as possible, the cure for, and/or substantial mitigation of, major diseases, injuries, and orphan diseases.

(b) To support all stages of the process of developing cures, from laboratory research through successful clinical trials.

(c) To establish the appropriate regulatory standards and oversight bodies for research and facilities development. [*New section adopted November 2, 2004. Initiative measure.*]

[*California Institute for Regenerative Medicine—Use of Funds for Cloning Research*]

SEC. 3. No funds authorized for, or made available to, the institute shall be used for research involving human reproductive cloning. [*New section adopted November 2, 2004. Initiative measure.*]

[*California Institute for Regenerative Medicine—Funds*]

SEC. 4. Funds authorized for, or made available to, the institute shall be continuously appropriated without regard to fiscal year, be available and used only for the purposes provided in this article, and shall not be subject to appropriation or transfer by the Legislature or the Governor for any other purpose. [*New section adopted November 2, 2004. Initiative measure.*]

[*Right to Conduct Stem Cell Research*]

SEC. 5. There is hereby established a right to conduct stem cell research which includes research involving adult stem cells, cord blood stem cells, pluripotent stem cells, and/or progenitor cells. Pluripotent stem cells are cells that are capable of self-renewal, and have broad potential to differentiate into multiple adult cell types. Pluripotent stem cells may be derived from somatic cell nuclear transfer or from surplus products of in vitro fertilization treatments when such products are donated under appropriate informed consent procedures. Progenitor cells are multipotent or precursor cells that are partially differentiated, but retain the ability to divide and give rise to differentiated cells. [*New section adopted November 2, 2004. Initiative measure.*]

[*California Institute for Regenerative Medicine—Utilization of Bonds*]

SEC. 6. Notwithstanding any other provision of this Constitution or any law, the institute, which is established in state government, may utilize state issued tax-exempt and taxable bonds to fund its operations, medical

and scientific research, including therapy development through clinical trials, and facilities. [*New section adopted November 2, 2004. Initiative measure.*]

[*California Institute for Regenerative Medicine—Civil Service Exemption*]

SEC. 7. Notwithstanding any other provision of this Constitution, including Article VII, or any law, the institute and its employees are exempt from civil service. [*New section adopted November 2, 2004. Initiative measure.*]

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MEASURES SUBMITTED TO
VOTE OF ELECTORS

Special Statewide Election, November 8, 2005

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA



SPECIAL ELECTION PROCLAMATION
BY THE GOVERNOR OF THE STATE OF CALIFORNIA

I, Arnold Schwarzenegger, Governor of the State of California, pursuant to Article II, Section 8(c) of the California Constitution, and Section 12000 of the Elections Code, do hereby proclaim and order that a statewide special election shall be held on the 8th day of November, 2005, to submit to the voters the following qualified initiative measures:

- 1067. **Termination of Minor's Pregnancy. Waiting Period and Parental Notification. Initiative Constitutional Amendment.**
- 1084. **Public Employee Union Dues. Required Employee Consent for Political Contributions. Initiative Statute.**
- 1088. **Public School Teachers. Waiting Period for Permanent Status. Dismissal. Initiative Statute.**
- 1072. **Reapportionment. Initiative Constitutional Amendment.**
- 1131. **School Funding. State Spending. Initiative Constitutional Amendment.**

The following initiative measures are currently before the Secretary of State pending the verification of petition signatures. A number of these measures may qualify for the special election to be held November 8, 2005:

- 1106. **Prescription Drug Discounts. State-Negotiated Rebates. Initiative Statute.**
- 1114. **Electric Service Providers. Regulation. Initiative Statute.**
- 1129. **Prescription Drugs. Discounts. Initiative Statute.**

I believe the prompt consideration of Measure 1131, State Spending, by the voters is vital to the ability of the people to control their destiny and decide matters of immediate importance to California's future.

Although steadily improving, California's budget is still in crisis. To solve the State budget's continuing structural deficit, we must consider reform of the way the government spends its money. Measure 1131, State Spending, will allow voters to consider a new approach to state spending that overrides automatic formulas.

The funds necessary to pay the claims of local agencies arising from their costs incurred to conduct the special statewide election shall be included in the State Budget for the 2006–2007 fiscal year, or in an earlier enacted claims bill.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 13th day of June, 2005.



ARNOLD SCHWARZENEGGER
Governor of California

ATTEST:



BRUCE McPHERSON
Secretary of State

**MEASURES SUBMITTED TO
VOTE OF ELECTORS**
Special Statewide Election, November 8, 2005

MEASURES ADOPTED

None

MEASURES DEFEATED

INITIATIVE CONSTITUTIONAL AMENDMENTS

*Number
on ballot*

- 73. **Waiting Period and Parental Notification Before Termination of Minor's Pregnancy.**
- 76. **State Spending and School Funding Limits.**
- 77. **Redistricting.**

INITIATIVE STATUTES

- 74. **Public School Teachers. Waiting Period for Permanent Status. Dismissal.**
- 75. **Public Employee Union Dues. Restrictions on Political Contributions. Employee Consent Requirement.**
- 78. **Discounts on Prescription Drugs.**
- 79. **Prescription Drug Discounts. State-Negotiated Rebates.**
- 80. **Electric Service Providers. Regulation.**



SECRETARY OF STATE

I, BRUCE McPHERSON, 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 electors of the State within calendar year 2005.

No proposed laws were **approved** by voters at the Special Statewide Election held on Tuesday, November 8, 2005.

The following proposed laws were **defeated** by voters at the Special Statewide Election held on Tuesday, November 8, 2005:

Waiting Period and Parental Notification Before Termination of Minor's Pregnancy. Initiative Constitutional Amendment.

Public School Teachers. Waiting Period for Permanent Status. Dismissal. Initiative Statute.

Public Employee Union Dues. Restrictions on Political Contributions. Employee Consent Requirement. Initiative Statute.

State Spending and School Funding Limits. Initiative Constitutional Amendment.

Redistricting. Initiative Constitutional Amendment.

Discounts on Prescription Drugs. Initiative Statute.

Prescription Drug Discounts. State-Negotiated Rebate. Initiative Statute.

Electric Service Providers. Regulation. Initiative Statute.

IN WITNESS WHEREOF, I hereunto set my hand and affix the Great Seal of California, at Sacramento, this 15th day of December, 2005.



A handwritten signature in black ink that reads "Bruce McPherson".

BRUCE McPHERSON
Secretary of State

PROPOSITIONS SUBMITTED TO VOTE OF ELECTORS

Special Statewide Election, November 8, 2005

MEASURES ADOPTED

None.

MEASURES DEFEATED

INITIATIVE CONSTITUTIONAL AMENDMENTS

Number
on ballot

73. **Waiting Period and Parental Notification Before Termination of Minor's Pregnancy.**

[Submitted by the initiative and rejected by electors November 8, 2005.]

PROPOSED LAW

SECTION 1. Title

This measure shall be known and may be cited as the Parents' Right to Know and Child Protection Initiative.

SEC. 2. Declaration of Findings and Purposes

The people of California have a special and compelling interest in and responsibility for protecting the health and well-being of children, ensuring that parents are properly informed of potential health-related risks to their children, and promoting parent-child communication and parental responsibility.

SEC. 3. Parental Notification

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

SEC. 32. (a) For purposes of this section, the following terms shall be defined to mean:

(1) "Abortion" means the use of any means to terminate the pregnancy of an unemancipated minor female known to be pregnant with knowledge that the termination with those means will, with reasonable likelihood, cause the death of the unborn child, a child conceived but not yet born. For purposes of this section, "abortion" shall not include the use of any contraceptive drug or device.

(2) "Medical emergency" means a condition which, on the basis of the physician's good-faith clinical judgment, so complicates the medical condition of a pregnant unemancipated minor as to necessitate the immediate abortion of her pregnancy to avert her death or for which a delay will create serious risk of substantial and irreversible impairment of a major bodily function.

(3) "Notice" means a written notification, signed and dated by a physician or his or her agent and addressed to a parent or guardian, informing the parent or guardian that the unemancipated minor is pregnant and that she has requested an abortion.

(4) “Parent or guardian” means either parent if both parents have legal custody, or the parent or person having legal custody, or the legal guardian of a minor.

(5) “Unemancipated minor” means a female under the age of 18 years who has not entered into a valid marriage and is not on active duty with the armed services of the United States and has not received a declaration of emancipation under state law. For the purposes of this section, pregnancy does not emancipate a female under the age of 18 years.

(6) “Physician” means any person authorized under the statutes and regulations of the State of California to perform an abortion upon an unemancipated minor.

(b) Notwithstanding Section 1 of Article I, or any other provision of this Constitution or law to the contrary and except in a medical emergency as provided for in subdivision (f), a physician shall not perform an abortion upon a pregnant unemancipated minor until after the physician or the physician’s agent has first provided written notice to a parent or guardian either personally as provided for in subdivision (c) and a reflection period of at least 48 hours has elapsed after personal delivery of notice; or until the physician can presume that notice has been delivered by mail as provided in subdivision (d) and a reflection period of at least 48 hours has elapsed after presumed delivery of notice by mail; or until the physician or the physician’s agent has received from a parent or guardian a written waiver of notice as provided for in subdivision (e); or until the physician has received a copy of a waiver of notification from the court as provided in subdivision (h), (i), or (j). A copy of any notice or waiver shall be retained with the unemancipated minor’s medical records. The physician or the physician’s agent shall inform the unemancipated minor that her parent or guardian may receive notice as provided for in this section.

(c) The written notice shall be delivered to the parent or guardian personally by the physician or the physician’s agent. A form for the notice shall be prescribed by the State Department of Health Services. The notice form shall be bilingual, in English and Spanish, and also available in English and each of the other languages in which California Official Voter Information Guides are published.

(d) In lieu of the personal delivery required in subdivision (c), written notice may be made by certified mail addressed to the parent or guardian at the parent’s or guardian’s last known address with return receipt requested and restricted delivery to the addressee, which means a postal employee may only deliver the mail to the authorized addressee. To help ensure timely notice, a copy of the written notice shall also be sent at the same time by first-class mail to the parent or guardian. Notice can only be presumed to have been delivered under the provisions of this subdivision at noon of the second day after the written notice sent by certified mail was postmarked, not counting any days on which regular mail delivery does not take place.

(e) Notice of an unemancipated minor’s intent to obtain an abortion and the reflection period of at least 48 hours may be waived by a parent or guardian. The waiver must be in writing, on a form prescribed by the State Department of Health Services, signed by a parent or guardian, dated, and notarized. The written waiver need not be notarized if the parent or guardian personally delivers it to the physician or the physician’s agent. The form shall include the following statement: **“WARNING. It is a crime to knowingly provide false information to a physician or a physician’s agent for the purpose of inducing a physician or a physician’s agent to believe that a waiver of notice has been provided by a parent or guardian.”** The waiver form shall be bilingual, in English and Spanish, and also available in English and each of the other languages in which California Official Voter Information Guides are published.

(f) Notice shall not be required under this section if the attending physician certifies in the unemancipated minor’s medical records the medical indications

supporting the physician's good-faith clinical judgment that the abortion is necessary due to a medical emergency as defined in paragraph (2) of subdivision (a).

(g) Notice shall not be required under this section if waived pursuant to this subdivision and subdivision (h), (i), or (j). If the pregnant unemancipated minor elects not to permit notice to be given to a parent or guardian, she may file a petition with the juvenile court. If, pursuant to this subdivision, an unemancipated minor seeks to file a petition, the court shall assist the unemancipated minor or person designated by the unemancipated minor in preparing the petition and notifications required pursuant to this section. The petition shall set forth with specificity the unemancipated minor's reasons for the request. The court shall ensure that the minor's identity be kept confidential and that all court proceedings be sealed. No filing fee shall be required for filing a petition. An unemancipated pregnant minor shall appear personally in the proceedings in juvenile court and may appear on her own behalf or with counsel of her own choosing. The court shall, however, advise her that she has a right to court-appointed counsel upon request. The court shall appoint a guardian ad litem for her. The hearing shall be held by 5 p.m. on the second court day after filing the petition unless extended at the written request of the unemancipated minor, her guardian ad litem, or her counsel. If the guardian ad litem requests an extension, that extension may not be granted for more than one court day without the consent of the unemancipated minor or her counsel. The unemancipated minor shall be notified of the date, time, and place of the hearing on the petition. Judgment shall be entered within one court day of submission of the matter. The judge shall order a record of the evidence to be maintained, including the judge's written factual findings and legal conclusions supporting the decision.

(h) (1) If the judge finds, by clear and convincing evidence, that the unemancipated minor is sufficiently mature and well-informed to decide whether to have an abortion, the judge shall authorize a waiver of notice of a parent or guardian.

(2) If the judge finds, by clear and convincing evidence, that notice of a parent or guardian is not in the best interests of the unemancipated minor, the judge shall authorize a waiver of notice. If the finding that notice of a parent or guardian is not in the best interests of the minor is based on evidence of physical, sexual, or emotional abuse by a parent or guardian, the court shall ensure that such evidence is brought to the attention of the appropriate county child protective agency.

(3) If the judge does not make a finding specified in paragraph (1) or (2), the judge shall deny the petition.

(i) If the judge fails to rule within the time period specified in subdivision (g) and no extension was requested and granted, the petition shall be deemed granted and the notice requirement shall be waived.

(j) The unemancipated minor may appeal the judgment of the juvenile court at any time after the entry of judgment. The Judicial Council shall prescribe, by rule, the practice and procedure on appeal and the time and manner in which any record on appeal shall be prepared and filed and may prescribe forms for such proceedings. These procedures shall require that the hearing shall be held within three court days of filing the notice of appeal. The unemancipated minor shall be notified of the date, time, and place of the hearing. Judgment shall be entered within one court day of submission of the matter. The appellate court shall ensure that the unemancipated minor's identity be kept confidential and that all court proceedings be sealed. No filing fee shall be required for filing an appeal. Judgment on appeal shall be entered within one court day of submission of the matter.

(k) *The Judicial Council shall prescribe, by rule, the practice and procedure for petitions for waiver of parental notification, hearings and entry of judgment as it deems necessary and may prescribe forms for such proceedings. Each court shall provide annually to the Judicial Council, in a manner to be prescribed by the Judicial Council to ensure confidentiality of the unemancipated minors filing petitions, a report, by judge, of the number of petitions filed, the number of petitions granted under paragraph (1) or (2) of subdivision (h), deemed granted under subdivision (i), denied under paragraph (3) of subdivision (h), and granted and denied under subdivision (j), said reports to be publicly available unless the Judicial Council determines that the data contained in individual reports should be aggregated by court or by county before being made available to the public in order to preserve the confidentiality of the unemancipated minors filing petitions.*

(l) *The State Department of Health Services shall prescribe forms for the reporting of abortions performed on unemancipated minors by physicians. The report forms shall not identify the minor or her parent(s) or guardian by name or request other information by which the minor or her parent(s) or guardian might be identified. The forms shall include the date of the procedure and the unemancipated minor's month and year of birth, the duration of the pregnancy, the type of abortion procedure, the physician who performed the abortion, and the facility where the abortion was performed. The forms shall also indicate whether the abortion was performed at least 48 hours after either personal delivery of a notice pursuant to subdivision (c) or presumed delivery of a notice by mail pursuant to subdivision (d) to a parent or guardian; or was an abortion performed after a parent's or guardian's waiver of notice pursuant to subdivision (e); or was an emergency abortion performed without a notice pursuant to subdivision (f); or was an abortion performed after a judicial waiver of notice pursuant to paragraph (1) or (2) of subdivision (h) or subdivision (i) or (j).*

(m) *The physician who performs an abortion on an unemancipated minor shall within one month file a dated and signed report concerning it with the State Department of Health Services on forms prescribed pursuant to subdivision (l). The identity of the physician shall be kept confidential and shall not be subject to disclosure under the California Public Records Act.*

(n) *The State Department of Health Services shall compile an annual statistical report from the information specified in subdivision (l). The annual report shall not include the identity of any physician who filed a report as required by subdivision (m). The compilation shall include statistical information on the numbers of abortions by month and by county where performed, the minors' ages, the duration of the pregnancies, the types of abortion procedures, and the numbers of abortions performed after notice to a parent or guardian pursuant to subdivision (c) or (d); the numbers of emergency abortions performed without notice to a parent or guardian pursuant to subdivision (f); the numbers performed after a parent's or guardian's waiver of notice pursuant to subdivision (e); and the number of abortions performed after judicial waivers pursuant to paragraph (1) or (2) of subdivision (h) or subdivision (i) or (j). The annual statistical report shall be made available to county public health officials, Members of the Legislature, the Governor, and the public.*

(o) *Any person who performs an abortion on an unemancipated minor and in so doing knowingly or negligently fails to comply with the provisions of this section shall be liable for damages in a civil action brought by the unemancipated minor, her legal representative, or by a parent or guardian wrongfully denied notification. A person shall not be liable under this section if the person establishes by written evidence that the person relied upon evidence sufficient to convince a careful and*

prudent person that the representations of the unemancipated minor or other persons regarding information necessary to comply with this section were bona fide and true. At any time prior to the rendering of a final judgment in an action brought under this subdivision, the parent or guardian may elect to recover, in lieu of actual damages, an award of statutory damages in the amount of ten thousand dollars (\$10,000). In addition to any damages awarded under this subdivision, the plaintiff shall be entitled to an award of reasonable attorney's fees. Nothing in this section shall abrogate, limit, or restrict the common law rights of parents or guardians, or any right to relief under any theory of liability that any person or any state or local agency may have under any statute or common law for any injury or damage, including any legal, equitable, or administrative remedy under federal or state law, against any party, with respect to injury to an unemancipated minor from an abortion.

(p) Other than an unemancipated minor who is the patient of a physician, or other than the physician or the physician's agent, any person who knowingly provides false information to a physician or a physician's agent for the purpose of inducing the physician or the physician's agent to believe that pursuant to this section notice has been or will be delivered, or that a waiver of notice has been obtained, or that an unemancipated minor patient is not an unemancipated minor, is guilty of a misdemeanor punishable by a fine of up to one thousand dollars (\$1,000).

(q) Notwithstanding any notices delivered pursuant to subdivision (c) or (d) or waivers received pursuant to subdivision (e), paragraph (1) or (2) of subdivision (h), or subdivision (i) or (j), except where the particular circumstances of a medical emergency as defined in paragraph (2) of subdivision (a) or her own mental incapacity precludes obtaining her consent, a physician shall not perform or induce an abortion upon an unemancipated minor except with the consent of the unemancipated minor herself.

(r) Notwithstanding any notices delivered pursuant to subdivision (c) or (d) or waivers received pursuant to subdivision (e), paragraph (1) or (2) of subdivision (h), or subdivision (i) or (j), an unemancipated minor who is being coerced by any person through force, threat of force, or threatened or actual deprivation of food or shelter to consent to undergo an abortion may apply to the juvenile court for relief. The court shall give the matter expedited consideration and grant such relief as may be necessary to prevent such coercion.

(s) This section shall not take effect until 90 days after the election in which it is approved. The Judicial Council shall, within these 90 days, prescribe the rules, practices, and procedures and prepare and make available any forms it may prescribe as provided in subdivision (k). The State Department of Health Services shall, within these 90 days, prepare and make available the forms prescribed in subdivisions (c), (e), and (l).

(t) If any one or more provision, subdivision, sentence, clause, phrase, or word of this section or the application thereof to any person or circumstance is found to be unconstitutional or invalid, the same is hereby declared to be severable and the balance of this section shall remain effective notwithstanding such unconstitutionality or invalidity. Each provision, subdivision, sentence, clause, phrase, or word of this section would have been approved by voters irrespective of the fact that any one or more provision, subdivision, sentence, clause, phrase, or word might be declared unconstitutional or invalid.

(u) Except for the rights, duties, privileges, conditions, and limitations specifically provided for in this section, nothing in this section shall be construed to grant, secure, or deny any other rights, duties, privileges, conditions, and limitations relating to abortion or the funding thereof.

76. **State Spending and School Funding Limits.**

[Submitted by the initiative and rejected by electors November 8, 2005.]

PROPOSED LAW

SECTION 1. Title

This measure shall be known as the “California Live Within Our Means Act.”

SECTION 2. Findings and Declarations

(a) For the last four years, California has enacted budgets that have spent billions of dollars more than the state received in revenues.

(b) The Legislature is chronically late in passing budgets and seems institutionally incapable of passing balanced budgets.

(c) Spending will continue to rise faster than revenues because of laws guaranteeing annual increases in spending for a host of public services and granting entitlements to growing caseloads of qualified recipients. When combined with the refusal of the Legislature to change these laws, this auto-pilot spending is a recipe for California’s bankruptcy.

(d) In March 2004, the people overwhelmingly enacted Proposition 58, the California Balanced Budget Act. The California Live Within Our Means Act is needed to strengthen that law to deal with budget emergencies when the Legislature fails to act.

(e) The Governor’s current authority to veto or “blue pencil” excessive appropriations from budget bills cannot deal with spending mandates built into current law or with mid-year revenue losses or unexpected spending demands.

(f) The Governor needs the authority, when the Legislature fails to act in budget emergencies, to make spending reductions to keep the state from spending more than it is taking in and either running farther into debt or forcing massive tax increases.

(g) To meet the financial mandates of auto-pilot spending formulas enacted by the Legislature, the state has borrowed billions of dollars from schools, transportation funds, and local governments. The Constitution should prohibit such budgetary gimmickry and require the borrowed money be repaid without making current deficits worse.

SECTION 3. Purpose and Intent

In enacting this measure, it is the intent of the people of the State of California to enact comprehensive budget reform which will:

(a) Supply the tools that will help the state enact budgets that are balanced and on time so that the pressure for tax increases will be reduced; and

(b) Provide that if the Legislature fails to act in fiscal emergencies, the budget can be balanced by reductions in spending.

SECTION 4. Section 10 of Article IV of the California Constitution is amended to read:

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.

(f) (1) *Commencing with the 2006–07 fiscal year and each fiscal year thereafter, the maximum amount of total expenditures allowable for the current fiscal year shall be computed by multiplying the prior year total expenditures by one plus the average annual growth in General Fund revenues and special fund revenues as defined in paragraph (3) for the three previous fiscal years.*

(2) *For computing the average annual growth in revenues under paragraph (1), the amount of actual revenue for the fiscal year is to be used if available. If the actual amount of revenue is unknown, then the revenue shall be estimated by the Department of Finance through a regular and transparent process.*

(3) *“General Fund revenues and special fund revenues” means all taxes, any other charges or exactions imposed by the State and all other sources of revenue which were considered “General Fund” or “special fund” sources of revenue for the 2004–05 fiscal year. “General Fund revenues and special fund revenues” does not include revenues to Nongovernmental Cost Funds, including federal funds, trust and agency funds, enterprise funds or selected bond funds.*

(4) *The expenditure limit imposed by paragraph (1) may be exceeded for a fiscal year in an emergency. “Emergency” means the existence, as declared by*

the Governor, of conditions of disaster or of extreme peril to the safety of persons and property within the State, or parts thereof, caused by an attack or probable or imminent attack by an enemy of the United States, epidemic, fire, flood, drought, storm, civil disorder, earthquake, tsunami, or volcanic eruption. Expenditures in excess of the limit pursuant to this paragraph shall not become part of the expenditure base for purposes of determining the amount of allowable expenditures for the next fiscal year.

(5) If total General Fund revenue and special fund revenues exceed the amount which may be expended for the current fiscal year due to the expenditure limit imposed by paragraph (1), the amount of such excess shall be proportionately attributed to the General Fund and each special fund. The amount of such excess attributed to each special fund shall be held as a reserve in that special fund for expenditure in a subsequent fiscal year. The amount of such excess attributed to the General Fund shall be allocated from the General Fund as follows:

(A) Twenty-five percent to the Budget Stabilization Account.

(B) Fifty percent to be allocated among the following according to the budget act: (1) to any outstanding maintenance factor pursuant to Section 8 of Article XVI in existence as of June 30, 2005, until allocated in full, but the amount so allocated in any fiscal year shall not exceed one-fifteenth of the amount in existence as of June 30, 2005; (2) to the Deficit Recovery Bond Retirement Sinking Fund Subaccount, so long as any bonds issued pursuant to the Economic Recovery Bond Act remain outstanding, and (3) to the Transportation Investment Fund, until such amount as was loaned to the General Fund during the 2003–04, 2004–05, 2005–06, and 2006–07 fiscal years has been repaid in full, but the amount so allocated in any fiscal year shall not exceed one-fifteenth of the amount in existence as of June 30, 2007. The deposit of funds pursuant to this subparagraph shall supplement, but not supplant, the transfers to the Deficit Recovery Bond Retirement Sinking Fund Subaccount required by paragraph (1) of subdivision (f) of Section 20 of Article XVI.

(C) Twenty-five percent to the School, Roads, and Highways Construction Fund, which is hereby created in the Treasury as a trust fund, which shall be available for road and highway construction projects and for school construction and modernization projects, upon appropriation by the Legislature. Any funds allocated to school districts pursuant to this provision are not subject to Section 8 of Article XVI.

(D) No funds expended pursuant to subparagraph (B) or (C) are part of the expenditure base for the purposes of determining the amount of allowable expenditures pursuant to paragraph (1) for subsequent fiscal years.

(g) (1) If, following the enactment of the budget bill for the 2004–05 fiscal year or any subsequent fiscal year, the Governor determines that, for that fiscal year, General Fund revenues will decline substantially below the estimate of General Fund revenues upon which the budget bill for that fiscal year, as enacted, was based, or General Fund expenditures will increase substantially above that estimate of General Fund revenues, or both, the Governor may issue a proclamation declaring a fiscal emergency and shall thereupon cause the Legislature to assemble in special session for this purpose. The proclamation shall identify the nature of the fiscal emergency and shall be submitted by the Governor to the Legislature, accompanied by proposed legislation to address the fiscal emergency. at the end of any quarter determines that, for that fiscal year, General Fund revenues have fallen by a rate of at least one and one-half percent on an annualized basis below revenues as estimated by the Department of Finance or if, following the enactment of the budget bill for the 2006–07 fiscal year or any

subsequent fiscal year, the Governor determines that, for that fiscal year, the balance of the Budget Stabilization Account will decline to below one-half of the balance in the account available at the beginning of the fiscal year, the Governor may issue a proclamation declaring a fiscal emergency and shall thereupon cause the Legislature to assemble in special session solely for that purpose. The proclamation shall identify the nature of the proposed legislation to remedy the fiscal emergency.

(2) Notwithstanding any other provisions of this Constitution, if a bill or bills have not been enacted to remedy the fiscal emergency by the 45th day following the issuance of the proclamation, or the 30th day if appropriation authority is currently provided pursuant to subdivision (g) of Section 12 of Article IV, the Governor shall reduce items of appropriation as necessary to remedy the fiscal emergency. The Governor may reduce items of appropriation on an equally proportionate basis, or disproportionately, at his or her discretion.

No reduction may be made in appropriations for debt service, appropriations necessary to comply with federal laws and regulations, or appropriations where the result of a reduction would be in violation of contracts to which the State is a party.

(3) Notwithstanding any other provision of this Constitution, the Governor's authority to reduce appropriations shall apply to any General Fund payment made with respect to any contract, collective bargaining agreement, or other entitlement under law for which liability of the State to pay arises on or after the effective date of the measure that added this paragraph.

(4) The reduction authority set forth in paragraph (2) applies until the effective date, no later than the end of that fiscal year, of a proclamation issued by the Governor declaring the end of the fiscal emergency or the budget and any legislation necessary to implement it has been enacted.

(5) If the Legislature fails to pass and send to the Governor a bill or bills to address the fiscal emergency by the 45th day following the issuance of the proclamation, the Legislature may not act on any other bill, nor may the Legislature adjourn for a joint recess, until that bill or those bills have been passed and sent to the Governor.

(3) (6) A bill addressing the fiscal emergency declared pursuant to this section shall contain a statement to that effect.

(h) If, following the enactment of the budget bill for the 2006–07 fiscal year or any subsequent fiscal year, the Governor determines that, for that fiscal year, total expenditures are expected to exceed the limit imposed by paragraph (1) of subdivision (f), for that fiscal year, the Governor shall propose to the Legislature or implement to the extent practicable by executive order measures to reduce or eliminate the excess expenditures. If after the conclusion of that fiscal year it is determined by the Director of the Department of Finance that actual expenditures for that fiscal year have exceeded the maximum amount allowable for that year, then the maximum amount of allowable expenditures as determined under subdivision (f) for the fiscal year following the fiscal year in which such determination is made shall be reduced by the amount of the excess.

SECTION 5. Section 12 of Article IV of the California Constitution is amended to read:

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) (1) 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.

(2) *The Director of Finance shall advise the Governor on the current status of state revenues and expenditures at least quarterly, and at the beginning of any fiscal year for which a budget bill has not been enacted.*

(c) (1) The budget shall be accompanied by a budget bill itemizing recommended expenditures.

(2) The budget bill shall be introduced immediately in each house by the persons chairing the committees that consider the budget.

(3) The Legislature shall pass the budget bill by midnight on June 15 of each year.

(4) 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.

(f) For the 2004–05 fiscal year, or any subsequent fiscal year, the Legislature may not send to the Governor for consideration, nor may the Governor sign into law, a budget bill that would appropriate from the General Fund, for that fiscal year, a total amount that, when combined with all appropriations from the General Fund for that fiscal year made as of the date of the budget bill's passage, and the amount of any General Fund moneys transferred to the Budget Stabilization Account for that fiscal year pursuant to Section 20 of Article XVI, exceeds General Fund revenues for that fiscal year estimated as of the date of the budget bill's passage. That estimate of General Fund revenues shall be set forth in the budget bill passed by the Legislature.

(g) *For the fiscal year of the effective date of the measure that added this subdivision, or any subsequent fiscal year, if the budget bill is not enacted prior to July 1, as of that date, and notwithstanding any other provision of this Constitution, amounts equal to the amounts appropriated by each of the items of appropriation in the budget act and any amendments to the budget act for the immediately preceding fiscal year are hereby appropriated for the current fiscal year, adjusted for debt service, in the same proportions, for the same purposes, from the same funding sources, and under the same conditions that apply to those items under that budget act or amendment to the budget act. The appropriation authority set forth in this subdivision applies until the effective date of the budget act enacted for that fiscal year.*

(h) (1) *On and after July 1, 2006, funds may not be transferred from a special fund to the General Fund as a loan. Any funds transferred prior to that date from a special fund to the General Fund for the purpose of making a loan to the General Fund and not repaid to that special fund by July 1, 2006, shall be repaid to that special fund no later than July 1, 2021.*

(2) *The prohibition contained in this subdivision does not apply to loans made for the purpose of meeting the short-term cash flow needs of the State if any amount*

owed 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, or if repayment is to be made no later than a date not more than 30 days after the date of enactment of the budget bill for the subsequent fiscal year.

SECTION 6. Section 8 of Article XVI of the California Constitution is amended to read:

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 *either of* the following amounts:

(1) The amount ~~which~~ *that*, as a percentage of General Fund revenues ~~which that~~ 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 *the* 1986–87 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 are~~ 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 capita General Fund revenues plus ~~one half one-half~~ of one percent.

(D) ~~This paragraph is not operative in any fiscal year succeeding the fiscal year in which the measure that added this subparagraph became effective.~~

(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)

(d) If, for any fiscal year, an amount is appropriated for the support of school districts and community college districts in excess of the minimum amount required to be appropriated for that fiscal year pursuant to subdivision (b), the excess amount so appropriated shall not be deemed an allocation to school districts and community college districts for purposes of calculating the moneys to be applied by the State for the support of those entities for any subsequent fiscal year pursuant to paragraph (2) of subdivision (b).

(e) (1) The total amount of any maintenance factors, arising pursuant to former subdivision (d) for one or more fiscal years preceding the fiscal year that commences subsequent to the effective date of the measure that added this subdivision, shall be repaid no later than July 1, 2021. The repayment of any maintenance factor pursuant to this paragraph for any fiscal year shall be divided between school districts and community college districts in the same proportion that allocations for that fiscal year that were made prior to the effective date of the measure that added this subdivision were apportioned to school districts and community college districts. The payment of a maintenance factor amount in any fiscal year shall not be deemed an allocation to school districts and community college districts for purposes of calculating the moneys to be applied by the State for the support of those entities for any subsequent fiscal year pursuant to paragraph (2) of subdivision (b).

(2) The balance of any amounts that were required by this section to be allocated to school districts and community college districts for the 2003–04 fiscal year, or any preceding fiscal year, but were not allocated as of the effective date of the measure that added this subdivision, shall be allocated no later than 15 years following that date. The total amount of augmentations allocated pursuant to this paragraph for any fiscal year shall be divided between school districts and community college districts in the same proportion that allocations for that fiscal year that were made prior to the effective date of the measure that added this subdivision were apportioned to school districts and community college districts.

(3) (A) *The balance of any amounts that are required by this section to be allocated to school districts and community college districts, for the 2004–05 fiscal year, or any subsequent fiscal year, but are not allocated as of the end of that fiscal year, are continuously appropriated to the Controller from the General Fund of the State for allocation to school districts and community college districts upon the certification by the Department of Finance and the Superintendent of Public Instruction of the final data necessary to perform the calculations required pursuant to subdivision (b). That certification shall be completed within 24 months subsequent to the end of the fiscal year. The amount appropriated pursuant to this paragraph shall be divided between school districts and community college districts in the same proportion that allocations were made during that fiscal year to school districts and community college districts.*

(B) *The Legislature may require, in the budget act or any other statute, that a school district or community college district use funds allocated pursuant to this paragraph for a specified purpose.*

(f) (1) *Payable claims for state-mandated costs incurred prior to the 2004–05 fiscal year by a school district or community college district that have not been paid prior to the 2005–06 fiscal year shall be paid no later than the 2020–21 fiscal year.*

(2) *Amounts allocated to a school district or community college district for a fiscal year pursuant to subdivision (b) shall first be expended by the district to pay the costs for state mandates incurred during that fiscal year.*

(g) (1) 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.

(2) *For purposes of this section, “maintenance factor” means the difference between: (A) the amount of General Fund moneys that would have been appropriated for a fiscal year pursuant to paragraph (2) of subdivision (b) if that paragraph, rather than former paragraph (3) of that subdivision, had been operative or, as applicable, the amount of General Fund moneys that would have been appropriated for a fiscal year pursuant to subdivision (b) had subdivision (b) not been suspended pursuant to a statute enacted prior to January 1, 2005, and (B) the amount of General Fund moneys actually appropriated to school districts and community college districts for that 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.

SECTION 7. Section 6 of Article XIX of the California Constitution is amended to read:

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 *Nothing in subdivision (h) of Section 12 of Article IV 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~~ *section* 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.~~

SECTION 8. Section 1 of Article XIX A of the California Constitution is repealed.

~~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.~~

SECTION 9. Section 1 of Article XIX B of the California Constitution is amended to read:

SEC. 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 *as a special fund*.

(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~~ *March 6, 2002*.

(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)~~

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

~~(B)~~

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

~~(C)~~

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

~~(D)~~

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

(d) (1) 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 any fiscal year preceding the 2007–08* fiscal year if both of the following conditions are met:

~~(1)~~

(A) 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)~~

(B) 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.

(2) (A) *The total amount, as of July 1, 2007, of revenues that were not transferred from the General Fund of the State to the Transportation Investment Fund because of a suspension pursuant to this subdivision shall be repaid to the Transportation Investment Fund no later than June 30, 2022. Until that total amount has been repaid, the amount of that repayment to be made in each fiscal year shall not be less than one-fifteenth of the total amount due.*

(B) *The Legislature may provide by statute for the issuance of bonds by the State or local agencies, as applicable, that are secured by the payments required by this*

paragraph. Proceeds of the sale of the bonds shall be applied for purposes consistent with this article, and for costs associated with the issuance and sale of the bonds.

(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).

SECTION 10. Section 6 of Article XIII B of the California Constitution is amended to read:

SEC. 6. (a) 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 that local government for the costs of the program or increased level of service, except that the Legislature may, but need not, provide a subvention of funds for the following mandates:

(1) Legislative mandates requested by the local agency affected.

(2) Legislation defining a new crime or changing an existing definition of a crime.

(3) Legislative mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975.

(b) (1) Except as provided in paragraph (2), for the 2005–06 fiscal year and every subsequent fiscal year, for a mandate for which the costs of a local government claimant have been determined in a preceding fiscal year to be payable by the State pursuant to law, the Legislature shall either appropriate, in the annual Budget Act, the full payable amount that has not been previously paid, or suspend the operation of the mandate for the fiscal year for which the annual Budget Act is applicable in a manner prescribed by law. *In the event payment of a mandate is suspended in whole or in part by the Governor pursuant to paragraph (2) of subdivision (g) of Section 10 of Article IV, the operation of the mandate is suspended for the fiscal year in which payment is suspended.*

(2) Payable claims for costs incurred prior to the 2004–05 fiscal year that have not been paid prior to the 2005–06 fiscal year ~~may~~ *shall* be paid over a term of *not more than 5* years, as prescribed by law.

(3) Ad valorem property tax revenues shall not be used to reimburse a local government for the costs of a new program or higher level of service.

(4) This subdivision applies to a mandate only as it affects a city, county, city and county, or special district.

(5) This subdivision shall not apply to a requirement to provide or recognize any procedural or substantive protection, right, benefit, or employment status of any local government employee or retiree, or of any local government employee organization, that arises from, affects, or directly relates to future, current, or past local government employment and that constitutes a mandate subject to this section.

(c) A mandated new program or higher level of service includes a transfer by the Legislature from the State to cities, counties, cities and counties, or special districts of complete or partial financial responsibility for a required program for which the State previously had complete or partial financial responsibility.

SECTION 11. Conflicting Ballot Measures

In the event that this measure and another measure or measures relating to the appropriation, allocation, classification, and expenditure of state revenues for

support of state government and education shall appear on the same statewide election ballot, the provisions of the other measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measures shall be null and void.

SECTION 12. Severability

If any provisions of this act, or part thereof, are for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions are severable.

*Number
on ballot*

77. Redistricting.

[Submitted by the initiative and rejected by electors November 8, 2005.]

PROPOSED LAW

REDISTRICTING REFORM: THE VOTER EMPOWERMENT ACT

SECTION 1. Findings and Declarations of Purpose

The People of the State of California find and declare that:

(a) Our Legislature should be responsive to the demands of the citizens of the State of California, and not the self-interest of individual legislators or the partisan interests of political parties.

(b) Self-interest and partisan gerrymandering have resulted in uncompetitive districts, ideological polarization in our institutions of representative democracy, and a disconnect between the interests of the People of California and their elected representatives.

(c) The redistricting plans adopted by the California Legislature in 2001 serve incumbents, not the People, are repugnant to the People, and are in direct opposition to the People's interest in fair and competitive elections. They should not be used again.

(d) We demand that our representative system of government be fair to all, open to public scrutiny, free of conflicts of interest, and dedicated to the principle that government derives its power from the consent of the governed. Therefore, the People of the State of California hereby adopt the "Redistricting Reform: The Voter Empowerment Act."

SECTION 2. Fair Redistricting

Article XXI of the California Constitution is amended to read:

SECTION 1. (a) *Except as provided in subdivision (b), in the year following the year in which the national census is taken under the direction of Congress at the beginning of each decade, a panel of Special Masters composed of retired judges shall adjust the boundary lines of the Senatorial, Assembly, Congressional, and Board of Equalization districts in accordance with the standards and provisions of this article.*

(b) *Within 20 days following the effective date of this section, the Legislature shall appoint, pursuant to the provisions of paragraph (2) of subdivision (c), a panel of Special Masters to adopt a plan of redistricting adjusting the boundary lines of the Senatorial, Assembly, Congressional, and Board of Equalization districts for use in the next set of statewide primary and general elections and until the next adjustment of boundary lines is required pursuant to subdivisions (a) or (i). The panel shall establish a schedule and deadlines to ensure timely adoption of the plan.*

Except for paragraph (1) of subdivision (c), all provisions of this article shall apply to the adoption of the plan required by this subdivision.

(c) (1) Except as provided in subdivision (b), on or before January 15 of the year following the year in which the national census is taken, the Legislature shall appoint, pursuant to the provisions of paragraph (2) of subdivision (c), a panel of Special Masters composed of retired judges to adopt a plan of redistricting adjusting the boundary lines of the Senatorial, Assembly, Congressional, and Board of Equalization districts pursuant to this article.

(2) (A) In sufficient time to allow the appointment of the Special Masters, the Judicial Council shall nominate by lot 24 retired judges willing to serve as Special Masters. Only retired California state or federal judges, who have never held elected partisan public office or political party office, have not changed their party affiliation, as declared on their voter registration affidavit, since their initial appointment or election to judicial office, and have not received income during the past 12 months from the Legislature, a committee thereof, the United States Congress, a committee thereof, a political party, or a partisan candidate or committee controlled by such candidate, are qualified to serve as Special Master. Not more than 12 of the 24 retired judges may be of a single party affiliation, and the two largest political parties in California shall be equally represented among the nominated retired judges.

(B) A retired judge selected to serve as a Special Master shall also pledge, in writing, that he or she will not run for election in the Senatorial, Assembly, Congressional, or Board of Equalization districts adjusted by him or her pursuant to this article nor accept, for at least five years from the date of appointment as a Special Master, California state public employment or public office, other than judicial employment or judicial office or a teaching position.

(C) From the pool of retired judges nominated by the Judicial Council, the Speaker of the Assembly, the Minority Leader of the Assembly, the President pro Tempore of the Senate, and the Minority Leader of the Senate shall each nominate, no later than five days before the deadline for appointment of the panel of Special Masters, three retired judges, who are not registered members of the same political party as that of the legislator making the nomination. No retired judge may be nominated by more than one legislator.

(D) If, for any reason, any of the aforementioned legislative leadership fails to nominate the requisite number of retired judges within the time period specified herein, the Chief Clerk of the Assembly shall immediately draw, by lot, that legislator's remaining nominees in accordance with the requirements of subparagraph (C) of paragraph (2) of subdivision (c).

(E) No later than three days before the deadline for appointment of the panel of Special Masters, each legislator authorized to nominate a retired judge shall also be entitled to exercise a single peremptory challenge striking the name of any nominee of any other legislator.

(F) From the list of remaining nominees selected by said legislative leadership, the Chief Clerk of the Assembly shall then draw, by lot, three persons to serve as Special Masters. If the drawing fails to produce at least one Special Master from each of the two largest political parties, the drawing shall be conducted again until this requirement is met. If the drawing is unable to produce at least one Special Master from each of the two largest political parties, the drawing for the Special Master from the political party not represented from the list of remaining nominees shall be made from the original pool of 24 retired judges nominated by the Judicial Council, except that no retired judge whose name was struck pursuant to subparagraph (E) of paragraph (2) of subdivision (c) may be appointed. In the event of a vacancy in

the panel of Special Masters, the Chief Clerk shall immediately thereafter draw, by lot, from the list of remaining nominees selected by said legislative leadership, or the original pool of 24 retired judges, if necessary, except for those whose names were struck, a replacement who satisfies the composition requirements for the panel under this subdivision.

(d) Each Special Master shall be compensated at the same rate for each day engaged in official duties and reimbursed for actual and necessary expenses, including travel expenses, in the same manner as a member of the California Citizens Compensation Commission pursuant to subdivision (j) of Section 8 of Article III. The Special Masters' term of office shall expire upon approval or rejection of a plan pursuant to subdivision (h).

(e) Each Special Master shall be subject to the same restrictions on gifts as imposed on a retired judge of the superior court serving in the assigned judges program, and shall file a statement of economic interest, or any successor document, to the same extent and in the same manner as such a retired judge.

(f) (1) Public notice shall be given of all meetings of the Special Masters, and the Special Masters shall be deemed a state body subject to the provisions of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), or any successor act, as amended from time to time; provided that all meetings and sessions of the Special Masters shall be recorded. The Special Masters shall establish procedures that restrict ex parte communications from members of the public and the Legislature concerning the merits of any redistricting plan.

(2) The panel of Special Masters shall establish and publish a schedule to receive and consider proposed redistricting plans and public comment from any member of the Legislature or public. The panel of Special Masters shall hold at least three public hearings throughout the state to consider redistricting plans. At least one such hearing shall be held after the Special Masters have submitted their proposed redistricting plan pursuant to paragraph (3) of subdivision (f), but before adoption of the final plan.

(3) Before the adoption of a final redistricting plan, the Special Masters shall submit their plan to the Legislature for an opportunity to comment within the time set by the Special Masters. The Special Masters shall address in writing each change to their plan that is recommended by the Legislature and incorporated into the plan.

(g) The final redistricting plan shall be approved by a single resolution adopted unanimously by the Special Masters and shall become effective upon its filing with the Secretary of State for use at the next statewide primary and general elections, and, if adopted by initiative pursuant to subdivision (h), for succeeding elections until the next adjustment of boundaries is required pursuant to this article.

(h) The Secretary of State shall submit the final redistricting plan as if it were proposed as an initiative statute under Section 8 of Article II at the same next general election provided for under subdivision (g) for approval or rejection by the voters for use in succeeding elections until the next adjustment of boundaries is required. The ballot title shall read: "Shall the boundary lines of the Senatorial, Assembly, Congressional, and Board of Equalization districts adopted by Special Masters as required by Article XXI of the California Constitution, and used for this election, be used until the next constitutionally required adjustment of the boundaries?"

(i) If the redistricting plan is approved by the voters pursuant to subdivision (h), it shall be used in succeeding elections until the next adjustment of boundaries is required. If the plan is rejected by the voters pursuant to subdivision (h), a new panel of Special Masters shall be appointed within 90 days in the manner provided

in paragraph (2) of subdivision (c), for the purpose of proposing a new plan for the next statewide primary and general elections pursuant to this article. Any officials elected under a final redistricting plan shall serve out their term of office notwithstanding the voters' disapproval of the plan for use in succeeding primary and general elections.

(j) The Legislature shall make such appropriations from the Legislature's operating budget, as limited by Section 7.5 of Article IV, as necessary to provide the panel of Special Masters with equipment, office space, and necessary personnel, including counsel and independent experts in the field of redistricting and computer technology, to assist them in their work. The Legislative Analyst shall determine the maximum amount of the appropriation, based on one-half the amount expended by the Legislature in creating plans in 2001, adjusted by the California Consumer Price Index. For purposes of the plan of redistricting under subdivision (b) only, there is hereby appropriated to the panel of Special Masters from the General Fund of the State during the fiscal year in which the panel performs its responsibilities a sum equal to one-half the amount expended by the Legislature in creating plans in 2001. The expenditure of funds under this appropriation shall be subject to the normal administrative review given to other state appropriations. For purposes of all plans of redistricting under subdivision (a), until appropriations are made, the Legislative Analyst's Office, or any successor thereto, shall furnish, from existing resources, staff and services to the panel as needed for the performance of its duties.

(k) Except for judicial decrees, the provisions of this article are the exclusive means of adjusting the boundary lines of the districts specified herein.

Section 2. (a) Each member of the Senate, Assembly, Congress, and the Board of Equalization shall be elected from a single-member district. Districts of each type shall be numbered consecutively commencing at the northern boundary of the State and ending at the southern boundary.

(b) The population of all districts of a particular type shall be as nearly equal as practicable. For congressional districts, the maximum population deviation between districts shall not exceed federal constitutional standards. For state legislative and Board of Equalization districts, the maximum population deviation between districts of the same type shall not exceed one percent or any stricter standard required by federal law.

(c) Districts shall comply with any additional requirements of the United States Constitution and any applicable federal statute, including the federal Voting Rights Act.

(d) Each Board of Equalization district shall be comprised of 10 adjacent Senate districts and each Senate district shall be comprised of two adjacent Assembly districts.

(e) Every district shall be contiguous.

(f) District boundaries shall conform to the geographic boundaries of a county, city, or city and county to the greatest extent practicable. In this regard, a redistricting plan shall comply with these criteria in the following order of importance: (1) create the most whole counties possible, (2) create the fewest county fragments possible, (3) create the most whole cities possible, and (4) create the fewest city fragments possible, except as necessary to comply with the requirements of the preceding subdivisions of this section.

(g) Every district shall be as compact as practicable except to the extent necessary to comply with the requirements of the preceding subdivisions of this section. With regard to compactness, to the extent practicable a contiguous area of population shall not be bypassed to incorporate an area of population more distant.

(h) No census block shall be fragmented unless required to satisfy the requirements of the United States Constitution.

(i) No consideration shall be given as to the potential effects on incumbents or political parties. No data regarding the residence of an incumbent or of any other candidate or the party affiliation or voting history of electors may be used in the preparation of plans, except as required by federal law.

Section 3. Any action or proceeding alleging that a plan adopted by the Special Masters does not conform with the requirements of this article must be filed within 45 days of the filing of the plan with the Secretary of State or such action or proceeding is forever barred. Judicial review of the conformity of any plan with the requirements of this article may be pursuant to a petition for extraordinary relief. If any court finds a plan to be in violation of this article, it may order that a new plan be adopted by a panel of Special Masters pursuant to this article. A court may order any remedy necessary to effectuate this article.

~~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:~~

~~(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.~~

SECTION 3. Severability

If any provision of this measure or the application thereof to any person or circumstance is held invalid, including, but not limited to, subdivision (b) of Section 1 of Article XXI, that invalidity shall not affect other provisions or applications which can reasonably be given effect in the absence of the invalid provision or application.

SECTION 4. Conflicting Ballot Measures

(a) In the event that this measure and another measure or measures relating to the redistricting of Senatorial, Assembly, Congressional, or Board of Equalization districts is approved by a majority of voters at the same election, and this measure receives a greater number of affirmative votes than any other such measure or measures, this measure shall control in its entirety and said other measure or measures shall be rendered void and without any legal effect. If this measure is approved but does not receive a greater number of affirmative votes than said other measure or measures, this measure shall take effect to the extent permitted by law.

(b) If this measure is approved by voters but superseded by law by any other conflicting ballot measure approved by the voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force of law.

INITIATIVE STATUTES

Number
on ballot

74. Public School Teachers. Waiting Period for Permanent Status. Dismissal.

[Submitted by the initiative and rejected by electors November 8, 2005.]

PROPOSED LAW

SECTION 1. Title

This measure shall be known as the “Put the Kids First Act.”

SECTION 2. Findings and Declarations

(a) California children deserve the best teachers available.

(b) Teachers currently are granted permanent employment status after only two years on the job. Experts believe that a teacher’s ultimate potential and skill level cannot be fully assessed within just two years.

(c) Teacher assignments are based more on teacher seniority and tenure rules than on the needs of the students, depriving students of the best available educational experience.

(d) Once a teacher has permanent status:

(1) Union negotiated rules often require them to be assigned to positions by seniority rather than the needs of the students or best interests of a school.

(2) Teachers can usually be replaced, no matter how talented the replacement, only after a lengthy appeals process costing upwards of \$150,000.

(e) There is an immediate need to give greater flexibility in the assignment of teachers in order to provide students with the greatest educational opportunity.

SECTION 3. Purpose and Intent

In enacting this measure, it is the intent of the people of the State of California to ensure that the needs of students will be given high priority in the assignment of teachers.

SECTION 4. Section 44929.21 of the Education Code is amended to read:

44929.21. (a) Every employee of a school district of any type or class having an average daily attendance of 250 or more who, after having been employed by the district for three complete consecutive school years in a position or positions requiring certification qualifications, is reelected for the next succeeding school year to a position requiring certification qualifications shall, at the commencement of the succeeding school year be classified as and become a permanent employee of the district.

This subdivision shall apply only to probationary employees whose probationary period commenced prior to the 1983–84 fiscal year.

(b) Every employee of a school district of any type or class having an average daily attendance of 250 or more who, after having been employed by the district for two complete consecutive school years in a position or positions requiring certification qualifications, is reelected for the next succeeding school year to a position requiring certification qualifications shall, at the commencement of the succeeding school year be classified as and become a permanent employee of the district.

The governing board shall notify the employee, on or before March 15 of the employee’s second complete consecutive school year of employment by the district in a position or positions requiring certification qualifications, of the decision to reelect or not reelect the employee for the next succeeding school

year to the position. In the event that the governing board does not give notice pursuant to this section on or before March 15, the employee shall be deemed reelected for the next succeeding school year.

This subdivision shall apply only to probationary employees whose probationary period commenced during the 1983–84 fiscal year or any fiscal year thereafter.

(c) Every employee of a school district of any type or class having an average daily attendance of 250 or more who, after having been employed by the district for five complete consecutive school years in a position or positions requiring certification qualifications, is reelected for the next succeeding school year to a position requiring certification qualifications shall, at the commencement of the succeeding school year be classified as and become a permanent employee of the district. The governing board shall notify the employee, on or before March 15 of the employee's fifth complete consecutive school year of employment by the district in a position or positions requiring certification qualifications, of the decision to reelect or not reelect the employee for the next succeeding school year to the position. In the event that the governing board does not give notice pursuant to this section on or before March 15, the employee shall be deemed reelected for the next succeeding school year.

This subdivision shall apply only to probationary employees whose probationary period commenced during the 2003–04 fiscal year or any fiscal year thereafter.

SECTION 5. Section 44932 of the Education Code is amended to read:

44932. *Grounds for dismissal of permanent employee; Suspension of permanent probationary employee for unprofessional conduct.*

(a) No permanent employee shall be dismissed except for one or more of the following causes:

- (1) Immoral or unprofessional conduct.
- (2) Commission, aiding, or advocating the commission of acts of criminal syndicalism, as prohibited by Chapter 188 of the Statutes of 1919, or in any amendment thereof.
- (3) Dishonesty.
- (4) Unsatisfactory performance.
- (5) Evident unfitness for service.
- (6) Physical or mental condition unfitting him or her to instruct or associate with children.
- (7) Persistent violation of or refusal to obey the school laws of the state or reasonable regulations prescribed for the government of the public schools by the State Board of Education or by the governing board of the school district employing him or her.
- (8) Conviction of a felony or of any crime involving moral turpitude.
- (9) Violation of Section 51530 or conduct specified in Section 1028 of the Government Code, added by Chapter 1418 of the Statutes of 1947.
- (10) Knowing membership by the employee in the Communist Party.
- (11) Alcoholism or other drug abuse which makes the employee unfit to instruct or associate with children.

(b) The governing board of a school district may suspend without pay for a specific period of time on grounds of unprofessional conduct a permanent certificated employee or, in a school district with an average daily attendance of less than 250 pupils, a probationary employee, pursuant to the procedures specified in Sections 44933, 44934, 44935, 44936, 44937, 44943, and 44944. This authorization shall not apply to any school district which has adopted a

collective bargaining agreement pursuant to subdivision (b) of Section 3543.2 of the Government Code.

(c) The receipt by a permanent employee of two consecutive unsatisfactory evaluations conducted pursuant to Article 11 (commencing with Section 44660) of Chapter 3 shall constitute unsatisfactory performance as the term is used in this section, and the governing board of the school district may, in its discretion, and without regard for Sections 44934 and 44938, dismiss the employee by written notice on the basis of the employee’s evaluation reports. Within 30 days of receipt of the notice of dismissal, the employee may request an administrative hearing which shall be conducted pursuant to Section 44944.

SECTION 6. Conflicting Ballot Measures

In the event that this measure and another measure or measures relating to teacher tenure shall appear on the same statewide election ballot, the provisions of the other measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measures shall be null and void.

SECTION 7. Severability

If any provisions of this act, or part thereof, are for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions are severable.

SECTION 8. Amendment

This measure may be amended to further its purposes by a bill passed by a two-thirds vote of the membership of both houses of the Legislature and signed by the Governor, provided that at least 14 days prior to passage in each house, copies of the bill in final form shall be made available by the clerk of each house to the public and the news media.

*Number
on ballot*

75. Public Employee Union Dues. Restrictions on Political Contributions. Employee Consent Requirement.

[Submitted by the initiative and rejected by electors November 8, 2005.]

PROPOSED LAW

SECTION 1. Title.

This measure shall be known as “The Public Employees’ Right to Approve Use of Union Dues for Political Campaign Purposes Act.”

SEC. 2. Findings and Declarations.

The People of the State of California find and declare as follows:

(a) Public employees are generally required to join a labor organization or pay fees to the labor organization in lieu of membership.

(b) Public employee labor organizations operate through dues or fees deducted from their members’ salaries which are paid from public funds.

(c) Routinely these dues or fees are used in part to support the political objectives of the labor leaders in support of state and local legislative candidates and ballot measures. Public employees often find their dues or fees used to support political candidates or ballot measures with which they do not agree.

(d) It is fundamentally unfair to force public employees to give money to political activities or candidates they do not support.

(e) Because public money is involved, the public has a right to ensure that public employees have a right to approve the use of their dues or fees to support the political objectives of their labor organization.

(f) To ensure that public employees have a say whether their dues or fees may be used for political campaign purposes, it is fair and just to require that their consent be obtained in advance.

SEC. 3. Purpose and Intent.

In enacting this measure, it is the intent of the people of the State of California to guarantee the right of public employees to have a say whether their dues and fees may be used for political campaign purposes.

SEC. 4. Chapter 5.9 (commencing with Section 85990) is added to Title 9 of the Government Code, to read:

CHAPTER 5.9.

85990. (a) *No public employee labor organization may use or obtain any portion of dues, agency shop fees, or any other fees paid by members of the labor organization, or individuals who are not members, through payroll deductions or directly, for disbursement to a committee as defined in subdivision (a) of Section 82013, except upon the written consent of the member or individual who is not a member received within the previous 12 months on a form described by subdivision (c) signed by the member or nonmember and an officer of the union.*

(b) *Subdivision (a) does not apply to any dues or fees collected from members of the labor organization, or individuals who are not members, for the benefit of charitable organizations organized under Section 501(c)(3) of Title 26 of the United States Code, or for health care insurance, or similar purposes intended to directly benefit the specific member of the labor organization or individual who is not a member.*

(c) *The authorization referred to in subdivision (a) shall be made on the following form, the sole purpose of which is the documentation of such authorization. The form's title shall read, in at least 24-point bold type, "Consent for Political Use of Dues/Fees or Request to Make Political Contributions" and shall state, in at least 14-point bold type, the following specific text.*

Signing this form authorizes your union to use the amount of \$___.00 from each of your dues or agency shop fee payments during the next 12 months as a political contribution or expenditure." ()

Signing this form requests your union to make a deduction of \$___.00 from each of your dues or agency shop fee payments during the next 12 months as a political contribution to the (name of the committee). ()

Check applicable box.

(Name of Employee)

(Union Officer)

(Name of Union)

(Date)

(Date)

(Signature)

(Signature)

(d) Any public employee labor organization that uses any portion of dues, agency shop fees, or other fees to make contributions or expenditures under subdivision (a) shall maintain records that include a copy of each authorization obtained under subdivision (c), the amounts and dates funds were actually withheld, the amounts and dates funds were transferred to a committee, and the committee to which the funds were transferred. Records maintained under this subdivision shall not include the employee's home address or telephone number.

(e) Copies of all records maintained under subdivision (d) shall be sent to the commission on request but shall not be subject to the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(f) Individuals who do not authorize contributions or expenditures under subdivision (a) may not have their dues, agency shop fees, or other fees raised in lieu of the contribution or expenditure.

(g) If the dues, agency shop fees, or other fees referred to in subdivisions (a) and (d) include an amount for a contribution or expenditure, the dues, agency shop fees, or other fees shall be reduced by that amount for any individual who does not sign an authorization as described under subdivision (a).

(h) The requirements of this section may not be waived by the member or individual and waiver of these requirements may not be made a condition of employment or continued employment.

(i) For the purposes of this section, "agency shop" has the same meaning as defined in subdivision (a) of Section 3502.5 of the Government Code on April 1, 1997.

(j) For the purposes of this section, "public employee labor organization" means a labor organization organized for the purpose set forth in subdivision (g) of Section 12926 of the Government Code on April 1, 1997.

SEC. 5. This measure shall be liberally construed to accomplish its purposes.

SEC. 6. In the event that this measure and another measure or measures relating to the consent of public employees to the use of their payroll deductions or dues being used for political contributions or expenditures without their consent shall appear on the same statewide election ballot, the provisions of the other measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and the provisions of the other measures shall be null and void.

SEC. 7. If any provision of this measure, or part thereof, is for any reason held to be invalid or unconstitutional, the remaining provisions shall not be affected, but shall remain in full force and effect, and to this end the provisions are severable.

SEC. 8. If this measure is approved by the voters, but is superseded by another measure on the same ballot receiving a higher number of votes and deemed in conflict with this measure, and the conflicting measure is subsequently held invalid, it is the intent of the voters that this measure become effective.

SEC. 9. This measure may be amended to further its purposes by a bill passed by a two-thirds vote of the membership of both houses of the Legislature and signed by the Governor, provided that at least 14 days prior to passage in each house, copies of the bill in final form shall be made available by the clerk of each house to the public and the news media.

Number
on ballot

78. **Discounts on Prescription Drugs.**

[Submitted by the initiative and rejected by electors November 8, 2005.]

PROPOSED LAW

SECTION 1. FINDINGS AND DECLARATION OF PURPOSE

The people of the State of California do hereby find and declare that:

(a) Prescription drugs are an integral part to managing acute and chronic illness improving quality of life; and

(b) Prescription drugs are a convenient, cost-effective alternative to more costly medical interventions; and

(c) Increasing the affordability and access of prescription medicines will significantly improve health care quality and lower overall health care costs.

SEC. 2. CALIFORNIA STATE PHARMACY ASSISTANCE PROGRAM (CAL RX)

Division 112 (commencing with Section 130600) is added to the Health and Safety Code, to read:

DIVISION 112. CALIFORNIA STATE PHARMACY ASSISTANCE PROGRAM (CAL RX)

CHAPTER 1. GENERAL PROVISIONS

130600. This division shall be known, and may be cited, as the California State Pharmacy Assistance Program or Cal Rx.

130601. For the purposes of this division, the following definitions shall apply:

(a) "Benchmark price" means the price for an individual drug or aggregate price for a group of drugs offered by a manufacturer equal to the lowest commercial price for the individual drug or group of drugs.

(b) "Cal Rx" means the California State Pharmacy Assistance Program.

(c) "Department" means the State Department of Health Services.

(d) "Fund" means the California State Pharmacy Assistance Program Fund.

(e) "Inpatient" means a person who has been admitted to a hospital for observation, diagnosis, or treatment and who is expected to remain overnight or longer.

(f) (1) "Lowest commercial price" means the lowest purchase price for an individual drug, including all discounts, rebates, or free goods, available to any wholesale or retail commercial class of trade in California.

(2) Lowest commercial price excludes purchases by government entities, purchases pursuant to Section 340B of the federal Public Health Services Act (42 U.S.C. Sec. 256b), or nominal prices as defined in federal Medicaid drug rebate agreements.

(3) A purchase price provided to an acute care hospital or acute care hospital pharmacy may be excluded if the prescription drug is used exclusively for an inpatient of the hospital.

(4) Wholesale or retail commercial class of trade includes distributors, retail pharmacies, pharmacy benefit managers, health maintenance organizations, or any entities that directly or indirectly sell prescription drugs to consumers through licensed retail pharmacies, physician offices, or clinics.

(g) "Manufacturer" means a drug manufacturer as defined in Section 4033 of the Business and Professions Code.

(h) "Manufacturer's rebate" means the rebate for an individual drug or aggregate rebate for a group of drugs necessary to make the price for the drug ingredients equal to or less than the applicable benchmark price.

(i) "Prescription drug" means any drug that bears the legend "Caution: federal law prohibits dispensing without prescription," "Rx only," or words of similar import.

(j) "Private discount drug program" means a prescription drug discount card or manufacturer patient assistance program that provides discounted or free drugs to eligible individuals. For the purposes of this division, a private discount drug program is not considered insurance or a third-party payer program.

(k) "Recipient" means a resident that has completed an application and has been determined eligible for Cal Rx.

(l) "Resident" means a California resident pursuant to Section 17014 of the Revenue and Taxation Code.

(m) "Third-party vendor" means a public or private entity with whom the department contracts pursuant to subdivision (b) of Section 130602, which may include a pharmacy benefit administration or pharmacy benefit management company.

130602. (a) There is hereby established the California State Pharmacy Assistance Program or Cal Rx.

(b) The department shall provide oversight of Cal Rx. To implement and administer Cal Rx, the department may contract with a third-party vendor or utilize existing health care service provider enrollment and payment mechanisms, including the Medi-Cal program's fiscal intermediary.

(c) Any resident may enroll in Cal Rx if determined eligible pursuant to Section 130605.

CHAPTER 2. ELIGIBILITY AND APPLICATION PROCESS

130605. (a) To be eligible for Cal Rx, an individual shall meet all of the following requirements at the time of application and reapplication for the program:

(1) Be a resident.

(2) Have family income, as reported pursuant to Section 130606, that does not exceed 300 percent of the federal poverty guidelines, as revised annually by the United States Department of Health and Human Services in accordance with Section 673(2) of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. Sec. 9902), as amended.

(3) Not have outpatient prescription drug coverage paid for in whole or in part by any of the following:

(A) A third-party payer.

(B) The Medi-Cal program.

(C) The children's health insurance program.

(D) The disability medical assistance program.

(E) Another health plan or pharmacy assistance program that uses state or federal funds to pay part or all of the cost of the individual's outpatient prescription drugs. Notwithstanding any other provision of this division to the contrary, an individual enrolled in Medicare may participate in this program, to the extent allowed by federal law, for prescription drugs not covered by Medicare.

(4) Not have had outpatient prescription drug coverage specified in paragraph (3) during any of the three months preceding the month in which the application or reapplication for Cal Rx is made, unless any of the following applies:

(A) The third-party payer that paid all or part of the coverage filed for bankruptcy under the federal bankruptcy laws.

(B) The individual is no longer eligible for coverage provided through a retirement plan subject to protection under the Employee Retirement Income Security Act of 1974 (29 U.S.C. Sec. 1001), as amended.

(C) The individual is no longer eligible for the Medi-Cal program, children's health insurance program, or disability medical assistance program.

(b) Application and an annual reapplication for Cal Rx shall be made pursuant to subdivision (d) of Section 130606. An applicant, or a guardian or custodian of an applicant, may apply or reapply on behalf of the applicant and the applicant's spouse and children.

130606. (a) The department or third-party vendor shall develop an application and reapplication form for the determination of a resident's eligibility for Cal Rx.

(b) The application, at a minimum, shall do all of the following:

(1) Specify the information that an applicant or the applicant's representative must include in the application.

(2) Require that the applicant, or the applicant's guardian or custodian, attest that the information provided in the application is accurate to the best knowledge and belief of the applicant or the applicant's guardian or custodian.

(3) Include a statement printed in bold letters informing the applicant that knowingly making a false statement is punishable under penalty of perjury.

(4) Specify that the application and annual reapplication fee due upon submission of the applicable form is fifteen dollars (\$15).

(c) In assessing the income requirement for Cal Rx eligibility, the department shall use the income information reported on the application and not require additional documentation.

(d) Application and annual reapplication may be made at any pharmacy, physician office, or clinic participating in Cal Rx, through a Web site or call center staffed by trained operators approved by the department, or through the third-party vendor. A pharmacy, physician office, clinic, or third-party vendor completing the application shall keep the application fee as reimbursement for its processing costs. If it is determined that the applicant is already enrolled in Cal Rx, the fee shall be returned to the applicant and the applicant shall be informed of his or her current status as a recipient.

(e) The department or third-party vendor shall utilize a secure electronic application process that can be used by a pharmacy, physician office, or clinic, by a Web site, by a call center staffed by trained operators, or through the third-party vendor to enroll applicants in Cal Rx.

(f) During normal hours, the department or third-party vendor shall make a determination of eligibility within four hours of receipt by Cal Rx of a completed application. The department or third-party vendor shall mail the recipient an identification card no later than four days after eligibility has been determined.

(g) For applications submitted through a pharmacy, the department or third-party vendor may issue a recipient identification number for eligible applicants to the pharmacy for immediate access to Cal Rx.

130607. (a) The department or third-party vendor shall attempt to execute agreements with private discount drug programs to provide a single point of entry for eligibility determination and claims processing for drugs available in those private discount drug programs.

(b) (1) Private discount drug programs may require an applicant to provide additional information, beyond that required by Cal Rx, to determine the applicant's eligibility for discount drug programs.

(2) *An applicant shall not be, under any circumstances, required to participate in, or to disclose information that would determine the applicant's eligibility to participate in, private discount drug programs in order to participate in Cal Rx.*

(3) *Notwithstanding paragraph (2), an applicant may voluntarily disclose or provide information that may be necessary to determine eligibility for participation in a private drug discount program.*

(c) *For those drugs available pursuant to subdivision (a), the department or third-party vendor shall develop a system that provides a recipient with the best prescription drug discounts that are available to them through Cal Rx or through private discount drug programs.*

(d) *The recipient identification card issued pursuant to subdivision (g) of Section 130606 shall serve as a single point of entry for drugs available pursuant to subdivision (a) and shall meet all legal requirements for a uniform prescription drug card pursuant to Section 1363.03.*

CHAPTER 3. ADMINISTRATION AND SCOPE

130615. (a) *To the extent that funds are available, the department shall conduct outreach programs to inform residents about Cal Rx and private drug discount programs available through the single point of entry as specified in subdivisions (a) and (d) of Section 130607. No outreach material shall contain the name or likeness of a drug. The name of the organization sponsoring the material pursuant to subdivision (b) may appear on the material once and in a font no larger than 10 point.*

(b) *The department may accept on behalf of the state any gift, bequest, or donation of outreach services or materials to inform residents about Cal Rx. Neither Section 11005 of the Government Code, nor any other law requiring approval by a state officer of a gift, bequest, or donation shall apply to these gifts, bequests, or donations. For purposes of this section, outreach services may include, but shall not be limited to, coordinating and implementing outreach efforts and plans. Outreach materials may include, but shall not be limited to, brochures, pamphlets, fliers, posters, advertisements, and other promotional items.*

(c) *An advertisement provided as a gift, bequest, or donation pursuant to this section shall be exempt from Article 5 (commencing with Section 11080) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.*

130616. (a) *Any pharmacy licensed pursuant to Article 7 (commencing with Section 4110) of Chapter 9 of Division 2 of the Business and Professions Code may participate in Cal Rx.*

(b) *Any manufacturer, as defined in subdivision (g) of Section 130601, may participate in Cal Rx.*

130617. (a) *This division shall apply only to prescription drugs dispensed to noninpatient recipients.*

(b) *The amount a recipient pays for a drug within Cal Rx shall be equal to the pharmacy contract rate pursuant to subdivision (c), plus a dispensing fee that shall be negotiated as part of the rate pursuant to subdivision (c), less the applicable manufacturer's rebate.*

(c) *The department or third-party vendor may contract with participating pharmacies for a rate other than the pharmacist's usual and customary rate. However, the department must approve the contracted rate of a third-party vendor.*

(d) *The department or third-party vendor shall provide a claims processing system that complies with all of the following requirements:*

(1) *Charges a price that meets the requirements of subdivision (b).*

(2) Provides the pharmacy with the dollar amount of the discount to be returned to the pharmacy.

(3) Provides a single point of entry for access to private discount drug programs pursuant to Section 130607.

(4) Provides drug utilization review warnings to pharmacies consistent with the drug utilization review standards outlined in Section 1927 of the federal Social Security Act (42 U.S.C. Sec. 1396r-8(g)).

(e) The department or third-party vendor shall pay a participating pharmacy the discount provided to recipients pursuant to subdivision (b) by a date that is not later than two weeks after the claim is received.

(f) The department or third-party vendor shall develop a program to prevent the occurrence of fraud in Cal Rx.

(g) The department or third-party vendor shall develop a mechanism for recipients to report problems or complaints regarding Cal Rx.

130618. (a) In order to secure the discount required pursuant to subdivisions (b) and (c) of Section 130617, the department or third-party vendor shall attempt to negotiate drug rebate agreements for Cal Rx with drug manufacturers.

(b) Each drug rebate agreement shall do all of the following:

(1) Specify which of the manufacturer's drugs are included in the agreement.

(2) Permit the department to remove a drug from the agreement in the event of a dispute over the drug's utilization.

(3) Require the manufacturer to make a rebate payment to the department for each drug specified under paragraph (1) dispensed to a recipient.

(4) Require the rebate payment for a drug to be equal to the amount determined by multiplying the applicable per unit rebate by the number of units dispensed.

(5) Define a unit, for purposes of the agreement, in compliance with the standards set by the National Council of Prescription Drug Programs.

(6) Require the manufacturer to make the rebate payments to the department on at least a quarterly basis.

(7) Require the manufacturer to provide, upon the request of the department, documentation to validate that the per unit rebate provided complies with paragraph (4).

(8) Permit a manufacturer to audit claims for the drugs the manufacturer provides under Cal Rx. Claims information provided to manufacturers shall comply with all federal and state privacy laws that protect a recipient's health information.

(c) To obtain the most favorable discounts, the department may limit the number of drugs available within Cal Rx.

(d) The entire amount of the drug rebates negotiated pursuant to this section shall go to reducing the cost to Cal Rx recipients of purchasing drugs. The Legislature shall annually appropriate an amount to cover the state's share of the discount provided by this section.

(e) The department or third-party vendor may collect prospective rebates from manufacturers for payment to pharmacies. The amount of the prospective rebate shall be contained in drug rebate agreements executed pursuant to this section.

(f) Drug rebate contracts negotiated by the third-party vendor shall be subject to review by the department. The department may cancel a contract that it finds not in the best interests of the state or Cal Rx recipients.

(g) The third-party vendor may directly collect rebates from manufacturers in order to facilitate the payment to pharmacies pursuant to subdivision (e) of Section 130617. The department shall develop a system to prevent diversion of funds collected by the third-party vendor.

130619. (a) *The department or third-party vendor shall generate a monthly report that, at a minimum, provides all of the following:*

- (1) *Drug utilization information.*
- (2) *Amounts paid to pharmacies.*
- (3) *Amounts of rebates collected from manufacturers.*
- (4) *A summary of the problems or complaints reported regarding Cal Rx.*

(b) *Information provided in paragraphs (1), (2), and (3) of subdivision (a) shall be at the national drug code level.*

130620. (a) *The department or third-party vendor shall deposit all payments received pursuant to Section 130618 into the California State Pharmacy Assistance Program Fund, which is hereby established in the State Treasury.*

(b) *Notwithstanding Section 13340 of the Government Code, moneys in the fund are hereby appropriated to the department without regard to fiscal years for the purpose of providing payment to participating pharmacies pursuant to Section 130617 and for defraying the costs of administering Cal Rx. Notwithstanding any other provision of law, no money in the fund is available for expenditure for any other purpose or for loaning or transferring to any other fund, including the General Fund.*

130621. *The department may hire any staff needed for the implementation and oversight of Cal Rx.*

130622. *The department shall seek and obtain confirmation from the federal Centers for Medicare and Medicaid Services that Cal Rx complies with the requirements for a state pharmaceutical assistance program pursuant to Section 1927 of the federal Social Security Act (42 U.S.C. Sec. 1396r-8) and that discounts provided under the program are exempt from Medicaid best price requirements.*

130623. (a) *Contracts and change orders entered into pursuant to this division and any project or systems development notice shall be exempt from all of the following:*

(1) *The competitive bidding requirements of State Administrative Manual Management Memo 03-10.*

(2) *Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.*

(3) *Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code.*

(b) *Change orders entered into pursuant to this division shall not require a contract amendment.*

130624. *The department may terminate Cal Rx if the department makes any one of the following determinations:*

(a) *That there are insufficient discounts to participants to make Cal Rx viable.*

(b) *That there are an insufficient number of applicants for Cal Rx.*

(c) *That the department is unable to find a responsible third-party vendor to administer Cal Rx.*

130625. *Notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the director may implement this division in whole or in part, by means of a provider bulletin or other similar instructions, without taking regulatory action.*

SEC. 3. GENERAL PROVISIONS

(a) **Conflicting Measures:**

(1) *This measure is intended to be comprehensive. It is the intent of the people that in the event that this measure and another initiative measure or measures relating to the same subject shall appear on the same statewide election ballot,*

the provisions of the other measure or measures shall be deemed to be in conflict with this measure. In the event that this measure shall receive a greater number of affirmative votes, the provisions of this measure shall prevail in their entirety, and all provisions of the other measure or measures shall be null and void.

(2) If this measure is approved by voters but superseded by law by any other conflicting ballot measure approved by the voters at the same election, and the conflicting ballot measure is later held invalid, this measure shall be self-executing and given full force of law.

(b) Severability: 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.

(c) Amendment: The provisions of this act may be amended by a statute that is passed by a vote of two-thirds of the membership of each house of the Legislature and signed by the Governor. All amendments to this act shall be to further the act and shall be consistent with its purposes.

Number
on ballot

79. Prescription Drug Discounts. State-Negotiated Rebates.

[Submitted by the initiative and rejected by electors November 8, 2005.]

PROPOSED LAW

**CHEAPER PRESCRIPTION DRUGS FOR CALIFORNIA ACT
(CAL RX PLUS)**

SECTION 1. Division 112 (commencing with Section 130500) is added to the Health and Safety Code, to read:

**DIVISION 112. CHEAPER PRESCRIPTION DRUGS
FOR CALIFORNIA ACT (CAL RX PLUS)**

CHAPTER 1. GENERAL PROVISIONS

130500. This division shall be known, and may be cited, as the Cheaper Prescription Drugs for California Program or Cal Rx Plus.

130501. The Cheaper Prescription Drugs for California Program, or Cal Rx Plus, is established to reduce prescription drug prices and to improve the quality of health care for residents of the state. The program is administered by the State Department of Health Services to use manufacturer rebates and pharmacy discounts to reduce prescription drug prices for Californians.

130502. The people of California find that affordability is critical in providing access to prescription drugs for California residents. This program is enacted by the people to enable the state to take steps to make prescription drugs more affordable for qualified California residents, thereby increasing the overall health of California residents, promoting healthy communities, and protecting the public health and welfare. It is not the intention of the state to discourage employers from offering or paying for prescription drug benefits for their employees or to replace employer-sponsored prescription drug benefit plans that provide benefits comparable to those made available to qualified California residents under this program.

130503. Cal Rx Plus shall be available to Californians facing high prescription drug costs to provide lower prescription drug prices. To the extent permitted by

federal law, Cal Rx Plus shall also be available to small businesses and other entities, as defined, that provide health coverage for Californians.

130504. For purposes of this division, the following definitions apply:

(a) "Department" means the State Department of Health Services.

(b) "Fund" means the Cal Rx Plus Program Fund.

(c) "Program" means the Cheaper Prescription Drugs for California Program or Cal Rx Plus.

(d) (1) "Qualified Californian" means a resident of California whose total unreimbursed medical expenses equal 5 percent or more of family income.

(2) "Qualified Californian" also means an individual enrolled in Medicare who may participate in this program, to the extent allowed by federal law, for prescription drugs not covered by Medicare.

(3) "Qualified Californian" also means a resident of California who has a family income equal to or less than 400 percent of the federal poverty guidelines and who shall not have outpatient prescription drug coverage paid for in whole or in part by the Medi-Cal program or the Healthy Families Program.

(4) For purposes of this subdivision, the cost of drugs provided under this division is considered an expense incurred by the family for eligibility determination purposes.

(e) "Prescription drug" means any drug that bears the legend "Caution: federal law prohibits dispensing without prescription," "Rx only," or words of similar import.

CHAPTER 2. PRESCRIPTION DRUG DISCOUNTS

130510. (a) The amount a Cal Rx Plus participant pays for a drug through the program shall be equal to the participating provider's usual and customary charge or the pharmacy contract rate pursuant to subdivision (c), less a program discount for the specific drug or an average discount for a group of drugs or all drugs covered by the program.

(b) In determining program discounts on individual drugs, the department shall take into account the rebates provided by the drug's manufacturer and the state's share of the discount.

(c) The department may contract with participating pharmacies for a rate other than the pharmacies' usual and customary rate.

130511. (a) The department shall negotiate drug rebate agreements with drug manufacturers to provide for discounts for prescription drugs purchased through Cal Rx Plus.

(b) Consistent with federal law, the department shall seek to contract for drug rebates that result in a net price comparable to or lower than the Medicaid best price for drugs covered by the program. The department shall also seek to contract a net price comparable to or lower than the price for prescription drugs provided to the federal government.

(c) To obtain the most favorable discounts, the department may limit the number of drugs available through the program.

(d) No less than 95 percent of the drug rebates negotiated pursuant to this section shall be used to reduce the cost of drugs purchased by participants in the program.

(e) (1) Any pharmacy licensed pursuant to Chapter 9 (commencing with Section 4000) of Division 2 of the Business and Professions Code may participate in the program.

(2) Any drug manufacturer may participate in the program.

130512. (a) Subject to this section, the department may not enter into a new contract or extend an existing contract with a drug manufacturer for the Medi-Cal

program if the drug manufacturer will not provide Cal Rx Plus a rate comparable to or lower than the Medicaid best price. This provision shall not apply to a drug for which there is no therapeutic equivalent.

(b) To the extent permitted by federal law, the department may require prior authorization in the Medi-Cal program for any drug of a manufacturer that fails to agree to a price comparable to or lower than the Medi-Cal best price for prescription drugs purchased under this division.

(c) If a contract with a manufacturer is precluded under subdivision (a) or if prior authorization is required for a drug pursuant to this section, in no event shall a Medi-Cal beneficiary be denied the continued use of a drug that is part of a prescribed therapy until that drug is no longer prescribed for that beneficiary's therapy. The State Department of Health Services shall approve or deny requests for prior authorization necessitated by this section as required by state or federal law.

(d) This section shall be implemented consistent with federal law.

130513. The names of manufacturers that do and do not enter into rebate agreements with the department pursuant to this division shall be public information and shall be released to the public.

130514. (a) Each drug rebate agreement shall do all of the following:

(1) Specify which of the manufacturer's drugs are included in the agreement.

(2) Permit the department to remove a drug from the agreement in the event of a dispute over the drug's utilization.

(3) Require the manufacturer to make a rebate payment to the department for each drug specified under paragraph (1) dispensed to a participant.

(4) Require the manufacturer to make the rebate payments to the department on at least a quarterly basis.

(5) Require the manufacturer to provide, upon the request of the department, documentation to validate the rebate.

(6) Permit a manufacturer to audit claims for the drugs the manufacturer provides under Cal Rx Plus. Claims information provided to manufacturers shall comply with all federal and state privacy laws that protect a participant's health information.

(b) The department may collect prospective rebates from manufacturers for payment to pharmacies. The amount of the prospective rebate shall be contained in drug rebate agreements executed pursuant to this section.

(c) (1) Manufacturers shall calculate and pay interest on late or unpaid rebates. The interest shall not apply to any prior period adjustments of unit rebate amounts or department utilization adjustments.

(2) For state rebate payments, manufacturers shall calculate and pay interest on late or unpaid rebates for quarters that begin on or after the effective date of the act that added this subdivision.

(d) Interest pursuant to subdivision (c) shall begin accruing 38 calendar days from the date of mailing of the invoice, including supporting utilization data sent to the manufacturer. Interest shall continue to accrue until the date of mailing of the manufacturer's payment.

130515. (a) The department shall generate a monthly report that, at a minimum, provides all of the following:

(1) Drug utilization information.

(2) Amounts paid to pharmacies.

(3) Amounts of rebates collected from manufacturers.

(4) A summary of the problems or complaints reported regarding Cal Rx Plus.

(b) Information provided in paragraphs (1), (2), and (3) of subdivision (a) shall be at the national drug code level.

130516. (a) *The department shall provide a claims processing system that complies with all of the following requirements:*

- (1) *Charges a price that meets the requirements of this division.*
 - (2) *Provides the pharmacy with the dollar amount of the discount to be returned to the pharmacy.*
 - (3) *Provides drug utilization review warnings to pharmacies consistent with the drug utilization review standards outlined in federal law.*
- (b) *The department shall pay a participating pharmacy the discount provided to participants pursuant to this division by a date that is not later than two weeks after the claim is received.*
- (c) *The department shall develop a mechanism for Cal Rx Plus participants to report problems or complaints regarding Cal Rx Plus.*

CHAPTER 3. CAL RX PLUS APPLICATION, ENROLLMENT, AND OUTREACH

130520. (a) *The department shall develop an application and reapplication form for the determination of a resident's eligibility for Cal Rx Plus. An applicant, or a guardian or custodian of an applicant, may apply or reapply on behalf of the applicant and the applicant's spouse and children.*

- (b) *The application, at a minimum, shall do all of the following:*
- (1) *Specify the information that an applicant or the applicant's representative must include in the application.*
 - (2) *Require that the applicant, or the applicant's guardian or custodian, attest that the information provided in the application is accurate to the best knowledge and belief of the applicant or the applicant's guardian or custodian.*
 - (3) *Specify that the application and annual reapplication fee due upon submission of the applicable form is ten dollars (\$10).*
- (c) *In assessing the income requirement for Cal Rx Plus eligibility, the department shall use the income information reported on the application and not require additional documentation.*
- (d) *Application and annual reapplication may be made at any pharmacy, physician office, or clinic participating in Cal Rx Plus, or through a Web site or call center staffed by trained operators approved by the department. A pharmacy, physician office, clinic, or nonprofit community organization completing the application shall keep the application fee as reimbursement for its processing costs. If it is determined that the applicant is already enrolled in Cal Rx Plus, the fee shall be returned to the applicant and the applicant shall be informed of his or her current status as a participant.*
- (e) *The department shall utilize a secure electronic application process that can be used by a pharmacy, physician office, or clinic, by a Web site, by a call center staffed by trained operators, by a nonprofit community organization, or through the third-party vendor to enroll applicants in Cal Rx Plus.*
- (f) *During normal hours, the department shall make a determination of eligibility within four hours of receipt by Cal Rx Plus of a completed application. The department shall mail the participant an identification card no later than four days after eligibility has been determined.*
- (g) *For applications submitted through a pharmacy, the department may issue a participant identification number for eligible applicants to the pharmacy for immediate access to Cal Rx Plus.*
- (h) *A Cal Rx Plus participant who has been determined to be eligible shall be enrolled for 12 months or until the participant notifies the department of a desire to end enrollment.*

(i) The department shall notify a participant 30 days prior to the termination of enrollment. A Cal Rx Plus participant shall remain enrolled until the participant notifies the department that the participant no longer meets the enrollment criteria.

130521. (a) The department shall conduct an outreach program to inform California residents of their opportunity to participate in the Cheaper Prescription Drugs for California Program. The department shall coordinate outreach activities with the California Department of Aging and other state agencies, local agencies, and nonprofit organizations that serve residents who may qualify for the program. No outreach material shall contain the name or likeness of a drug.

(b) The department may accept on behalf of the state any gift, bequest, or donation of outreach services or materials to inform residents about Cal Rx Plus. The name of the organization sponsoring the material pursuant to this subdivision shall in no way appear on the material but shall be reported to the public and the Legislature as otherwise provided by law.

130522. (a) A drug dispensed pursuant to prescription, including a drug dispensed without charge to the consumer, must be accompanied by Cal Rx Plus participation information in a manner approved by the department and as permitted by law.

(b) The information shall include advice to consult a health care provider or pharmacist about access to drugs at lower prices.

(c) The requirements of this section may be met by the distribution of a separate writing that is approved by or produced and distributed by the department.

CHAPTER 4. PHARMACEUTICAL MANUFACTURER PATIENT ASSISTANCE PROGRAMS

130530. (a) The department shall execute agreements with drug manufacturer and other private patient assistance programs to provide a single point of entry for eligibility determination and claims processing for drugs available through those programs.

(b) The department shall develop a system to provide a participant under this division with the best discounts on prescription drugs that are available to the participant through this program or through a drug manufacturer or other private patient assistance program.

(c) (1) The department may require an applicant to provide additional information to determine the applicant's eligibility for other discount card and patient assistance programs.

(2) The department shall not require an applicant to participate in a drug manufacturer patient assistance program or to disclose information that would determine the applicant's eligibility to participate in a drug manufacturer patient assistance program in order to participate in the program established pursuant to this division.

(d) In order to verify that California residents are being served by drug manufacturer patient assistance programs, the department shall require drug manufacturers to provide the department annually with all of the following information:

(1) The total value of the manufacturer's drugs provided at no or very low cost to California residents during the previous year.

(2) The total number of prescriptions or 30-day supplies of the manufacturer's drugs provided at no or very low cost to California residents during the previous year.

(e) The Cal Rx Plus card issued pursuant to this division shall serve as a single point of entry for drugs available pursuant to subdivision (a) and shall meet all legal requirements for a health benefit card.

CHAPTER 5. EMPLOYER-PAID HEALTH INSURANCE PRESCRIPTION DRUG DISCOUNTS

130540. *The department may establish a prescription drug purchasing program to assist small businesses, small employer purchasing pools, Taft-Hartley trust funds, and other entities that purchase health coverage for employees of those employers and their dependents.*

130541. *No employer or other entity that purchases coverage for employees and dependents shall be eligible to participate unless the employer pays more than 50 percent of the cost of health coverage for their employees and their dependents.*

130542. *The department shall seek to obtain, and the department shall seek to contract for, drug rebates that result in a net price comparable to the Cal Rx Plus program.*

130543. (a) *The amount a participant pays for a drug through the program shall be equal to the participating provider's usual and customary charge or the pharmacy contract rate pursuant to subdivision (c), less a program discount for the specific drug or an average discount for a group of drugs or all drugs covered by the program.*

(b) *In determining program discounts on individual drugs, the department shall take into account the rebates provided by the drug's manufacturer and the state's share of the discount.*

(c) *The department may contract with participating pharmacies for a rate other than the pharmacies' usual and customary rate.*

130544. *The department shall work with employers, the California Chamber of Commerce, and other associations of employers as well as the California Labor Federation AFL-CIO and consumer organizations to develop and implement this chapter.*

CHAPTER 6. ADMINISTRATION

130550. *The Prescription Drug Advisory Board ("board") is established to review access to and the pricing of prescription drugs for residents of the state, to advise the Secretary on prescription drug pricing, and to provide periodic reports to the commissioner, the Governor, and the Legislature.*

(a) *No board member shall have a financial interest in pharmaceutical companies, or have worked for pharmaceutical companies or their agents or served within five years before being appointed to the board. No board member shall be employed for a pharmaceutical company for five years after serving on the board.*

(b) *The board shall consist of nine representatives of the public from the state at large. The Governor, the Senate President pro Tempore, and the Speaker of the Assembly shall each appoint three of these members. Legislative appointees shall serve staggered terms.*

(c) (1) *Of the three appointees by the Governor, one shall be a person over 65 enrolled in Medicare, one shall be from a school of pharmacy at the University of California, and one shall be an economist.*

(2) *Of the three appointees by the Speaker of the Assembly, one shall be a consumer or a representative of a recognized organization representing consumers eligible under this division, one shall be a retail pharmacist, and one shall be an employer or a representative of a recognized organization representing employers eligible for a business discount drug purchasing program.*

(3) *Of the three appointees by the Senate President pro Tempore, one shall be a labor trustee of a Taft-Hartley trust fund, one shall be a physician or nurse with expertise in drug benefits, and one shall be a member of the board of CalPERS.*

(d) The term of office of board members shall be as follows:

(1) (A) A member appointed by the Governor shall serve for two years at the pleasure of the Governor; and may be reappointed for succeeding two-year periods, provided that the member may continue to serve beyond the two-year term until the Governor has acted and the appointee is authorized to sit and serve on the board.

(B) A member appointed by the Senate President pro Tempore or the Speaker of the Assembly shall serve for four years, and may be reappointed for succeeding four-year periods, provided that the member may continue to serve beyond the four-year term until his or her appointing authority has acted and the appointee is authorized to sit and serve on the board. If the Senate President pro Tempore or the Speaker of the Assembly has not acted within 60 days after the expiration of a member's term, the position shall become vacant until a person is appointed to a four-year term, calculated from the expiration date of the preceding term.

(2) If a vacancy occurs prior to the expiration of the term for the vacated seat, the appointing authority shall appoint a member for the remainder of the unexpired term pursuant to this chapter.

(3) On the effective date of the act, the Senate President pro Tempore shall appoint three members to serve two-year terms and the Speaker of the Assembly shall each appoint three members to serve four-year terms. All subsequent terms shall be for four years.

(d) Vacancies that occur shall be filled within 30 days after the occurrence of the vacancy, and shall be filled in the same manner in which the vacating member was selected or appointed.

(e) The board members shall select one of their members to serve as chairperson and one of their members to serve as vice chairperson on an annual basis. The chairman shall have the authority to call meetings of the Prescription Drug Advisory Board.

130552. Contracts entered into for purposes of this division are exempt from Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code. Contracts with pharmacies and drug manufacturers may be entered into on a bid or nonbid basis.

130553. To implement and administer Cal Rx Plus, the department may contract with a third-party vendor or utilize existing health care service provider enrollment and payment mechanisms, including the Medi-Cal program's fiscal intermediary. Drug rebate contracts negotiated by a third-party shall be subject to review by the department. The department may cancel a contract that it finds not in the best interests of the state or Cal Rx Plus participants.

130554. (a) The department shall deposit all payments the department receives pursuant to this division into the Cal Rx Plus Program Fund, which is hereby established in the State Treasury.

(b) The fund is hereby continuously appropriated to the department without regard to fiscal years for the purpose of providing payment to participating pharmacies pursuant to this division and for defraying the costs of administering this division. Notwithstanding any other provision of law, no money in the fund is available for expenditure for any other purpose or for loaning or transferring to any other fund, including the General Fund. The fund shall also contain any interest accrued on moneys in the fund.

130555. (a) The director may adopt regulations as are necessary for the initial implementation of this division. The adoption, amendment, repeal, or readoption of a regulation authorized by this section is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is

hereby exempted from the requirement that it describe specific facts showing the need for immediate action.

(b) As an alternative to the adoption of regulations pursuant to subdivision (a), and notwithstanding Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, the director may implement this article, in whole or in part, by means of a provider bulletin or other similar instructions, without taking regulatory action, provided that no such bulletin or other similar instructions shall remain in effect after July 31, 2007. It is the intent that regulations adopted pursuant to subdivision (a) shall be in place on or before July 31, 2007.

CHAPTER 7. ENFORCEMENT

130570. The Attorney General, upon the Attorney General's own initiative or upon petition of the department or of 50 or more residents of the state, shall investigate suspected violations of this division.

130571. The Attorney General may require, by summons, the attendance and testimony of witnesses and the production of books and papers before the Attorney General related to any such matter under investigation. The summons must be served in the same manner as summonses for witnesses in criminal cases, and all provisions of law related to criminal cases apply to summonses issued under this section so far as they are applicable. All investigations or hearings under this section to which witnesses are summoned or called upon to testify or to produce books, records, or correspondence are public or private at the choice of the person summoned and must be held in the county where the act to be investigated is alleged to have been committed, or if the investigation is on petition, it must be held in the county in which the petitioners reside.

130572. A court of competent jurisdiction may by order, upon application of the Attorney General, compel the attendance of witnesses, the production of books and papers, including correspondence, and the giving of testimony before the Attorney General in the same manner and to the same extent as before the superior court. Any failure to obey such an order may be punishable by that court as a contempt.

130574. If the Attorney General fails to act within 180 days to investigate suspected violations of this division, any person acting for the interests of itself, its members, or the general public may seek to obtain, in addition to other remedies, injunctive relief and a civil penalty in an amount of up to one hundred thousand dollars (\$100,000) or three times the amount of the damages, plus the costs of suit, including necessary and reasonable investigative costs, reasonable expert fees, and reasonable attorney's fees.

SEC. 1.5. Division 112.5 (commencing with Section 130600) is added to the Health and Safety Code, to read:

DIVISION 112.5. PROFITEERING IN PRESCRIPTION DRUGS

130600. Profiteering in prescription drugs is unlawful and is subject to the provisions of this section. The provisions of this section apply to manufacturers, distributors, and labelers of prescription drugs. A manufacturer, distributor, or labeler of prescription drugs engages in illegal profiteering if that manufacturer, distributor or labeler:

- (a) Exacts or demands an unconscionable price;
- (b) Exacts or demands prices or terms that lead to any unjust or unreasonable profit;
- (c) Discriminates unreasonably against any person in the sale, exchange, distribution, or handling of prescription drugs dispensed or delivered in the state; or
- (d) Intentionally prevents, limits, lessens, or restricts the sale or distribution of prescription drugs in this state in retaliation for the provisions of this chapter.

130601. Each violation of this division is a civil violation for which the Attorney General or any person acting for the interests of itself, its members, or the general public may obtain, in addition to other remedies, injunctive relief and a civil penalty in an amount of one hundred thousand dollars (\$100,000) or three times the amount of the damages, whichever is greater, plus the costs of suit, including necessary and reasonable investigative costs, reasonable expert fees, and reasonable attorney's fees.

SEC. 2. (a) This act shall be broadly construed and applied in order to fully promote its underlying purposes. If any provision of this initiative conflicts directly or indirectly with any other provisions of law, or any other statute previously enacted by the Legislature, it is the intent of the voters that such provisions shall be null and void to the extent that they are inconsistent with this initiative and are hereby repealed.

(b) No provision of this act may be amended by the Legislature except to further the purposes of that provision by a statute passed in each house by roll call vote entered in the journal, two-thirds of the membership concurring, or by a statute that becomes effective only when approved by the electorate. No amendment by the Legislature shall be deemed to further the purposes of this act unless it furthers the purpose of the specific provision of this act that is being amended. In any judicial action with respect to any legislative amendment, the court shall exercise its independent judgment as to whether or not the amendment satisfies the requirements of this subdivision.

(c) If any provision of this act or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect other provisions or applications of the act that can be given effect in the absence of the invalid provision or application. To this end, the provisions of this act are severable.

*Number
on ballot*

80. Electric Service Providers. Regulation.

[Submitted by the initiative and rejected by electors November 8, 2005.]

PROPOSED LAW

Section 1. This measure shall be known and may be cited as "The Repeal of Electricity Deregulation and Blackout Prevention Act."

Section 2. (a) The people of the State of California find and declare all of the following:

(1) A reliable electricity system that delivers power to all consumers at just and reasonable prices is vital to the health, safety, and well-being of all Californians.

(2) Electricity is a unique good in modern society. It cannot be stored, must be delivered to the entire grid at the same time it is produced, and has no substitutes. Failure of supply for even a few seconds can lead to blackouts and disruption.

(3) The deregulation of the electricity market in California was a disastrous, ill-conceived experiment that led to rolling blackouts, supply shortages, and market manipulation, resulting in billions of dollars in excessive prices being borne by California ratepayers.

(4) The financial crisis and regulatory uncertainty that were created by the deregulated market have stifled investment in needed power plants.

(5) Deregulation of electricity, including the authorization of direct transactions, creates uncertainty regarding the customer base that must be served, making it impossible to conduct the long-term integrated resource planning that is necessary for an environmentally sound and reliable electricity system, and enables cost-shifting from large customers to small.

(6) Despite the past failures of electricity deregulation, its advocates are once again urging the Legislature and the Public Utilities Commission to launch a further experiment that may inflict additional damage on ratepayers and the California economy.

(b) In enacting this measure, it is the intent of the people to achieve the following policy goals:

(1) Ensure that all customers receive reliable retail electric service at just and reasonable rates.

(2) Provide a stable customer base for planning purposes, in order to assure resource adequacy and prevent inappropriate cost shifting. To that end, no new direct transactions shall be permitted, except as provided in this measure.

(3) Ensure that all rates, terms, and conditions of retail electric service are regulated by the Public Utilities Commission in a non-discriminatory manner as to all suppliers of retail electric service, and that all electricity service providers are under the jurisdiction of the commission.

(4) Ensure that the electrical system is developed in a manner that mitigates and minimizes any adverse environmental impacts to the maximum extent reasonably practicable by, among other things, requiring that each retail seller of electricity obtain at least 20 percent of its retail sales from eligible renewable energy resources no later than December 31, 2010.

Section 3. Section 218.3 of the Public Utilities Code is amended to read:

218.3. "Electric service provider" means an entity that offers electrical service to customers within the service territory of an electrical corporation, as defined in Section 218, but does not include an entity that offers electrical service solely to service customer load consistent with subdivision (b) of Section 218, and does not include an electrical corporation, as defined in Section 218, or a public agency that offers electrical service to residential and small commercial customers within its jurisdiction, or within the service territory of a local publicly owned electric utility. "Electric service provider" includes the unregulated affiliates and subsidiaries of an electrical corporation, as defined in Section 218. *An electric service provider is subject to the jurisdiction, control, and regulation of the commission and the provisions of this part, pursuant to subdivision (f) of Section 394.*

Section 4. Section 330 of the Public Utilities Code is repealed.

330.—In order to provide guidance in carrying out this chapter, the Legislature finds and declares all of the following:

(a) It is the intent of the Legislature that a cumulative rate reduction of at least 20 percent be achieved not later than April 1, 2002, for residential and small commercial customers, from the rates in effect on June 10, 1996. In determining that the April 1, 2002, rate reduction has been met, the commission shall exclude the costs of the competitively procured electricity and the costs associated with the rate reduction bonds, as defined in Section 840:

(b) The people, businesses, and institutions of California spend nearly twenty-three billion dollars (\$23,000,000,000) annually on electricity, so that reductions in the price of electricity would significantly benefit the economy of the state and its residents:

(c) The Public Utilities Commission has opened rulemaking and investigation proceedings with regard to restructuring California's electric power industry and reforming utility regulation.

(d) The commission has found, after an extensive public review process, that the interests of ratepayers and the state as a whole will be best served by moving from the regulatory framework existing on January 1, 1997, in which retail electricity service is provided principally by electrical corporations subject to an obligation to provide ultimate consumers in exclusive service territories with reliable electric service at regulated rates, to a framework under which competition would be allowed in the supply of electric power and customers would be allowed to have the right to choose their supplier of electric power.

(e) Competition in the electric generation market will encourage innovation, efficiency, and better service from all market participants, and will permit the reduction of costly regulatory oversight.

(f) The delivery of electricity over transmission and distribution systems is currently regulated, and will continue to be regulated to ensure system safety, reliability, environmental protection, and fair access for all market participants.

(g) Reliable electric service is of utmost importance to the safety, health, and welfare of the state's citizenry and economy. It is the intent of the Legislature that electric industry restructuring should enhance the reliability of the interconnected regional transmission systems, and provide strong coordination and enforceable protocols for all users of the power grid.

(h) It is important that sufficient supplies of electric generation will be available to maintain the reliable service to the citizens and businesses of the state.

(i) Reliable electric service depends on conscientious inspection and maintenance of transmission and distribution systems. To continue and enhance the reliability of the delivery of electricity, the Independent System Operator and the commission, respectively, should set inspection, maintenance, repair, and replacement standards.

(j) It is the intent of the Legislature that California enter into a compact with western region states. That compact should require the publicly and investor-owned utilities located in those states, that sell energy to California retail customers, to adhere to enforceable standards and protocols to protect the reliability of the interconnected regional transmission and distribution systems.

(k) In order to achieve meaningful wholesale and retail competition in the electric generation market, it is essential to do all of the following:

(1) Separate monopoly utility transmission functions from competitive generation functions, through development of independent, third-party control of transmission access and pricing.

(2) Permit all customers to choose from among competing suppliers of electric power.

(3) Provide customers and suppliers with open, nondiscriminatory, and comparable access to transmission and distribution services.

(f) The commission has properly concluded that:

(1) This competition will best be introduced by the creation of an Independent System Operator and an independent Power Exchange.

(2) Generation of electricity should be open to competition.

(3) There is a need to ensure that no participant in these new market institutions has the ability to exercise significant market power so that operation of the new market institutions would be distorted.

~~(4) These new market institutions should commence simultaneously with the phase in of customer choice, and the public will be best served if these institutions and the nonbypassable transition cost recovery mechanism referred to in subdivisions (s) to (w), inclusive, are in place simultaneously and no later than January 1, 1998.~~

~~(m) It is the intention of the Legislature that California's publicly owned electric utilities and investor-owned electric utilities should commit control of their transmission facilities to the Independent System Operator. These utilities should jointly advocate to the Federal Energy Regulatory Commission a pricing methodology for the Independent System Operator that results in an equitable return on capital investment in transmission facilities for all Independent System Operator participants.~~

~~(n) Opportunities to acquire electric power in the competitive market must be available to California consumers as soon as practicable, but no later than January 1, 1998, so that all customers can share in the benefits of competition.~~

~~(o) Under the existing regulatory framework, California's electrical corporations were granted franchise rights to provide electricity to consumers in their service territories.~~

~~(p) Consistent with federal and state policies, California electrical corporations invested in power plants and entered into contractual obligations in order to provide reliable electrical service on a nondiscriminatory basis to all consumers within their service territories who requested service.~~

~~(q) The cost of these investments and contractual obligations are currently being recovered in electricity rates charged by electrical corporations to their consumers.~~

~~(r) Transmission and distribution of electric power remain essential services imbued with the public interest that are provided over facilities owned and maintained by the state's electrical corporations.~~

~~(s) It is proper to allow electrical corporations an opportunity to continue to recover, over a reasonable transition period, those costs and categories of costs for generation-related assets and obligations, including costs associated with any subsequent renegotiation or buyout of existing generation-related contracts, that the commission, prior to December 20, 1995, had authorized for collection in rates and that may not be recoverable in market prices in a competitive generation market, and appropriate additions incurred after December 20, 1995, for capital additions to generating facilities existing as of December 20, 1995, that the commission determines are reasonable and should be recovered, provided that the costs are necessary to maintain those facilities through December 31, 2001. In determining the costs to be recovered, it is appropriate to net the negative value of above market assets against the positive value of below market assets.~~

~~(t) The transition to a competitive generation market should be orderly, protect electric system reliability, provide the investors in these electrical corporations with a fair opportunity to fully recover the costs associated with commission approved generation-related assets and obligations, and be completed as expeditiously as possible.~~

~~(u) The transition to expanded customer choice, competitive markets, and performance based ratemaking as described in Decision 95-12-063, as modified by Decision 96-01-009, of the Public Utilities Commission, can produce hardships for employees who have dedicated their working lives to utility employment. It is preferable that any necessary reductions in the utility workforce directly caused by electrical restructuring, be accomplished through~~

offers of voluntary severance, retraining, early retirement, outplacement, and related benefits. Whether workforce reductions are voluntary or involuntary, reasonable costs associated with these sorts of benefits should be included in the competition transition charge.

(v) Charges associated with the transition should be collected over a specific period of time on a nonbypassable basis and in a manner that does not result in an increase in rates to customers of electrical corporations. In order to insulate the policy of nonbypassability against incursions, if exemptions from the competition transition charge are granted, a firewall shall be created that segregates recovery of the cost of exemptions as follows:

(1) The cost of the competition transition charge exemptions granted to members of the combined class of residential and small commercial customers shall be recovered only from those customers.

(2) The cost of the competition transition charge exemptions granted to members of the combined class of customers other than residential and small commercial customers shall be recovered only from those customers. The commission shall retain existing cost allocation authority provided that the firewall and rate freeze principles are not violated.

(w) It is the intent of the Legislature to require and enable electrical corporations to monetize a portion of the competition transition charge for residential and small commercial consumers so that these customers will receive rate reductions of no less than 10 percent for 1998 continuing through 2002. Electrical corporations shall, by June 1, 1997, or earlier, secure the means to finance the competition transition charge by applying concurrently for financing orders from the Public Utilities Commission and for rate reduction bonds from the California Infrastructure and Economic Development Bank.

(x) California's public utility electrical corporations provide substantial benefits to all Californians, including employment and support of the state's economy. Restructuring the electric services industry pursuant to the act that added this chapter will continue these benefits, and will also offer meaningful and immediate rate reductions for residential and small commercial customers, and facilitate competition in the supply of electric power.

Section 5. Section 365 of the Public Utilities Code is repealed.

365.—The actions of the commission pursuant to this chapter shall be consistent with the findings and declarations contained in Section 330.—In addition, the commission shall do all of the following:

(a) Facilitate the efforts of the state's electrical corporations to develop and obtain authorization from the Federal Energy Regulatory Commission for the creation and operation of an Independent System Operator and an independent Power Exchange, for the determination of which transmission and distribution facilities are subject to the exclusive jurisdiction of the commission, and for approval, to the extent necessary, of the cost recovery mechanism established as provided in Sections 367 to 376, inclusive. The commission shall also participate fully in all proceedings before the Federal Energy Regulatory Commission in connection with the Independent System Operator and the independent Power Exchange, and shall encourage the Federal Energy Regulatory Commission to adopt protocols and procedures that strengthen the reliability of the interconnected transmission grid, encourage all publicly owned utilities in California to become full participants, and maximize enforceability of such protocols and procedures by all market participants.

(b) (1) Authorize direct transactions between electricity suppliers and end-use customers, subject to implementation of the nonbypassable charge

referred to in Sections 367 to 376, inclusive. Direct transactions shall commence simultaneously with the start of an Independent System Operator and Power Exchange referred to in subdivision (a). The simultaneous commencement shall occur as soon as practicable, but no later than January 1, 1998. The commission shall develop a phase-in schedule at the conclusion of which all customers shall have the right to engage in direct transactions. Any phase-in of customer eligibility for direct transactions ordered by the commission shall be equitable to all customer classes and accomplished as soon as practicable, consistent with operational and other technological considerations, and shall be completed for all customers by January 1, 2002.

(2) Customers shall be eligible for direct access irrespective of any direct access phase-in implemented pursuant to this section if at least one-half of that customer's electrical load is supplied by energy from a renewable resource provider certified pursuant to Section 383, provided however that nothing in this section shall provide for direct access for electric consumers served by municipal utilities unless so authorized by the governing board of that municipal utility.

Section 6. Section 365.5 of the Public Utilities Code is repealed.

365.5. — Nothing in this chapter shall prevent the commission from exercising its authority to investigate a process for certification and regulation of the rates, charges, terms, and conditions of default service. If the commission determines that a process for certification and regulation of default service is in the public interest, the commission shall submit its findings and recommendations to the Legislature for approval.

Section 7. Section 366 of the Public Utilities Code is repealed.

366.—(a) The commission shall take actions as needed to facilitate direct transactions between electricity suppliers and end-use customers. Customers shall be entitled to aggregate their electrical loads on a voluntary basis, provided that each customer does so by a positive written declaration. If no positive declaration is made by a customer, that customer shall continue to be served by the existing electrical corporation or its successor in interest, except aggregation by community choice aggregators, accomplished pursuant to Section 366.2.

(b) Aggregation of customer electrical load shall be authorized by the commission for all customer classes, including, but not limited, to small commercial or residential customers. Aggregation may be accomplished by private market aggregators, special districts, or on any other basis made available by market opportunities and agreeable by positive written declaration by individual consumers, except aggregation by community choice aggregators, which shall be accomplished pursuant to Section 366.2.

Section 8. Section 366 is added to the Public Utilities Code, to read:

366. (a) *No new direct transactions for retail electric service may be entered into after the effective date of this act, except by those customers of an electrical corporation who were being served via a direct transaction on January 1, 2005.*

(b) *A customer who was being served via a direct transaction on January 1, 2005, may return to service by an electrical corporation upon one year's notice to the electrical corporation, and thereafter may not enter into a new direct transaction. If a customer returns to service by an electrical corporation prior to the expiration of the one year notice period, that customer shall pay a generation rate that is equal to the higher of the electrical corporation's bundled generation portfolio price or the current short-term market price until the one year notice period has elapsed.*

(c) *A customer that was being served via a direct transaction on January 1, 2005, may take temporary default service from an electrical corporation, at a generation*

rate that is equal to the higher of the electrical corporation's bundled generation portfolio price or the current short-term market price, for a period of no longer than 120 days. If the customer does not enter into a new direct transaction by the end of the 120 day period, that customer may not thereafter enter into a new direct transaction, and shall continue to be served by the electrical corporation at the default service rate for a period of one year, at which point the customer will be charged the bundled generation portfolio price.

(d) Any customer that the commission has determined, in its Decision 02-11-022, is responsible to pay a cost recovery surcharge as a condition of having purchased electricity via a direct transaction shall continue to pay the cost recovery surcharge until full collection is achieved.

(e) Nothing in this section alters the provisions of Sections 366.1 and 366.2, relating to community choice aggregation.

Section 9. Section 394 of the Public Utilities Code is amended to read:

394. (a) As used in this section, "electric service provider" means an entity that offers electrical service to customers within the service territory of an electrical corporation, but does not include an electrical corporation, as defined in Section 218, does not include an entity that offers electrical service solely to serve customer load consistent with subdivision (b) of Section 218, and does not include a public agency that offers electrical service to residential and small commercial customers within its jurisdiction, or within the service territory of a local publicly owned electric utility. "Electric service provider" includes the unregulated affiliates and subsidiaries of an electrical corporation, as defined in Section 218.

(b) Each electric service provider shall register with the commission. As a precondition to registration, the electric service provider shall provide, under oath, declaration, or affidavit, all of the following information to the commission:

(1) Legal name and any other names under which the electric service provider is doing business in California.

(2) Current telephone number.

(3) Current address.

(4) Agent for service of process.

(5) State and date of incorporation, if any.

(6) Number for a customer contact representative, or other personnel for receiving customer inquiries.

(7) Brief description of the nature of the service being provided.

(8) Disclosure of any civil, criminal, or regulatory sanctions or penalties imposed within the 10 years immediately prior to registration, against the company or any owner, partner, officer, or director of the company pursuant to any state or federal consumer protection law or regulation, and of any felony convictions of any kind against the company or any owner, partner, officer, or director of the company. In addition, each electric service provider shall furnish the commission with fingerprints for those owners, partners, officers, and managers of the electric service provider specified by any commission decision applicable to all electric service providers. The commission shall submit completed fingerprint cards to the Department of Justice. Those fingerprints shall be available for use by the Department of Justice and the Department of Justice may transmit the fingerprints to the Federal Bureau of Investigation for a national criminal history record check. The commission may use information obtained from a national criminal history record check conducted pursuant to this section to determine an electric service provider's eligibility for registration.

(9) Proof of financial viability. The commission shall develop uniform standards for determining financial viability and shall publish those standards for public comment no later than March 31, 1998. In determining the financial viability of the electric service provider, the commission shall take into account the number of customers the potential registrant expects to serve, the number of kilowatthours of electricity it expects to provide, and any other appropriate criteria to ensure that residential and small commercial customers have adequate recourse in the event of fraud or nonperformance.

(10) Proof of technical and operational ability. The commission shall develop uniform standards for determining technical and operational capacity and shall publish those standards for public comment no later than March 31, 1998.

(c) Any registration filing approved by the commission prior to the effective date of this section which does not comply in all respects with the requirements of subdivision (a) of Section 394 shall nevertheless continue in force and effect so long as within 90 days of the effective date of this section the electric service provider undertakes to supplement its registration filing to the satisfaction of the commission. Any registration that is not supplemented by the required information within the time set forth in this subdivision shall be suspended by the commission and shall not be reinstated until the commission has found the registration to be in full compliance with subdivision (a) of Section 394.

(d) Any public agency offering aggregation services as provided for in Section 366 solely to retail electric customers within its jurisdiction that has registered with the commission prior to the enactment of this section may voluntarily withdraw its registration to the extent that it is exempted from registration under this chapter.

(e) Before reentering the market, electric service providers whose registration has been revoked shall file a formal application with the commission that satisfies the requirements set forth in Section 394.1 and demonstrates the fitness and ability of the electric service provider to comply with all applicable rules of the commission.

~~(f) Registration with the commission is an exercise of the licensing function of the commission, and does not constitute regulation of the rates or terms and conditions of service offered by electric service providers. Nothing in this part authorizes the commission to regulate the rates or terms and conditions of service offered by electric service providers.~~

(f) Registration with the commission is an exercise of the licensing function of the commission, and registration by an electric service provider constitutes agreement of the electric service provider to the jurisdiction, control, and regulation of its rates and terms and conditions of service by the commission. The commission shall exercise such jurisdiction, control, and regulation of electric service providers in their provision of electrical service in the same manner as its exercise of jurisdiction, control, and regulation of electrical corporations, including, but not limited to, enforcement of: energy procurement and contracting standards and requirements; resource adequacy requirements; energy efficiency and demand response requirements; renewable portfolio standards; and appropriate assignment of costs among customers to prevent cost shifting.

Section 10. Section 399.15 of the Public Utilities Code is amended to read:

399.15. (a) In order to fulfill unmet long-term resource needs, the commission shall establish a renewables portfolio standard requiring all electrical corporations to procure a minimum quantity of output from eligible renewable energy resources as a specified percentage of total kilowatthours sold to their retail end-use customers each calendar year, if sufficient funds are

made available pursuant to paragraph (2), and Section 399.6 and Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code, to cover the above-market costs of eligible renewables, and subject to all of the following:

(1) An electric corporation shall not be required to enter into long-term contracts with eligible renewable energy resources that exceed the market prices established pursuant to subdivision (c) of this section.

(2) The Energy Commission shall provide supplemental energy payments from funds in the New Renewable Resources Account in the Renewable Resource Trust Fund to eligible renewable energy resources pursuant to Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code, consistent with this article, for above-market costs. Indirect costs associated with the purchase of eligible renewable energy resources, such as imbalance energy charges, sale of excess energy, decreased generation from existing resources, or transmission upgrades shall not be eligible for supplemental energy payments, but shall be recoverable by an electrical corporation in rates, as authorized by the commission.

(3) For purposes of setting annual procurement targets, the commission shall establish an initial baseline for each electrical corporation based on the actual percentage of retail sales procured from eligible renewable energy resources in 2001, and, to the extent applicable, adjusted going forward pursuant to subdivision (a) of Section 399.12.

(b) The commission shall implement annual procurement targets for each electrical corporation as follows:

~~(1) Beginning on January 1, 2003, each electrical corporation shall, pursuant to subdivision (a), increase its total procurement of eligible renewable energy resources by at least an additional 1 percent of retail sales per year so that 20 percent of its retail sales are procured from eligible renewable energy resources no later than December 31, 2017. An electrical corporation with 20 percent of retail sales procured from eligible renewable energy resources in any year shall not be required to increase its procurement of such resources in the following year.~~

(1) Beginning on January 1, 2003, each retail seller shall, pursuant to subdivision (a), increase its total procurement of eligible renewable energy resources by at least an additional 1 percent of retail sales per year so that 20 percent of its retail sales are procured from eligible renewable energy resources no later than December 31, 2010.

(2) Only for purposes of establishing these targets, the commission shall include all power sold to retail customers by the Department of Water Resources pursuant to Section 80100 of the Water Code in the calculation of retail sales by an electrical corporation.

(3) In the event that an electrical corporation fails to procure sufficient eligible renewable energy resources in a given year to meet any annual target established pursuant to this subdivision, the electrical corporation shall procure additional eligible renewable energy resources in subsequent years to compensate for the shortfall if sufficient funds are made available pursuant to paragraph (2), and Section 399.6 and Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code, to cover the above-market costs of eligible renewables.

(4) If supplemental energy payments from the Energy Commission, in combination with the market prices approved by the commission, are insufficient to cover the above-market costs of eligible renewable energy resources, the

commission shall allow an electrical corporation to limit its annual procurement obligation to the quantity of eligible renewable energy resources that can be procured with available supplemental energy payments.

(c) The commission shall establish a methodology to determine the market price of electricity for terms corresponding to the length of contracts with renewable generators, in consideration of the following:

(1) The long-term market price of electricity for fixed price contracts, determined pursuant to the electrical corporation's general procurement activities as authorized by the commission.

(2) The long-term ownership, operating, and fixed-price fuel costs associated with fixed-price electricity from new generating facilities.

(3) The value of different products including baseload, peaking, and as-available output.

(d) The establishment of a renewables portfolio standard shall not constitute implementation by the commission of the federal Public Utility Regulatory Policies Act of 1978 (Public Law 95-617).

(e) The commission shall consult with the Energy Commission in calculating market prices under subdivision (c) and establishing other renewables portfolio standard policies.

Section 11. Chapter 2.4 (commencing with Section 400) is added to Part 1 of Division 1 of the Public Utilities Code, to read:

CHAPTER 2.4. THE RELIABLE ELECTRIC SERVICE ACT

400. This chapter shall be known, and may be cited, as the Reliable Electric Service Act.

400.1. The commission and the Legislature shall do all of the following:

(a) Restore and affirm the electric utility's obligation to serve all of its customers reliably and at just and reasonable rates.

(b) Eliminate opportunities for market manipulation and assure the best value for consumers by authorizing cost-based construction and operation of new electric plants as well as competitive utility wholesale electricity procurement.

(c) Protect consumers, the environment, and the reliability of the electricity system, by establishing a comprehensive long-term integrated resource planning process, under regulation, in order to ensure resource adequacy and reasonably priced electricity. Such a process shall include, as a first priority, funding of all cost-effective energy efficiency and conservation programs, and increasing the proportion of electricity provided from cost-effective renewable resources.

(d) Establish and enforce resource adequacy requirements to ensure that adequate physical generating capacity dedicated to serving all load requirements is available to meet peak demand and planning and operating reserves, at such locations and at such times as may be necessary to ensure local area reliability and system reliability, at just and reasonable rates. Resource adequacy requirements shall apply in a nondiscriminatory manner to all load serving entities.

(e) Advance and promote opportunities for consumers to use innovative new technologies, such as distributed generation, consistent with grid reliability and environmental protection and improvement, provided that residential and small commercial customers with average usage of less than 1,000 kilowatt-hours per month and occupying a building that was constructed prior to January 1, 2006, shall not be required to take service under a time-differentiated rate schedule without their affirmative written consent.

400.2. (a) An electrical corporation has an obligation to plan for and provide its customers with reliable electric service at just and reasonable rates, pursuant

to Section 451, including those customers who purchase standby service from the electrical corporation.

(b) For purposes of this chapter, “electric service” includes providing adequate and efficient resources, including utility-owned and procured generation resources, such as new and repowered generation resources, cogeneration, and renewable generation resources, transmission and distribution resources, metering and billing, funding for cost-effective energy efficiency and other demand reduction resources, and employing an adequately sized, well-trained utility workforce, including contracting for maintenance of generation facilities.

400.3. (a) The Public Utilities Commission shall establish a process of resource selection and procurement that achieves the best value for ratepayers as its primary goal.

(b) The commission shall ensure that each electrical corporation achieves the best value for its ratepayers by maintaining a diversified portfolio of non-utility generation under contract with the utility and utility-owned generation, consistent with the electrical corporation’s approved long-term integrated resource plan, taking into account price, reliability, stability, efficiency, cost-effectiveness, system impacts, resource diversity, financial integrity of the utility, risk, and environmental performance.

(c) The resource selection process may achieve the best value for ratepayers, as described in subdivisions (a) and (b), by utilizing the following approaches to compare the benefits and costs of alternative resource options:

- (1) Competitive solicitations for non-utility generation.
- (2) Bilateral contracts for non-utility generation.
- (3) Cost-based utility-owned generation that is regulated by the commission.

(d) For purposes of this act, “non-utility generation” means facilities for the generation of electricity owned and operated by an entity other than an electrical corporation; and “load serving entity” does not include a local publicly owned electric utility as defined in Section 9604, the State Water Resources Development System commonly known as the State Water Project, or customer self-generation.

400.4. (a) The commission, in consultation with the Independent System Operator, shall establish resource adequacy requirements to ensure that adequate physical generating capacity dedicated to serving all load requirements is available to meet peak demand and planning and operating reserves, at or deliverable to such locations and at such times as may be necessary to ensure local area reliability and system reliability at just and reasonable rates.

(b) The commission shall implement and enforce these resource adequacy requirements in a nondiscriminatory manner on all load serving entities.

(c) Resource adequacy requirements established by the commission shall provide for and assure all of the following:

- (1) System wide and local area grid reliability.
- (2) Adequate physical generating capacity dedicated to serve all load requirements, including planning and operating reserves, where and when it is needed.
- (3) Adequate and timely investment in new generating capacity to meet future load requirements, including planning and operating reserves.
- (4) Market power mitigation.
- (5) Deliverability.
- (6) Resource commitments by load serving entities at least three years in advance of need, in order to assure that new resources can be constructed if necessary to meet the need.

(d) Pursuant to its authority to revoke or suspend registration pursuant to Section 394.25, the commission shall suspend the registration for a specified period, or revoke the registration, of an electric service provider that fails to comply with the rules and regulations adopted by the commission to enforce resource adequacy requirements.

Section 12. The Legislature may amend this act only to achieve its purposes and intent, by legislation receiving at least a two-thirds vote of each house and signature by the Governor.

Section 13. 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.

LIST OF OFFICERS

LIST OF OFFICERS**2005****STATE CAPITOL AND OTHER BUILDINGS****Sacramento 95814**

Name	Office	Residence
Arnold Schwarzenegger.....	Governor.....	Los Angeles
Cruz Bustamante.....	Lieutenant Governor.....	Elk Grove
Bruce McPherson.....	Secretary of State.....	San Francisco
Steve Westly.....	Controller.....	Atherton
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

Patricia T. Clarey.....	Chief of Staff
Alexa Vuksich.....	Appointments Secretary
John Davies.....	Judicial Appointments Secretary
Terrance Tamminen.....	Cabinet Secretary
Peter Siggins.....	Legal Affairs
Richard Costigan.....	Legislative Affairs
Margita Thompson.....	Press Secretary
Margo Brown.....	Director of Scheduling
Rob Stutzman.....	Director of Communications
Sean Walsh.....	Director of Planning & Research
Will Fox.....	Director of Advance

Offices: State Capitol, Sacramento 95814

STATE BOARD OF EQUALIZATION**450 N Street, Sacramento 95814**

Name	Office	Residence
Betty P. Yee.....	Board Member, First District.....	San Francisco
Bill Leonard.....	Board Member, Second District.....	Sacramento
Claude Parrish.....	Board Member, Third District.....	Long Beach
John Chiang.....	Board Member, Fourth District.....	Los Angeles
Steve Westly (Controller).....	Ex-Officio Member.....	Atherton

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 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 St., Suite 202 Van Nuys 91411
Bono, Mary	R	45	Riverside	707 Tahquitz Canyon Way, Suite 9 Palm Springs 92262; 1600 E. Florida Ave., Suite 301 Hemet 92544
Calvert, Ken	R	44	Orange, Riverside.....	3400 Central Ave., #200 Riverside 92506; 100 Avenida Presidio, Suite A San Clemente 92672
Campbell, John	R	48	Orange.....	One Newport Place, Suite 1010 Newport Beach 92660
Capps, Lois	D	23	San Luis Obispo, Santa Barbara, Ventura.....	1216 State St., #403 Santa Barbara 93101; 1411 Marsh St., Suite 205 San Luis Obispo 93401; 141 S. A St., Suite 204 Oxnard 93030
Cardoza, Dennis A.	D	18	Fresno, Madera, Merced, San Joaquin, Stanislaus.....	1321 I St., #1 Modesto 95354; 2222 M St., Suite 305 Merced 95340; 137 E. Weber Ave. Stockton 95202
Costa, Jim	D	20	Fresno, Kern, Kings	855 M St., Suite 940, Fresno 93721; 2700 M St., Suite 225 Bakersfield 93301
Davis, Susan A.	D	53	San Diego	4305 University Ave., Suite 515 San Diego 92105
Doolittle, John T.	R	4	Butte, El Dorado, Lassen, Modoc, Nevada, Placer, Plumas, Sacramento, Sierra	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; 701 Ocean St., Room 318 Santa Cruz 95060
Filner, Bob	D	51	Imperial, San Diego	333 F St., Suite A Chula Vista 91910; 1101 Airport Road, Suite D Imperial 92251
Gallegly, Elton	R	24	Santa Barbara, Ventura.....	2829 Townsgate Road, Suite 315 Thousand Oaks 91361-3018
Harman, Jane	D	36	Los Angeles.....	2321 E. Rosecrans Ave., Suite 3270 El Segundo 90245

REPRESENTATIVES IN CONGRESS—Continued

Name	Party	District	Counties	Main District Office*
Herger, Wally	R	2	Butte, Colusa, Glenn, Shasta, Siskiyou, Sutter, Tehama, Trinity, Yolo, Yuba.....	55 Independence Circle, #104 Chico 95973; 410 Hemsted Drive, Suite 115 Redding 96002
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.....	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
Lungren, Daniel E.	R	3	Alpine, Amador, Calaveras, Sacramento, Solano.....	11246 Gold Express Drive, Suite 101 Gold River 95670
Matsui, Doris O.	D	5	Sacramento.....	501 I St., #12-600 Sacramento 95814
McKeon, Howard P. "Buck"	R	25	Inyo, Los Angeles, Mono, San Bernardino.....	26650 The Old Road, Suite 203 Santa Clarita 91381; 1008 W. Avenue M-14, Suite E-1 Palmdale 93551
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.....	1800 E. Lambert Road, Suite 150 Brea 92821; 200 Civic Center, Mission Viejo 92691
Miller, George.....	D	7	Contra Costa, Solano	1333 Willow Pass Road, #203 Concord 94520; 3220 Blume Drive, Suite 281 Richmond 94806; 375 G Street, Suite 1 Vallejo 94592
Napolitano, Grace F.	D	38	Los Angeles.....	11627 E. Telegraph Road, #100 Santa Fe Springs 90670
Nunes, Devin	R	21	Fresno, Tulare	113 N. Church St., Suite 208 Visalia 93291; 264 Clovis Avenue, Suite 206 Clovis 93612
Ose, Doug	R	3	Alpine, Amador, Calaveras, Sacramento, Solano.....	722 B Main Street, Woodland 95695
Pelosi, Nancy	D	8	San Francisco	450 Golden Gate Ave., 14th Floor San Francisco 94102
Pombo, Richard W.	R	11	Alameda, Contra Costa, San Joaquin, Santa Clara....	2495 W. March Lane, #104 Stockton 95207; 3000 Executive Pky., Suite 216 San Ramon 94583
Radanovich, George P.	R	19	Fresno, Madera, Mariposa, Stanislaus, Tuolumne	2350 W. Shaw, #137 Fresno 93711; 121 Main St., Suite D Turlock 95380
Rohrabacher, Dana	R	46	Los Angeles, 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 T.	D	39	Los Angeles.....	4007 Paramount Blvd., Suite 106 Lakewood 90712
Sanchez, Loretta	D	47	Orange.....	12397 Lewis St., #101 Garden Grove 92840

REPRESENTATIVES IN CONGRESS—Continued

Name	Party	District	Counties	Main District Office*
Schiff, Adam B.	D	29	Los Angeles.....	35 S. Raymond Ave., #205 Pasadena 91105
Sherman, Brad	D	27	Los Angeles.....	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.....	2121 N. California Blvd., #555 Walnut Creek 94596; 420 W. 3rd St., Antioch 94509; 2000 Cadenasso Drive, Suite A Fairfield 94533
Thomas, Bill	R	22	Kern, Los Angeles, San Luis Obispo.....	4100 Empire Drive, Suite 150 Bakersfield 93309; 5805 Capistrano Ave., Suite C Atascadero 93422
Thompson, Mike	D	1	Del Norte, Humboldt, Lake, Mendocino, Napa, Sonoma, Yolo	1040 Main St., #101 Napa 94559; 317 3rd St., Suite 1 Eureka 95501; 430 N. Franklin St., PO Box 2208, Fort Bragg 95437; 712 Main St., Suite 1 Woodland 95695
Waters, Maxine	D	35	Los Angeles.....	10124 S. Broadway, #1 Los Angeles 90003
Watson, Diane E.	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.....	1050 Northgate Drive, Suite 354 San Rafael 94903; 1101 College Ave., Suite 200 Santa Rosa 95404
Vacant	—	50	San Diego.....

* 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, Yuba	411 Main St., 3rd Floor Chico 95928 Ph: (530) 895-6088; 2967 Davison Court, Suite A-1, Colusa 95932 Ph: (530) 458-4161; 200 Providence Mine Road, Suite 108, Nevada City 95959 Ph: (530) 470-1846; 777 Cypress Ave., 1st Floor, Redding 96001 Ph: (530) 225-3142
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MEMBERS OF THE SENATE – Continued

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Florez, Dean	Businessman	D	16	Fresno, Kern, Kings, Tulare	1800 30th St., Suite 350 Bakersfield 93301 Ph: (661) 395-2620; 2550 Mariposa Mall, Suite 2016, Fresno 93721 Ph: (559) 264-3070
Hollingsworth, Dennis	Farmer's Representative/ Businessman...	R	36	Riverside, San Diego	1870 Cordell Court, Suite 107, El Cajon 92020 Ph: (619) 596-3136; 27555 Ynez Road, Suite 204, Temecula 92591 Ph: (951) 676-1020
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MEMBERS OF THE SENATE—Continued

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Maldonado, Abel	Businessman	R	15	Monterey, San Luis Obispo, Santa Barbara, Santa Clara, Santa Cruz .	100 Paseo de San Antonio, Suite 206, San Jose 95113 Ph: (408) 277-9461; 1356 Marsh St., San Luis Obispo 93401 Ph: (805) 549-3784
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Morrow, Bill	Attorney	R	38	Orange, San Diego..	27126A Paseo Espada, Suite 1621, San Juan Capistrano 92675 Ph: (949) 489-9838; 2755 Jefferson Street, Suite 101, Carlsbad 92008 Ph: (760) 434-7930
Murray, Kevin	Full-time Legislator.....	D	26	Los Angeles.....	600 Corporate Pt., Suite 1020, Culver City 90230 Ph: (310) 641-4391
Ortiz, Deborah	Full-time Legislator.....	D	6	Sacramento.....	1020 N St., Suite 578, Sacramento 95814 Ph: (916) 324-4937
Perata, Don	Speaker pro Tempore/ 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 Street, Suite B, Ripon 95366 Ph: (209) 599-8540
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Runner, George	Full-time Legislator.....	R	17	Los Angeles, San Bernardino, Ventura	848 W. Lancaster Blvd., Suite 101, Lancaster 93534 Ph: (661) 729-6232; 23920 Valencia Blvd., Suite 250, Santa Clarita 91355 Ph: (661) 286-1471; 14343 Civic Drive, 1st Floor, Victorville 92392 Ph: (760) 843-8414
Scott, Jack	Legislator/ Professor.....	D	21	Los Angeles.....	215 N. Marengo Avenue, Suite 185, Pasadena 91101 Ph: (626) 683-0282
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MEMBERS OF THE SENATE – Continued

Name	Occupation	Party	Dist.	Counties	District Address
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Speier, Jackie	Attorney/ Legislator.....	D	8	San Francisco, San Mateo	400 S. 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
Torlakson, 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
Vincent, Edward	Legislator	D	25	Los Angeles.....	1 Manchester Boulevard, Suite 600, Inglewood 90301. Ph: (310) 412-0393
Vacant	-	35	Orange.....

OFFICERS AND ATTACHÉS OF THE SENATE

Title	Name	Capitol Office
President of Senate.....	Cruz Bustamante	1114 State Capitol
President pro Tempore	Don Perata.....	205 State Capitol
Secretary of Senate	Gregory Schmidt	3044 State Capitol
Sergeant at Arms	Tony Beard.....	3030 State Capitol
Chaplain	Rev. James D. Richardson.....	3044 State Capitol
Chief Assistant Secretary	John W. Rovane.....	3044 State Capitol
Minute Clerk	Paula K. Rossetto.....	3044 State Capitol
History Clerk.....	David H. Kneale.....	3044 State Capitol
Assistant Secretary.....	Bernadette McNulty.....	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	4167	San Joaquin, Stanislaus	4557 Quail Lakes Drive, Suite C3, Stockton 95207; 222 S. Thor Street, Suite 21C, Turlock 95380
Arambula, Juan ...	Legislator	D	31	6011	Fresno, Tulare	2550 Mariposa Mall, Room 5031, Fresno 93721
Baca, Jr., Joe	Legislator	D	62	2160	San Bernardino.....	201 N. E St., Suite 205, San Bernardino 92401
Bass, Karen	Legislator	D	47	2117	Los Angeles.....	5750 Wilshire Blvd., Suite 565, Los Angeles 90036
Benoit, John J.	Law Enforcement	R	64	4144	Riverside	1223 University Ave., Suite 230, Riverside 92507
Berg, Patty	Administrator/ Legislator.....	D	1	4146	Del Norte, Humboldt, Lake, Mendocino, Sonoma, Trinity....	235 Fourth Street, Suite C, Eureka 95501; 50 D Street, Suite 450, Santa Rosa 95404; 104 W. Church Street, Ukiah 95482
Bermudez, Rudy	Law Enforcement	D	56	5135	Los Angeles, Orange	12501 E. Imperial Highway, Suite 210, Norwalk 90650
Blakeslee, Sam ...	Legislator	R	33	5126	San Luis Obispo, Santa Barbara	1104 Palm St., San Luis Obispo 93401
Bogh, Russ	Businessman/ Legislator.....	R	65	4098	Riverside, Yucaipa	34932 Yucaipa Blvd., Yucaipa 92399
Calderon, Ronald S.	Legislator/ Real Estate.....	D	58	4016	Los Angeles.....	400 N. Montebello Blvd., Suite 100, Montebello 90640
Canciamilla, Joe .	Full-time Legislator.....	D	11	2141	Contra Costa.....	420 W. Third Street, Antioch 94531
Chan, Wilma	Legislator.....	D	16	6005	Alameda	1515 Clay Street, Suite 2204, Oakland 94612
Chavez, Edward ..	Full-time Legislator.....	D	57	2188	Los Angeles.....	13181 N. Crossroads Parkway, Suite 160, City of Industry 91746
Chu, Judy	Full-time Legislator.....	D	49	2114	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	3160	Santa Clara.....	100 Paseo De San Antonio, Suite 319, San Jose 95113
Coto, Joe	Legislator	D	23	2170	Santa Clara.....	100 Paseo De San Antonio, Suite 300, San Jose 95113
Daucher, Lynn	Legislator	R	72	2158	Orange.....	210 W. Birch Street, Suite 202, Brea 92821
De La Torre, Hector	Legislator	D	50	4162	Los Angeles.....	8724 Garfield Ave., Suite 104, South Gate 90280
DeVore, Chuck ...	Legislator	R	70	4102	Orange.....	3 Park Plaza, Suite 275, Irvine 92614
Dymally, Mervyn M.	University Professor.....	D	52	3123	Los Angeles.....	322 W. Compton Blvd., Suite 100, Compton 90220

MEMBERS OF THE ASSEMBLY – Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Emmerson, Bill ..	Legislator	R	63	3149	Riverside, San Bernardino.....	10681 Foothill Blvd., Suite 325, Rancho Cucamonga 91730
Evans, Noreen	Legislator	D	7	6025	Napa, Solano, Sonoma.....	1040 Main St., Suite 110E, Napa 94559
Frommer, Dario ..	Legislator/ Majority Floor Leader.....	D	43	319	Los Angeles.....	620 N. Brand Blvd., Suite 403, Glendale 91203
Garcia, Bonnie	Businesswoman...	R	80	2002	Imperial, Riverside..	68-700 Avenida Lalo Guerrero, Suite B, Cathedral City 92234; 1450 S. Imperial Ave., El Centro 92243
Goldberg, Jackie .	Teacher/ Legislator.....	D	45	2003	Los Angeles.....	106 N. Avenue 56, Los Angeles 90042
Hancock, Loni	Legislator	D	14	4126	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, PO Box 6500, Inglewood 90301
Horton, Shirley....	Businesswoman...	R	78	2174	San Diego.....	7144 Broadway, Lemon Grove 91945
Houston, Guy S...	Mortgage Broker/ Real Estate.....	R	15	2130	Alameda, Contra Costa, Sacramento, San Joaquin	740 Third Street, Brentwood 94513; 1635 Chestnut Street, Suite A, Livermore 94551; 1666 N. Main St., Room 353, Walnut Creek 94596
Huff, Bob	Legislator	R	60	5164	Los Angeles, Orange, San Bernardino.....	2335 E. Golden Springs Drive, Diamond Bar 91765
Jones, Dave	Attorney/ Legislator.....	D	9	3126	Sacramento.....	915 L St., Suite 110, Sacramento 95814
Karnette, Betty ...	Legislator	D	54	2176	Los Angeles.....	3711 Long Beach Blvd., Suite 801, Long Beach 90807
Keene, Rick	Attorney	R	3	6027	Butte, Lassen, Nevada, Placer, Plumas, Sierra, Yuba	1550 Humboldt Road, Suite 4, Chico 95928
Klehs, Johan	Legislator	D	18	5150	Alameda.....	22320 Foothill Blvd., Suite 540, Hayward 94541
Koretz, Paul	Legislator	D	42	4140	Los Angeles.....	9200 Sunset Boulevard, PH 15, 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; 2865 Churn Creek Road, Suite B, Redding 96002
La Suer, Jay	Legislator	R	77	5160	San Diego.....	5360 Jackson Drive, Suite 120, La Mesa 91942

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Laird, John	Legislator	D	27	6026	Monterey, Santa Clara, Santa Cruz	99 Pacific Street, Suite 555D, Monterey 93940; 701 Ocean Street, Room 318B, Santa Cruz 95060
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.	Legislator	D	40	5136	Los Angeles	6150 Van Nuys Blvd., Suite 300, Van Nuys 91401
Lieber, Sally J.	Legislator/ Assistant Speaker pro Tempore	D	22	3091	Santa Clara	274 Castro St., Suite 202, Mountain View 94041
Lieu, Ted W.	Attorney	D	53	2137	Los Angeles	1700 E. Walnut Ave., Suite 601, El Segundo 90245
Liu, Carol	Educator	D	44	4112	Los Angeles	215 N. Marengo Ave., Suite 115, Pasadena 91101
Matthews, Barbara	Legislator	D	17	5155	Merced, San Joaquin, Stanislaus	806 W. 18th Street, Merced 95340; 31 E. Channel Street, Suite 306, Stockton 95202
Maze, Bill	Building Contractor/ Farmer	R	34	4015	Inyo, Kern, San Bernardino, Tulare	5959 S. Mooney, Visalia 93277
McCarthy, Kevin	Small Business Owner/ Republican Leader	R	32	3104	Kern, San Bernardino	4900 California Avenue, Suite 140A, Bakersfield 93309
Montanez, Cindy	Legislator	D	39	3013	Los Angeles	120 N. Maclay Ave., Suite E, San Fernando 91340
Mountjoy, Dennis	Small Businessman	R	59	3141	Los Angeles, San Bernardino	135 W. Lemon Avenue, Suite A, Monrovia 91016; 14955 Dale Evans Parkway, Room 111, Apple Valley 92307
Mullin, Gene	Educator	D	19	2136	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
Nation, Joe	Legislator	D	6	5119	Marin, Sonoma	3501 Civic Center Drive, Room 412, San Rafael 94903; 50 D Street, Suite 305, Santa Rosa 95404
Nava, Pedro	Legislator	D	35	5144	Santa Barbara, Ventura	101 W. Anapamu St., Suite A, Santa Barbara 93101; 201 E. Fourth St., Suite 209A, Oxnard 93030
Negrete McLeod, Gloria	Legislator	D	61	5016	Los Angeles, San Bernardino	4959 Palo Verde St., Suite 100B, Montclair 91763

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Niello, Roger.....	Legislator	R	5	2016	Placer, Sacramento..	4811 Chippendale Drive, Suite 501, Sacramento 95841
Núñez, Fabian	Speaker/Full-time Legislator.....	D	46	219	Los Angeles.....	320 W. 4th Street, Room 1050, Los Angeles 90013
Oropeza, Jenny ...	Full-time Legislator.....	D	55	2148	Los Angeles.....	One Civic Plaza, Suite 460, Carson 90745
Parra, Nicole.....	Legislator	D	30	4005	Fresno, Kern, Kings, Tulare	601 24th Street, Suite A, Bakersfield 93301; 321 N. Douty St., Suite B, Hanford 93230
Pavley, Fran	Teacher.....	D	41	3120	Los Angeles, Ventura	6355 Topanga Canyon Blvd., Suite 205, Woodland Hills 91367
Plescia, George A.	Legislator	R	75	3098	San Diego.....	9909 Mira Mesa Blvd., Suite 130, San Diego 92131
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	3152	Los Angeles.....	700 State Drive, Los Angeles 90037
Runner, Sharon ...	Businesswoman...	R	36	6031	Los Angeles, San Bernardino.....	747 W. Lancaster Blvd., Lancaster 93534; 14343 Civic Drive, Victorville 92392
Ruskin, Ira	Legislator	D	21	4139	San Mateo, Santa Clara.....	5050 El Camino Real, Suite 117, Los Altos 94022
Saldaña, Lori.....	Legislator	D	76	3132	San Diego.....	1557 Columbia St., San Diego 92101
Salinas, Simón	Teacher/Professor	D	28	2175	Monterey, San Benito, Santa Clara, Santa Cruz .	365 Fourth Street, Hollister 95023; 100 W. Alisal Street, Suite 134, Salinas 93901; 231 Union Street, Watsonville 95077
Spitzer, Todd	Attorney	R	71	2111	Orange, Riverside....	1940 N. Tustin St., Suite 102, Orange 92865
Strickland, Tony ..	Full-time Legislator.....	R	37	4208	Los Angeles, Ventura	2659 Townsgate Rd., Suite 236, Westlake Village 91361
Torrico, Alberto ..	Legislator	D	20	2179	Alameda, Santa Clara.....	39510 Paseo Padre Pky., Suite 280, Fremont 94538
Tran, Van	Legislator	R	68	4009	Orange.....	1503 S. Coast Drive, Suite 205, Costa Mesa 92626
Umberg, Tom	Legislator	D	69	2196	Orange.....	2400 E. Katella Ave., Suite 640, Anaheim 92806
Vargas, Juan	Legislator/ Attorney.....	D	79	2013	San Diego.....	678 Third Avenue, Suite 105, Chula Vista 91910
Villines, Michael N.	Legislator	R	29	4153	Fresno, Madera, Tulare	6245 N. Fresno St., Suite 106, Fresno 93710
Walters, Mimi	Legislator	R	73	4116	Orange, San Diego..	30012 Ivy Glenn Drive, Suite 120, Laguna Niguel 92677; 302 N. Coast Hwy., Oceanside 92054
Wolk, Lois	Teacher.....	D	8	6012	Solano, Yolo	555 Mason Street, Suite 275, Vacaville 95688
Wyland, Mark	Legislator	R	74	4130	San Diego.....	1800 Thibodo Road, Suite 300, Vista 92083

MEMBERS OF THE ASSEMBLY—Continued

Name	Occupation	Party	Dist.	Capitol Office	Counties	District Office Mailing Address
Yee, Leland Y.	Speaker pro Tempore/Child Psychologist	D	12	3173	San Francisco, San Mateo	455 Golden Gate Ave., Suite 14600, San Francisco 94102

OFFICERS OF THE ASSEMBLY

Name	Title	Mailing Address
Núñez, Fabian	Speaker.....	320 W. 4th Street, Room 1050, Los Angeles 90013
Yee, Leland	Speaker pro Tempore	455 Golden Gate Avenue, Suite 14600, San Francisco 94102
Frommer, Dario	Majority Floor Leader....	620 N. Brand Blvd., Suite 403, Glendale 91203
McCarthy, Kevin	Minority Floor Leader....	4900 California Avenue, Suite 140A, Bakersfield 93309
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 H. Spencer.....	Presiding Justice
Hon. Miriam A. Vogel.....	Associate Justice
Hon. Robert M. Mallano.....	Associate Justice
Hon. Frances Rothschild.....	Associate Justice

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

DIVISION TWO

Hon. Roger W. Boren Admin. Presiding 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. Norman L. Epstein Presiding Justice
 Hon. Thomas Lyle Willhite, Jr. 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. Sandy R. Kriegler 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
 Hon. Laurie D. Zelon Associate Justice

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
 Hon. Madeleine I. Flier Associate Justice
 Joseph A. Lane Clerk/Administrator

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. M. Kathleen Butz Associate Justice
 Hon. Rick Sims 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. Tani Gorre Cantil-Sakaue Associate Justice
 Hon. Harry E. Hull Jr. Associate Justice
 Hon. Ronald B. Robie Associate Justice
 Deena Fawcett Clerk/Administrator

914 Capitol Mall Court, Sacramento 95814

FOURTH APPELLATE DISTRICT

DIVISION ONE

Hon. Judith D. McConnell.....	Admin. Presiding Justice
Hon. Judith L. Haller	Associate Justice
Hon. Joan K. Irion.....	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	Clerk/Administrator

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 I. Levy.....	Associate Justice
Hon. Dennis A. Cornell.....	Associate Justice
Hon. Nikolas J. Dibiaso.....	Associate Justice
Hon. Steven M. Vartabedian.....	Associate Justice
Hon. Betty L. Dawson.....	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
Kay Frauenholtz.....	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. Wendy Clark Duffy.....	Associate Justice
Hon. Nathan D. Mihara.....	Associate Justice
Hon. Richard J. McAdams.....	Associate Justice
Michael J. Yerly.....	Clerk/Administrator

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

PUBLIC UTILITIES COMMISSION

Michael R. Peevey President
Dian Grueneich Commissioner
John Bohn Commissioner
Susan Kennedy Commissioner
Geoffrey Brown Commissioner
William Ahern Executive Director

WORKERS' COMPENSATION APPEALS BOARD

Joseph M. Miller Chairperson
Frank M. Brass Member
James C. Cuneo Member
William K. O'Brien Member
Janis Murray Member
Ronnie Caplane Member
Merle C. Rabine Member

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			La Torre, Dymally, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	111	254	—	Nakanishi (Coauthor: Assembly Member Salinas)
73	—	63	Committee on Budget and Fiscal Review	112	—	387	Ducheno (Coauthors: Assembly Members Garcia, Saldana, and Vargas)
74	139	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Dymally, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	113	—	39	Murray (Coauthors: Senators Alquist, Chesbro, and Kuehl) (Coauthors: Assembly Members Dymally, Koretz, Maze, Oropeza, and Pavley)
75	145	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Dymally, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	114	—	140	Margett
76	—	62	Committee on Budget and Fiscal Review	115	—	396	Battin
77	—	64	Committee on Budget and Fiscal Review	116	—	702	Ackerman
78	—	68	Committee on Budget and Fiscal Review	117	480	—	Plescia
79	—	91	Committee on Budget and Fiscal Review (Chesbro (Chair), Hollingsworth, Campbell, Ducheno, Dunn, Dutton, Kehoe, Kuehl, Lowenthal, Machado, Margett, McClintock, Romero, Runner, Scott, Simitian, and Torlakson)	118	831	—	Committee on Education (Goldberg (Chair), Arambula, Coto, Hancock, Liu, Mullin, and Pavley)
			Committee on Budget and Fiscal Review	119	834	—	Jones
			Committee on Budget and Fiscal Review	120	428	—	Gordon
			Committee on Budget and Fiscal Review	121	1741	—	Committee on Judiciary (Jones (Chair), Evans, Laird, Levine, Lieber, and Montanez)
			Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Dymally, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	122	981	—	Negrete McLeod (Principal coauthor: Senator Soto)
80	131	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Dymally, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	123	378	—	Chu (Coauthors: Assembly Members Chan, Dymally, Huff, Koretz, Laird, Pavley, and Ridley-Thomas) (Coauthors: Senators Bowen, Kuehl, and Romero)
81	—	71	Committee on Budget and Fiscal Review	124	351	—	Chu
82	987	—	Frommer	125	99	—	Cohn (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Levine, Lieber, and Montanez)
83	—	987	Migden	126	56	—	Wolk
84	544	—	Vargas (Coauthor: Assembly Member Parra) (Coauthor: Senator Poochigian)	127	8	—	Chu (Principal coauthor: Assembly Member Cohn)
85	1008	—	Richman	128	68	—	Montanez (Principal coauthors: Assembly Members Bass, Dymally, Jones, Leno, Negrete McLeod, Nunez, and Ridley-Thomas) (Principal coauthors: Senators Figueroa, Perata, and Speier)
86	—	443	Committee on Elections, Reapportionment and Constitutional Amendments (Senators Bowen (Chair), Battin, Dunn, Murray, Poochigian, and Romero)	129	852	—	Leno (Coauthor: Assembly Member Torrico)
87	—	1054	Soto	130	—	124	Denham
88	275	—	Baca	131	—	268	Campbell
89	571	—	Levine and Sharon Runner (Coauthor: Assembly Member Spitzer)	132	112	—	Cohn (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Garcia and Pavley) (Coauthor: Senator Kehoe)
90	—	906	Ashburn	133	998	—	Chu
91	—	76	Committee on Budget and Fiscal Review	134	1769	—	Negrete McLeod (Principal coauthor: Senator Runner)
92	584	—	Blakeslee	135	—	47	Scott
93	641	—	Montanez	136	—	282	Maldonado
94	434	—	Parra	137	—	383	Maldonado
95	1761	—	Committee on Insurance (Vargas (Chair), Calderon, Karnette, Lieber, Nava, and Umberg)	138	—	630	Dutton
			Plescia	139	—	979	Committee on Environmental Quality (Senators Lowenthal (Chair), Campbell, Chesbro, Cox, Escutia, Figueroa, Kuehl, Runner, and Simitian)
96	449	—	Daucher	140	—	1018	Simitian (Principal coauthors: Senators Alquist and Scott) (Principal coauthors: Assembly Members Berg, Evans, Spitzer, and Wolk) (Coauthors: Senators Kuehl and Romero) (Coauthors: Assembly Members Cohn and Pavley)
97	1303	—	La Malfa				
98	1732	—	Margett				
99	—	647	Poochigian				
100	—	754	Perata				
101	—	1036	Ackerman				
102	—	119	Battin				
103	—	101	Cedillo and Murray				
104	—	278	Kehoe (Principal coauthor: Assembly Member Saldana)				
105	—	816	Morrow				
106	—	548	Battin				
107	—	245	Maldonado				
108	—	1092	Torlakson				
109	—	597	Poochigian				
110	—	447					

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141	186	—	Bogh (Coauthors: Assembly Members Aghazarian, Emmerson, Shirley Horton, Koretz, McCarthy, Negrete McLeod, and Plescia)	162	893	—	Shirley Horton (Coauthor: Senator Denham)
				163	1188	—	Wolk
				164	1353	—	Liu
142	208	—	Gordon and Parra (Coauthors: Assembly Members Bermudez, Chavez, Cohn, DeVore, Shirley Horton, Karnette, Maze, Oropeza, Ruskin, and Walters) (Coauthor: Senator Alquist)	165	665	—	Salinas
				166	1637	—	Mountjoy
				167	86	—	Levine (Coauthors: Assembly Members Chavez, Cohn, DeVore, Hancock, Karnette, Koretz, and Ridley-Thomas) (Coauthors: Senators Bowen and Torlakson)
143	357	—	Shirley Horton (Principal coauthor: Senator Chesbro)	168	1437	—	Strickland (Coauthors: Assembly Members Cohn and Koretz)
144	367	—	Nakanishi	169	—	122	Committee on Local Government (Senators Kehoe (Chair), Ackerman, Cox, Machado, McClintock, Soto, and Torlakson)
145	495	—	Montanez				
146	720	—	Villines (Coauthors: Assembly Members Bogh, DeVore, Klehs, Maze, and Tran) (Coauthors: Senators Alquist, Dutton, and Romero)	170	—	123	Committee on Local Government (Senators Kehoe (Chair), Ackerman, Cox, Machado, McClintock, Soto, and Torlakson)
147	752	—	Karnette	171	—	127	Chesbro (Principal coauthor: Assembly Member Evans)
148	785	—	Karnette	172	—	322	Migden
149	1093	—	Matthews	173	—	381	Denham and Scott
150	1238	—	Plescia	174	—	487	Cox
151	1523	—	Blakeslee	175	—	671	Cox
152	1577	—	Benoit	176	—	872	Denham and Florez
153	1729	—	Houston	177	—	1097	Dunn
154	—	1082	Morrow and Ducheny (Principal coauthor: Senator Ashburn) (Coauthors: Senators Cox, Denham, Dunn, Dutton, Machado, Soto, and Speier) (Coauthors: Assembly Members Cogdill, DeVore, Haynes, Shirley Horton, Houston, Huff, La Malfa, La Suer, Leslie, Maze, Mountjoy, Niello, Oropeza, Parra, Plescia, Sharon Runner, Ruskin, Umberg, and Wyland)	178	11	—	De La Torre
				179	52	—	Jerome Horton
				180	85	—	Maze
				181	182	—	Benoit
155	690	—	Saldana (Coauthors: Assembly Members Chavez, Plescia, and Sharon Runner)	182	205	—	Ruskin (Coauthors: Assembly Members Koretz and Vargas)
156	341	—	Daucher and Huff	183	223	—	Negrete McLeod (Coauthors: Assembly Members Dymally, Shirley Horton, Huff, Matthews, and Maze)
157	—	118	Chesbro (Principal coauthors: Senators Florez and Perata) (Principal coauthors: Assembly Members Evans, Jerome Horton, and Nunez) (Coauthors: Senators Battin, Bowen, Campbell, Cox, Denham, Dunn, Figueroa, Machado, Maldonado, Soto, and Torlakson) (Coauthors: Assembly Members Aghazarian, Benoit, Berg, Bermudez, Chavez, Cohn, Garcia, Jones, Karnette, Laird, Leslie, Lieber, McCarthy, Mountjoy, Nakanishi, Nation, Nava, Pavley, Salinas, and Wolk)	184	346	—	Chu
				185	348	—	Arambula and Bass (Coauthors: Assembly Members Baca, Canciamilla, Garcia, and Houston)
				186	370	—	Aghazarian
				187	489	—	Bermudez
				188	780	—	Chu
				189	818	—	Leslie
				190	900	—	Benoit
				191	947	—	Liu
				192	1071	—	Chu
				193	1099	—	Leno
158	—	966	Committee on Local Government (Senators Kehoe (Chair), Ackerman, Cox, Kuehl, Machado, McClintock, Perata, Soto, and Torlakson)	194	1131	—	Torrico (Coauthor: Senator Figueroa)
				195	1155	—	La Suer
				196	1419	—	Parra
				197	1461	—	Salinas
159	—	547	Cox (Coauthors: Senators Scott and Torlakson) (Coauthor: Assembly Member Jones)	198	1743	—	Committee on Judiciary (Jones (Chair), Evans, Laird, Levine, Lieber, and Montanez)
160	190	—	Negrete McLeod (Coauthors: Assembly Members Canciamilla, Chavez, Chu, Cohn, Evans, Garcia, Shirley Horton, Houston, Jones, Koretz, Laird, Lieber, Liu, Matthews, Maze, Nava, Oropeza, Pavley, Sharon Runner, Salinas, Spitzer, Walters, Wolk, and Yee) (Coauthor: Senator Speier)	199	1748	—	Committee on Transportation (Oropeza (Chair), Huff (Vice Chair), Chan, Shirley Horton, Karnette, Liu, Pavley, Ridley-Thomas, Salinas, and Torrico)
				200	1755	—	Committee on Elections and Redistricting (Umberg (Chair), Klehs, Leno, and Levine)
161	483	—	Nunez				

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201	1757	—	Committee on Elections and Redistricting (Umberg (Chair), Klehs, Leno, and Levine)	235	—	12	Escutia (Principal coauthor: Senator Alquist) (Coauthors: Senators Cedillo, Figueroa, Kuehl, Lowenthal, Romero, Scott, Speier, and Torlakson)
202	1763	—	Committee on Natural Resources (Hancock (Chair), La Malfa (Vice Chair), Gordon, Koretz, Saldana, and Wolk)				(Coauthors: Assembly Members Berg, Chan, Evans, Goldberg, Jones, Koretz, Leno, Levine, Montanez, Negrete McLeod, Parra, Pavley, and Saldana)
203	—	220	Chesbro (Principal coauthor: Assembly Member Evans)	236	—	281	Maldonado (Coauthors: Senators Alquist, Denham, and Torlakson)
204	767	—	Mullin	237	—	965	Escutia (Coauthors: Senators Alquist and Ortiz)
205	—	488	Soto	238	—	972	Poochigian
206	—	375	Speier	239	—	180	Kuehl (Coauthors: Senators Alquist and Bowen) (Coauthors: Assembly Members Dymally, Pavley, and Yee)
207	—	708	Speier	240	22	—	Lieber and Liu and Senator Kuehl (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Bermudez, Chan, Chavez, Cohn, DeVore, Goldberg, Hancock, Shirley Horton, Koretz, Leno, Leslie, Levine, Matthews, Pavley, Sharon Runner, and Ruskin) (Coauthors: Senators Cedillo, Escutia, and Romero)
208	—	665	Migden	241	—	13	Bowen
209	—	467	Lowenthal	242	—	14	Campbell and Runner (Principal coauthor: Assembly Member Klehs)
210	—	376	Soto and Margett (Coauthors: Assembly Members Calderon, Chavez, Huff, and Negrete McLeod)	243	—	35	Florez (Principal coauthor: Assembly Member Chan)
211	—	157	Ackerman	244	—	45	Alarcon (Coauthors: Assembly Members Bogh and Oropeza)
212	—	878	Dunn	245	—	49	Machado
213	—	1085	Migden	246	—	78	Committee on Budget and Fiscal Review
214	—	772	Ducheny	247	—	97	Murray
215	220	—	Committee on Public Safety (Leno (Chair), Cohn, Dymally, Goldberg, Ruskin, and Spitzer)	248	—	110	Florez
216	268	—	Matthews	249	—	135	Kehoe (Coauthors: Senators Cox, Kuehl, Machado, Soto, and Torlakson)
217	297	—	Yee	250	—	141	Soto
218	493	—	Frommer	251	—	158	Machado
219	512	—	Richman	252	—	197	Cox (Coauthor: Assembly Member Leslie)
220	520	—	Parra	253	—	271	Scott
221	599	—	Gordon (Coauthors: Assembly Members Cohn, Negrete McLeod, and Saldana)	254	—	274	Romero (Coauthor: Senator Alquist)
222	621	—	Cogdill	255	—	353	Migden
223	856	—	Bass (Coauthor: Senator Murray)	256	—	389	Morrow
224	885	—	Keene	257	—	408	Margett
225	983	—	Laird	258	—	439	Simitian
226	1048	—	Pavley	259	—	460	Margett
227	1201	—	Laird	260	—	502	Kehoe
228	1329	—	Wolk (Principal coauthor: Assembly Member Evans) (Principal coauthor: Senator Cox)	261	—	513	Soto (Coauthor: Senator Machado) (Coauthors: Assembly Members Calderon, Parra, and Vargas)
229	1358	—	Mullin	262	—	527	Alquist (Coauthor: Senator Torlakson) (Coauthors: Assembly Members Bass, Coto, Dymally, and Matthews)
230	1359	—	Chan	263	—	543	Margett
231	1424	—	Saldana	264	—	555	Machado
232	—	546	Dutton	265	—	570	Migden
233	823	—	Nava and Sharon Runner (Principal coauthors: Senators Hollingsworth and Kehoe) (Coauthors: Assembly Members Aghazarian, Benoit, Blakeslee, Bogh, Cogdill, Daucher, DeVore, Emmerson, Evans, Garcia, Harman, Haynes, Shirley Horton, Houston, Huff, Jones, Keene, La Malfa, La Suer, Leslie, Maze, McCarthy, Mountjoy, Nakanishi, Niello, Plescia, Richman, Spitzer, Strickland, Tran, Villines, Walters, and Wyland) (Coauthors: Senators Ackerman, Battin, Campbell, Cox, Maldonado, Margett, Morrow, Poochigian, and Runner)	266	—	614	Figueroa
				267	—	648	Margett
234	128	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Dymally, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)	268	—	679	Simitian
				269	—	724	Scott (Coauthors: Senators Ashburn, Battin, Cedillo, Ducheny, Dutton, Escutia, Florez, Kehoe, Kuehl, Lowenthal, Maldonado, Margett,

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Ch. No.	A.B. No.	S.B. No.	Author	Ch. No.	A.B. No.	S.B. No.	Author
			Murray, Perata, Romero, Runner, Soto, and Vincent) (Coauthors: Assembly Members Arambula, Baca, Bermudez, Bogh, Calderon, Chavez, Cohn, Coto, De La Torre, Dymally, Emmerson, Garcia, Jerome Horton, Shirley Horton, Houston, Huff, Jones, La Suer, McCarthy, Montanez, Mounjtjoy, Mullin, Negrete McLeod, Nunez, Parra, Plescia, Ridley-Thomas, Ruskin, Saldana, Salinas, Strickland, Torrico, Vargas, and Villines)	302	541	—	Harman
				303	550	—	Goldberg (Coauthors: Assembly Members Cohn, Dymally, Koretz, and Spitzer) (Coauthors: Senators Kuehl and Speier)
				304	592	—	Yee
				305	620	—	Negrete McLeod
				306	627	—	Leslie (Coauthor: Senator Alquist)
				307	646	—	Sharon Runner
				308	671	—	Klehs
				309	691	—	Hancock
				310	706	—	Parra (Coauthors: Assembly Members Klehs and Koretz)
270	—	731	Torlakson, Ashburn, Cedillo, Ducheny, Kehoe, Lowenthal, Machado, Maldonado, Margett, Murray, Runner, and Soto	311	716	—	Canciamilla
				312	729	—	Koretz
				313	800	—	Yee
				314	846	—	Liu
271	—	822	Margett and Romero	315	847	—	Berg
272	—	837	Dutton	316	865	—	Ruskin
273	—	894	Dunn	317	920	—	Aghazarian (Principal coauthor: Assembly Member Sharon Runner) (Coauthor: Assembly Member Nakanishi) (Coauthor: Senator Cox)
274	—	919	Cox				
275	—	1009	Florez (Principal coauthors: Assembly Members McCarthy and Parra)	318	961	—	Committee on Higher Education (Liu (Chair), Shirley Horton, Matthews, Nava, and Ruskin)
276	—	1053	Scott				
277	—	1069	Soto				
278	—	1084	Kehoe				
279	—	1107	Committee on Public Safety (Senators Alquist (Chair), Cedillo, Margett, Migden, Perata, Poochigian, and Romero)	319	980	—	Umberg
				320	982	—	Laird
				321	1043	—	Harman
				322	1044	—	Aghazarian
280	—	1112	Committee on Business, Professions and Economic Development (Senators Figueroa (Chair), Aanestad, Campbell, Florez, Morrow, Murray, and Simitian)	323	1051	—	Benoit and Umberg (Coauthors: Assembly Members Canciamilla, Chan, Shirley Horton, Huff, Karnette, Liu, Mounjtjoy, Niello, Oropeza, Pavley, Ridley-Thomas, Salinas, and Torrico)
281	14	—	Harman	324	1052	—	Leslie
282	27	—	Mullin and Ruskin (Principal coauthor: Assembly Member Cogdill)	325	1064	—	Cogdill
283	83	—	Leslie (Coauthor: Senator Cox)	326	1069	—	Montanez (Coauthors: Assembly Members Cohn and Spitzer)
284	109	—	Chan (Principal coauthor: Assembly Member Daucher) (Principal coauthor: Senator Florez)	327	1123	—	Wyland
				328	1166	—	Canciamilla
285	204	—	Harman	329	1180	—	Torrico
286	241	—	Harman	330	1202	—	Laird
287	276	—	Baca	331	1296	—	Hancock (Coauthors: Assembly Members Cohn and Lenó) (Coauthor: Senator Alquist)
288	277	—	Mounjtjoy				
289	280	—	Oropeza	332	1322	—	Evans
290	287	—	Negrete McLeod	333	1346	—	Richman
291	306	—	Baca (Coauthors: Senators Denham, Murray, and Speier)	334	1431	—	Saldana
292	324	—	Mounjtjoy (Coauthors: Senators Alquist and Romero)	335	1434	—	Shirley Horton (Coauthor: Assembly Member Berg)
293	327	—	De La Torre	336	1471	—	McCarthy
294	333	—	Harman	337	1474	—	Maze
295	361	—	Sharon Runner	338	1512	—	Garcia (Coauthor: Senator Battin)
296	363	—	Chu (Coauthor: Assembly Member Jones)	339	1517	—	Sharon Runner (Principal coauthor: Senator Alquist)
297	394	—	Niello (Coauthors: Assembly Members Houston, Jones, and Nakanishi) (Coauthors: Senators Cox, Machado, and Ortiz)	340	1527	—	Liu
				341	1529	—	Jones (Coauthor: Assembly Member Harman) (Coauthors: Senators Dunn and Perata)
298	453	—	Benoit (Coauthors: Assembly Members Bogh, Chavez, Cogdill, Daucher, Emmerson, Haynes, Huff, Matthews, Maze, Mounjtjoy, and Oropeza) (Coauthors: Senators Cox and Dutton)	342	1594	—	Umberg
				343	1595	—	Evans and Spitzer (Coauthor: Senator Dunn)
299	462	—	Tran	344	1642	—	Salinas
300	496	—	Aghazarian	345	1666	—	Frommer
301	497	—	Negrete McLeod	346	1718	—	Mounjtjoy

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347	1746	—	Committee on Local Government (Salinas (Chair), Emmerson (Vice Chair), De La Torre, Houston, Lieber, Nation, and Wolk)	378	—	584	Soto (Coauthor: Senator Dutton) (Coauthors: Assembly Members Benoit, Bermudez, and Spitzer)
348	1754	—	Committee on Housing and Community Development (Mullin (Chair), Garcia (Vice Chair), Baca, Hancock, La Suer, Salinas, and Torrico)	379	—	640	Escutia (Coauthors: Senators Alquist, Chesbro, Ducheny, Kehoe, and Kuehl) (Coauthors: Assembly Members Chan, Montanez, Nation, and Pavley)
349	1767	—	Committee on Revenue and Taxation (Klehs (Chair), Canciamilla, Jones, and Lieber)	380	—	706	Ortiz
350	1511	—	Evans (Principal coauthors: Assembly Members Walters and Wolk) (Principal coauthor: Senator Cox)	381	—	828	Maldonado
351	224	—	Negrete McLeod	382	—	1007	Ducheny
352	—	70	Scott (Coauthor: Senator Alquist)	383	—	1110	Committee on Natural Resources and Water (Senators Kuehl (Chair), Aanestad, Bowen, Dutton, Hollingsworth, Kehoe, Lowenthal, Machado, Margett, Migden, and Romero)
353	—	875	Runner and Florez	384	165	—	Dymally
354	1609	—	Liu (Coauthors: Assembly Members Hancock, Shirley Horton, Salinas, and Wyland)	385	316	—	Nakanishi
355	—	319	Migden	386	322	—	Oropeza (Coauthors: Senators Alquist and Romero)
356	—	352	Scott	387	382	—	Chan
357	—	430	Runner	388	403	—	La Malfa
358	—	687	Simitian (Coauthor: Senator Alquist) (Coauthors: Assembly Members Coto and Wyland)	389	404	—	Leno
359	740	—	Huff (Coauthors: Assembly Members Benoit, DeVore, Garcia, Haynes, Shirley Horton, and Maze) (Coauthors: Senators Dutton and Margett)	390	420	—	Shirley Horton (Coauthors: Assembly Members Chu, Coto, DeVore, Huff, Jerome Horton, Jones, Plescia, and Vargas) (Coauthors: Senators Chesbro, Ducheny, Maldonado, and Torlakson)
360	1366	—	Lieber	391	451	—	Yee (Coauthors: Assembly Members Jones and Oropeza) (Coauthor: Senator Migden)
361	1385	—	Laird (Principal coauthor: Assembly Member Maze) (Coauthors: Assembly Members Bermudez, Chan, Chu, Dymally, Hancock, Jones, Leno, Mullin, Nava, Pavley, Salinas, Torrico, Vargas, and Wolk) (Coauthors: Senators Alquist, Kuehl, Perata, and Torlakson)	392	459	—	Oropeza (Coauthors: Assembly Members Coto, Dymally, and Pavley) (Coauthors: Senators Alquist, Bowen, Kuehl, and Romero)
362	1480	—	Maze	393	488	—	Bermudez
363	1492	—	Evans and Chu	394	758	—	Calderon (Principal coauthor: Assembly Member Haynes)
364	430	—	Nava (Coauthors: Assembly Members Coto, Dymally, Frommer, Shirley Horton, Laird, and Ruskin) (Coauthors: Senators Romero, Scott, and Torlakson)	395	817	—	Matthews
365	—	975	Ashburn	396	843	—	Nunez (Coauthor: Assembly Member Laird)
366	—	1037	Kehoe	397	873	—	Bogh
367	380	—	Nunez	398	911	—	Chu
368	515	—	Richman (Principal coauthor: Assembly Member Levine) (Coauthors: Assembly Members Berg, Bogh, Canciamilla, Evans, Leno, Nation, and Wolk)	399	967	—	Canciamilla
369	728	—	Negrete McLeod	400	1031	—	Niello
370	736	—	Jerome Horton	401	1081	—	Matthews
371	1007	—	Pavley (Coauthors: Assembly Members Hancock and Nation) (Coauthor: Senator Kehoe)	402	1136	—	Dymally
372	1182	—	Calderon	403	1142	—	Dymally
373	1348	—	Sharon Runner	404	1249	—	Blakeslee
374	1576	—	Nunez	405	1311	—	Committee on Labor and Employment (Koretz (Chair), Chan, Chu, Klehs, Laird, and Leno)
375	—	66	Torlakson	406	1317	—	Ruskin (Principal coauthor: Assembly Member Tran)
376	—	287	Cox (Principal coauthors: Assembly Members Evans, Walters, and Wolk)	407	1318	—	Evans (Coauthor: Assembly Member Arambula)
377	—	477	Soto and Alarcon (Coauthors: Senators Kehoe and Romero) (Coauthor: Assembly Member Torrico)	408	1356	—	Berg
				409	1390	—	Jones
				410	1435	—	Evans
				411	1460	—	Umberg
				412	1661	—	Jerome Horton
				413	1663	—	Jones (Coauthor: Senator Ortiz)
				414	1734	—	Koretz (Principal coauthor: Senator Murray) (Coauthor: Assembly Member Montanez) (Coauthor: Senator Alarcon)

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415	1760	—	Committee on Insurance (Vargas (Chair), Calderon, Karnette, Lieber, Nava, and Umberg)	444	—	798	Simitian
416	—	565	Migden (Principal coauthor: Assembly Member Nunez)	445	—	802	Simitian
417	—	644	Ortiz (Principal coauthor: Assembly Member Levine) (Coauthors: Senators Alquist, Figueroa, Kuehl, and Romero) (Coauthors: Assembly Members Berg, Cohn, Frommer, Goldberg, Jones, Klehs, Koretz, Laird, Leno, Liu, Nation, and Nava)	446	—	1105	Speier (Coauthor: Assembly Member Vargas)
418	—	973	Kuehl (Principal coauthors: Assembly Members Goldberg, Koretz, Laird, and Leno) (Coauthor: Senator Kehoe)	447	—	2	Speier
419	228	—	Koretz (Principal coauthor: Assembly Member Pavley) (Coauthors: Assembly Members Goldberg, Laird, Leno, and Lieber) (Coauthor: Senator Kuehl)	448	—	518	Kehoe
420	1400	—	Laird (Coauthors: Assembly Members Berg, Evans, Goldberg, Hancock, Jones, Klehs, Koretz, Leno, Levine, Lieber, Montanez, Oropeza, Pavley, and Yee) (Coauthors: Senators Kehoe, Kuehl, and Migden)	449	354	—	Cogdill (Coauthors: Assembly Members DeVore, Garcia, La Malfa, Maze, and Nakanishi) (Coauthors: Senators Chesbro, Cox, and Ducheny)
421	1586	—	Koretz, Goldberg, Laird, Leno, and Lieber (Principal coauthor: Senator Kuehl) (Coauthors: Senators Kehoe and Migden)	450	—	61	Battin (Principal coauthor: Assembly Member Jones)
422	12	—	DeVore	451	—	115	Florez
423	300	—	Walters	452	—	137	Ducheny, Dunn, and Figueroa (Principal coauthor: Assembly Member Leslie) (Coauthors: Senators Alquist, Denham, Escutia, and Kuehl) (Coauthors: Assembly Members Jones, Leno, Lieber, and Torrico)
424	381	—	Montanez	453	—	210	Bowen
425	502	—	Cogdill	454	—	244	Romero (Principal coauthor: Senator Alquist) (Principal coauthor: Assembly Member Berg) (Coauthor: Senator Kuehl) (Coauthor: Assembly Member Cohn)
426	746	—	Blakeslee	455	—	310	Chesbro
427	929	—	Oropeza	456	179	—	Bermudez (Coauthors: Assembly Members Bass, Cohn, DeVore, Shirley Horton, Laird, and Vargas) (Coauthor: Senator Alquist)
428	1027	—	Jerome Horton	457	787	—	DeVore (Coauthors: Assembly Members Bogh, Cogdill, Garcia, Shirley Horton, Houston, Huff, La Suer, Maze, Mountjoy, Plescia, and Sharon Runner) (Coauthors: Senators Alquist, Cox, and Dutton)
429	1104	—	Levine	458	1098	—	Jones
430	1278	—	Emmerson	459	1439	—	Committee on Veterans Affairs (Gordon (Chair), DeVore (Vice Chair), Canciamilla, Chavez, Evans, Oropeza, Plescia, Sharon Runner, and Saldana)
431	1507	—	Pavley (Coauthors: Assembly Members Koretz and Vargas) (Coauthors: Senators Alquist and Romero)	460	1725	—	La Malfa
432	1566	—	Calderon (Principal coauthor: Senator Alquist)	461	33	—	Sharon Runner (Coauthors: Assembly Members Benoit, Bermudez, Bogh, Chavez, Cogdill, Cohn, Daucher, DeVore, Garcia, Shirley Horton, Huff, Koretz, La Suer, Leslie, Mountjoy, Nakanishi, Plescia, Spitzer, Walters, and Wyland) (Coauthors: Senators Ackerman, Battin, Cox, Denham, Dutton, Escutia, Maldonado, Margett, and Runner)
433	1640	—	Saldana	462	100	—	Cohn
434	1676	—	Richman and Nation	463	113	—	Cohn (Principal coauthor: Senator Alquist)
435	—	20	Escutia (Principal coauthor: Senator Speier) (Coauthors: Senators Alquist, Cedillo, Ducheny, and Kuehl) (Coauthors: Assembly Members Chu, Karnette, Koretz, Laird, Pavley, and Ruskin)	464	114	—	Cohn (Principal coauthor: Assembly Member Spitzer) (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Bass, Garcia, Shirley Horton, Matthews, Montanez, Nation, Negrete McLeod, Parra, Pavley, Ridley-Thomas, and Vargas)
436	—	150	Escutia	465	118	—	Cohn (Principal coauthor: Senator Alquist) (Coauthor: Assembly Member Spitzer)
437	—	355	Murray				
438	—	390	Bowen				
439	—	581	Figueroa (Principal coauthor: Assembly Member Spitzer)				
440	—	608	Escutia				
441	—	634	Speier (Coauthors: Assembly Members Chan, Koretz, and Laird)				
442	—	650	Ortiz (Coauthors: Senators Alquist, Bowen, Cedillo, Figueroa, and Torlakson) (Coauthors: Assembly Members Chu, Dymally, Jones, Karnette, Laird, Nation, Ridley-Thomas, and Yee)				
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466	217	—	Vargas (Principal coauthors: Assembly Members Berg and Cohn) (Coauthors: Assembly Members Bermudez, DeVore, Shirley Horton, Koretz, Sharon Runner, Ruskin, Salinas, and Spitzer) (Coauthors: Senators Dutton and Morrow)	496	—	435	Hollingsworth
467	429	—	Chu	497	—	453	Poochigian, Ashburn, Denham, Florez, and Machado (Coauthors: Assembly Members Aghazarian, Arambula, Cogdill, Houston, Matthews, Maze, McCarthy, Nakanishi, Parra, and Villines)
468	465	—	Cogdill (Coauthors: Assembly Members Leno, Matthews, and Sharon Runner) (Coauthor: Senator Battin)	498	—	569	Torlakson (Coauthors: Senators Cedillo, Escutia, and Romero) (Coauthors: Assembly Members Parra, Chavez, Parra, and Umberg)
469	522	—	Plescia and Bogh (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Spitzer and Vargas)	499	—	621	Speier
470	857	—	Bass	500	—	759	Maldonado
471	940	—	Chu	501	—	950	Torlakson
472	978	—	Sharon Runner (Principal coauthor: Senator Alquist)	502	23	—	Liu (Principal coauthor: Assembly Member Karnette) (Coauthor: Senator Alquist)
473	—	255	Torlakson	503	77	—	Frommer
474	1150	—	La Suer	504	133	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Dymally, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)
475	1325	—	Vargas	505	203	—	Harman
476	1495	—	Canciamilla (Coauthor: Assembly Member Karnette)	506	302	—	Committee on Business and Professions (Negrete McLeod (Chair), Shirley Horton (Vice Chair), Bass, Koretz, Maze, Nation, Tran, Vargas, and Yee)
477	—	33	Battin and Poochigian (Principal coauthor: Senator Alquist) (Coauthor: Assembly Member Cohn)	507	330	—	Gordon (Coauthor: Assembly Member Ridley-Thomas)
478	—	104	Ortiz	508	360	—	Frommer
479	—	111	Alquist and Speier (Coauthors: Senators Kuehl, Margett, and Ortiz) (Coauthors: Assembly Members Cohn, Goldberg, La Suer, Lieber, Negrete McLeod, Pavley, and Spitzer)	509	532	—	Levine
480	—	138	Maldonado (Principal coauthor: Senator Alquist)	510	554	—	Nava
481	—	159	Runner	511	610	—	Calderon
482	—	444	Ackerman (Coauthors: Senators Alquist, Battin, Cox, Denham, Margett, Morrow, and Poochigian) (Coauthors: Assembly Members Benoit, Bogh, Chavez, Cogdill, DeVore, Haynes, Shirley Horton, Huff, La Suer, Maze, and Plescia)	512	892	—	Cogdill
483	—	594	Torlakson	513	953	—	Coto
484	—	619	Speier, Denham, and Torlakson (Coauthors: Senators Alquist and Romero) (Coauthors: Assembly Members DeVore, Garcia, Shirley Horton, Jones, Mullin, Pavley, and Spitzer)	514	1195	—	Coto (Principal coauthor: Assembly Member Chu)
485	—	719	Romero and Margett (Principal coauthor: Senator Alquist) (Coauthor: Senator Aanestad)	515	1280	—	Maze and Liu (Coauthors: Assembly Members Bass and Parra)
486	—	723	Denham	516	1309	—	Yee
487	—	734	Torlakson	517	1496	—	Goldberg
488	—	963	Ashburn and Romero	518	1563	—	Committee on Jobs, Economic Development, and the Economy (Arambula (Chair), Canciamilla, Houston, and Oropeza)
489	—	1088	Bowen (Coauthors: Assembly Members Calderon and Lieber)	519	1765	—	Committee on Revenue and Taxation (Klehs (Chair), Canciamilla, DeVore, Jones, and Lieber)
490	924	—	Canciamilla	520	1738	—	Committee on Local Government (Salinas (Chair), Emmerson (Vice Chair), De La Torre, Houston, Lieber, Nation, and Wolk)
491	—	65	Committee on Budget and Fiscal Review	521	137	—	Committee on Budget (Laird (Chair), Arambula, Bermudez, Chan, Coto, De La Torre, Dymally, Evans, Goldberg, Hancock, Montanez, Mullin, Nava, Parra, Pavley, and Wolk)
492	—	112	Ortiz (Coauthors: Senators Florez and Poochigian) (Coauthors: Assembly Members Chan, Jones, Leno, Matthews, Niello, Torrico, Tran, and Villines)	522	216	—	Oropeza
493	—	190	Cedillo and Alarcon	523	258	—	Matthews
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530	897	—	Coto (Coauthors: Assembly Members Chan, DeVore, Dymally, Koretz, Leno, Maze, Pavley, and Torrico) (Coauthors: Senators Alquist, Cedillo, Figueroa, and Romero)	563	193	—	Maze (Principal coauthor: Assembly Member Cogdill)
531	901	—	Ridley-Thomas	564	259	—	Hancock
532	1045	—	Frommer	565	383	—	Montanez
533	1065	—	Matthews (Principal coauthor: Assembly Member Maze)	566	405	—	Montanez
534	1143	—	Emmerson (Coauthor: Senator Aanestad)	567	466	—	Matthews (Principal coauthor: Senator Speier) (Coauthors: Assembly Members Cogdill and Yee) (Coauthor: Senator Denham)
535	1158	—	Lieber	568	694	—	Chan
536	1170	—	Canciamilla	569	841	—	Arambula (Coauthor: Assembly Member Koretz)
537	1194	—	Oropeza	570	1078	—	Keene and Liu
538	1378	—	Lieber	571	1086	—	Lieber
539	1386	—	Laird	572	1125	—	Pavley (Coauthors: Assembly Members Hancock, Koretz, Laird, Leno, Levine, Lieber, and Saldana) (Coauthors: Senators Kuehl and Torlakson)
540	1438	—	Salinas	573	1200	—	Laird (Principal coauthors: Senators Alquist and Simitian)
541	1497	—	Baca	574	1222	—	Jones
542	1533	—	Bass	575	1229	—	Nation (Principal coauthor: Assembly Member Pavley)
543	1610	—	Wolk	576	1328	—	Wolk (Coauthor: Assembly Member Berg) (Coauthors: Senators Chesbro and Machado)
544	1655	—	Jerome Horton (Principal coauthor: Senator Dunn)	577	1342	—	Committee on Environmental Safety and Toxic Materials (Ruskin (Chair), Tran (Vice Chair), Chu, De La Torre, Goldberg, Jerome Horton, and Strickland)
545	1712	—	Hancock	578	1415	—	Pavley (Coauthors: Assembly Members Chan, Goldberg, and Hancock) (Coauthor: Senator Figueroa)
546	1753	—	Committee on Governmental Organization (Jerome Horton (Chair), Plescia (Vice Chair), Aghazarian, Bermudez, Calderon, Chavez, Coto, Levine, Liu, Torrico, and Yee)	579	1585	—	Blakeslee and Levine (Principal coauthor: Senator Simitian)
547	1772	—	Committee on Public Employees, Retirement and Social Security (Torrico (Chair), Jones, Mullin, and Negrete McLeod)	580	1660	—	Pavley (Principal coauthor: Assembly Member Ruskin) (Coauthors: Assembly Members Hancock, Jones, Laird, Lieber, Nation, and Saldana) (Coauthors: Senators Alquist, Bowen, and Romero)
548	—	131	Chesbro	581	1721	—	Pavley (Coauthors: Senators Alquist, Romero, Soto, and Torlakson)
549	—	418	Escutia (Coauthors: Senators Alquist and Bowen) (Coauthor: Assembly Member Laird)	582	1764	—	Committee on Natural Resources (Hancock (Chair), La Malfa (Vice Chair), Gordon, Koretz, Saldana, and Wolk)
550	—	615	Figueroa (Coauthors: Senators Alquist, Battin, Kehoe, Ortiz, and Speier) (Coauthors: Assembly Members Bass, Berg, Daucher, Dymally, Goldberg, Jones, Karmette, Laird, Negrete McLeod, Pavley, and Sharon Runner)	583	—	264	Machado
551	—	643	Chesbro (Coauthor: Senator Kuehl) (Coauthors: Assembly Members Berg, Jones, and Laird)	584	—	347	Ortiz (Principal coauthor: Senator Cox) (Principal coauthors: Assembly Members Jones and Niello) (Coauthors: Assembly Members Houston and Nakanishi)
552	—	661	Migden (Coauthor: Assembly Member Bass)	585	—	365	Ducheny (Coauthor: Senator Ortiz) (Coauthor: Assembly Member Jones)
553	—	707	Kehoe	586	—	471	Escutia
554	—	776	Runner (Coauthor: Senator Alquist) (Coauthors: Assembly Members Cogdill, Cohn, DeVore, Shirley Horton, McCarthy, and Sharon Runner)	587	—	536	Bowen
555	—	854	Ashburn (Coauthors: Senators Denham and Scott) (Coauthors: Assembly Members Goldberg and Walters)	588	—	771	Simitian
556	—	954	Figueroa and Dutton	589	—	857	Kuehl (Coauthors: Senators Chesbro and Kehoe) (Coauthor: Assembly Member Berg)
557	—	959	Kehoe	590	—	1106	Committee on Environmental Quality (Senators Lowenthal (Chair), Campbell, Chesbro, Cox, Escutia, Figueroa, Kuehl, Runner, and Simitian)
558	—	962	Chesbro (Coauthors: Senators Alquist, Kuehl, and Romero) (Coauthors: Assembly Members Evans and Laird)				
559	—	967	Florez and Ashburn (Principal coauthor: Senator Perata)				
560	—	1100	Perata and Ducheny				
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594	—	186	Battin (Principal coauthor: Assembly Member Benoit) (Coauthor: Assembly Member Garcia)				
595	—	253	Torlakson	624	18	—	La Malfa
596	—	279	Cedillo (Principal coauthor: Senator Runner) (Coauthors: Assembly Members Calderon, Emmerson, Nakanishi, Nation, Sharon Runner, Strickland, and Yee)	625	—	116	Dutton, Scott, and Simitian (Coauthors: Senators Chesbro, Cox, Ducheny, Escutia, Figueroa, Margett, and Runner)
597	—	303	Chesbro (Coauthor: Assembly Member Berg)	626	—	218	Scott (Coauthors: Senators Alquist and Migden)
598	—	326	Dunn (Principal coauthor: Assembly Member Arambula) (Coauthors: Assembly Members Jones and Torrico)	627	—	302	Scott
599	—	373	Kehoe	628	—	358	Scott (Principal coauthor: Assembly Member Leno) (Coauthor: Senator Alquist)
600	—	422	Simitian (Principal coauthor: Assembly Member Canciamilla)	629	—	436	Migden
601	—	575	Torlakson, Ducheny, and Dunn (Coauthor: Senator Alquist) (Coauthors: Assembly Members Jones and Lieber)	630	—	500	Kuehl (Principal coauthor: Assembly Member Evans)
602	—	568	Kehoe (Coauthor: Senator Migden)	631	—	720	Kuehl (Coauthors: Senators Figueroa, Kehoe, and Speier) (Coauthors: Assembly Members Benoit, Cohn, Jones, Koretz, Lieber, Mullin, and Pavley)
603	—	618	Speier				
604	—	897	Scott (Principal coauthors: Senators Poochigian and Speier) (Principal coauthors: Assembly Members Arambula and Frommer) (Coauthor: Senator Simitian) (Coauthors: Assembly Members Aghazarian and Liu)	632	—	726	Florez
605	365	—	Salinas (Coauthor: Assembly Member Maze)	633	178	—	Koretz, Chan, Jerome Horton, and Vargas (Coauthors: Assembly Members Jones, Levine, Pavley, and Saldana) (Coauthors: Senators Alquist, Ortiz, Romero, and Soto)
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607	415	—	Harman	635	760	—	Nava (Coauthors: Assembly Members DeVore, Dymally, Koretz, and Leno) (Coauthors: Senators Alquist, Kuehl, and Romero)
608	478	—	Lieber (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Bass, Goldberg, Leno, and Liu) (Coauthor: Senator Romero)	636	824	—	Chu
609	460	—	Parra	637	1116	—	Yee (Coauthor: Senator Hollingsworth)
610	664	—	Jones	638	1179	—	Yee (Coauthors: Assembly Members Coto, Leslie, Levine, Mullin, and Vargas) (Coauthors: Senators Florez and Kuehl)
611	702	—	Koretz (Coauthor: Senator Florez)				
612	1011	—	Matthews	639	1261	—	Leno
613	1061	—	Committee on Agriculture (Matthews (Chair), Maze (Vice Chair), Blakeslee, Canciamilla, Cogdill, Parra, Salinas, and Vargas)	640	1412	—	Leno (Coauthor: Assembly Member Berg)
614	1233	—	Jones	641	1633	—	Evans
615	1235	—	Emmerson and Walters	642	1669	—	Chu
616	1349	—	Goldberg	643	—	377	Ortiz
617	1442	—	Jerome Horton (Coauthor: Assembly Member Oropeza) (Coauthors: Senators Cedillo and McClintock)	644	124	—	Dymally
618	1459	—	Canciamilla (Principal coauthor: Senator Simitian)	645	689	—	Nava (Coauthors: Assembly Members Dymally, Jones, Salinas, and Torrico)
619	1462	—	Torrico (Coauthor: Senator Figueroa)	646	979	—	Sharon Runner and Levine (Coauthors: Assembly Members Bogh and Leno)
620	1756	—	Committee on Elections and Redistricting (Umberg (Chair), Klehs, Leno, and Levine)	647	1088	—	Oropeza (Coauthors: Senators Alquist and Soto)
621	—	1111	Committee on Business, Professions and Economic Development (Senators Figueroa (Chair), Aanestad, Campbell, Florez, Morrow, Murray, and Simitian)	648	1114	—	Yee
622	—	457	Kehoe (Principal coauthor: Assembly Member Nava) (Coauthor: Senator	649	1117	—	Yee (Coauthor: Assembly Member Chu)
				650	1285	—	Montanez (Coauthor: Assembly Member Strickland)
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654	1646	—	Committee on Higher Education (Liu (Chair), Bass, Shirley Horton, Matthews, and Nava)	689	7	—	Cogdill (Principal coauthor: Assembly Member Maze) (Principal coauthor: Senator Cox) (Coauthors: Assembly Members Aghazarian, Benoit, Berg, Daucher, DeVore, Emmerson, Harman, Shirley Horton, Huff, Jones, Keene, La Malfa, La Suer, Leslie, McCarthy, Mountjoy, Mullin, Richman, Sharon Runner, Tran, and Villines) (Coauthors: Senators Ashburn, Hollingsworth, and Runner)
655	—	194	Maldonado	690	88	—	Koretz
656	—	207	Scott (Coauthor: Senator Cox)	691	115	—	Klehs (Principal coauthor: Senator Machado)
657	—	228	Figueroa	692	547	—	Berg and Richman (Coauthors: Assembly Members Bass, Calderon, Chan, Chu, Cohn, De La Torre, Dymally, Evans, Goldberg, Hancock, Jones, Koretz, Laird, Leno, Levine, Lieber, Montanez, Mullin, Oropeza, Pavley, Ridley-Thomas, Saldana, Salinas, and Vargas) (Coauthors: Senators Alquist, Chesbro, Kehoe, Kuehl, Lowenthal, Migden, and Romero)
658	—	229	Figueroa	693	574	—	Wolk (Principal coauthor: Assembly Member Maze) (Coauthors: Assembly Members Canciamilla and Chavez) (Coauthor: Senator Kuehl)
659	—	248	Figueroa	694	635	—	Bermudez
660	—	316	Margett (Coauthor: Assembly Member Oropeza)	695	721	—	Nunez
661	—	525	Torlakson	696	765	—	Salinas
662	—	580	Escutia (Principal coauthor: Senator Alarcon)	697	819	—	Ridley-Thomas
663	—	670	Dunn (Coauthors: Assembly Members Evans, Levine, Nunez, and Saldana)	698	820	—	Strickland, Chavez, and Levine
664	—	674	Perata	699	964	—	Jerome Horton
665	—	689	Speier (Principal coauthor: Senator Denham) (Principal coauthor: Assembly Member Lieber) (Coauthors: Senators Bowen, Figueroa, Kuehl, and Scott) (Coauthors: Assembly Members Benoit, Jones, Leno, Maze, Pavley, and Sharon Runner)	700	1234	—	Salinas
666	—	743	Chesbro	701	1272	—	Harman
667	—	833	Bowen (Principal coauthor: Senator Morrow) (Coauthor: Assembly Member Leno)	702	1288	—	Chu (Principal coauthor: Senator Alquist) (Coauthors: Assembly Members Cohn, Goldberg, and Leno)
668	—	861	Speier (Coauthor: Senator Torlakson) (Coauthor: Assembly Member Evans)	703	1723	—	La Malfa
669	—	914	Kehoe (Coauthor: Assembly Member Wyland)	704	439	—	Parra (Coauthor: Assembly Member Spitzer)
670	—	922	Ducheny (Principal coauthor: Senator Hollingsworth)	705	—	67	Committee on Budget and Fiscal Review
671	—	941	Alquist and Speier (Coauthors: Assembly Members Koretz and Matthews)	706	1742	—	Committee on Judiciary (Jones (Chair), Evans, Laird, Levine, Lieber, and Montanez)
672	—	1028	Bowen (Coauthor: Senator Vincent) (Coauthor: Assembly Member Koretz)	707	121	—	Vargas
673	—	37	Speier (Coauthors: Senators Alquist and Kuehl)	708	256	—	De La Torre (Principal coauthor: Assembly Member Nava)
674	—	231	Figueroa	709	338	—	Levine (Principal coauthor: Assembly Member Maze) (Coauthors: Assembly Members Cohn, DeVore, Shirley Horton, Karnette, Koretz, Ruskin, and Yee) (Coauthors: Senators Alquist, Chesbro, Denham, Ducheny, and Figueroa)
675	—	232	Figueroa	710	491	—	Goldberg
676	—	755	Poochigian	711	582	—	Matthews
677	—	512	Committee on Education (Senators Scott (Chair), Alquist, Denham, Dutton, Lowenthal, Maldonado, Morrow, Romero, Simitian, Soto, Speier, and Torlakson) (Coauthor: Assembly Member Huff)	712	585	—	Negrete McLeod (Coauthors: Assembly Members Cogdill and Villines)
678	682	—	Karnette	713	776	—	Chu (Coauthor: Assembly Member Cohn)
679	—	143	Runner (Coauthor: Senator Ashburn) (Coauthors: Assembly Members Maze, McCarthy, and Sharon Runner)	714	783	—	Jones (Coauthor: Assembly Member Niello) (Coauthors: Senators Cox and Ortiz)
680	—	8	Soto (Coauthors: Senators Romero and Alquist)	715	1060	—	Liu
681	—	48	Scott				
682	—	203	Simitian (Principal coauthor: Senator Speier) (Principal coauthors: Assembly Members Mullin, Ruskin, and Yee)				
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684	—	578	Escutia				
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718	1636	—	Umberg (Coauthor: Senator Bowen)	724	—	370	Bowen
719	1735	—	De La Torre and Aghazarian (Principal coauthors: Senators Ducheny and Runner) (Coauthors: Assembly Members Baca, Bogh, Chan, Chu, Emmerson, Hancock, Mullin, and Richman) (Coauthor: Senator Figueroa)	725	—	701	Migden
720	1750	—	Committee on Governmental Organization (Jerome Horton (Chair), Plescia (Vice Chair), Aghazarian, Bermudez, Calderon, Chavez, Coto, Garcia, La Suer, Levine, Liu, Torrico, and Yee)	726	—	1016	Bowen (Principal coauthor: Assembly Member Oropeza) (Coauthor: Assembly Member Saldana)
721	437	—	Parra	727	—	1087	Florez
				728	—	1096	Dutton
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1	SCR 3	Murray and Vincent (Coauthors: Senators Aanestad, Ackerman, Alarcon, Alquist, Ashburn, Battin, Bowen, Cedillo, Chesbro, Cox, Denham, Ducheny, Dunn, Dutton, Escutia, Figueroa, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Morrow, Ortiz, Perata, Poochigian, Romero, Runner, Scott, Simitian, Soto, Speier, and Torlakson) (Coauthors: Assembly Members Bass, Dymally, Jerome Horton, Ridley-Thomas, Aghazarian, Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Emmerson, Evans, Frommer, Garcia, Goldberg, Gordon, Hancock, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ruskin, Saldana, Salinas, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	4	ACR 13	Wolk and Koretz (Coauthors: Assembly Members Canciamilla, Chan, Chavez, Cohn, Hancock, Shirley Horton, Huff, Jones, Maze, Nakanishi, Niello, Pavley, Salinas, Spitzer, Umberg, ‍Yee, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Calderon, Chu, Cogdill, Coto, Daucher, De La Torre, Emmerson, Evans, Frommer, Garcia, Goldberg, Harman, Houston, Karmette, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, McCarthy, Montanez, Mountjoy, Mullin, Nava, Negrete McLeod, Nunez, Richman, Ridley-Thomas, Runner, Ruskin, Saldana, Strickland, Torrico, Tran, Vargas, Villines, and Wyland) (Coauthors: Senators Bowen, Chesbro, Kuehl, Scott, and Soto)
2	SCR 9	Kehoe and Figueroa (Coauthors: Assembly Members Chan, Liu, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Frommer, Garcia, Goldberg, Gordon, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jones, Karmette, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Levine, Lieber, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nava, Niello, Nunez, Parra, Pavley, Plescia, Richman, Runner, Ruskin, Salinas, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, and Yee)	5	SCR 2	Scott (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De?La?Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome?Horton, Shirley?Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La?Malfa, Laird, Leno, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Mullin, Nakanishi, Nation, Nava, Negrete?McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
3	SCR 6	Morrow (Coauthors: Senators Battin, Bowen, Campbell, Cedillo, Chesbro, Cox, Denham, Ducheny, Dutton, Kuehl, Margett, and Runner) (Coauthors: Assembly Members Aghazarian, Benoit, Bermudez, Bogh, Canciamilla, Daucher, DeVore, Evans, Gordon, Huff, Jones, La Malfa, La Suer, Leslie, Liu, Maze, Mountjoy, Nakanishi, Pavley, Plescia, Tran, Villines, Wyland, Yee, Arambula, Baca, Bass, Berg, Blakeslee, Calderon, Chan, Chavez, Chu, Cohn, Coto, De La Torre, Dymally, Frommer,	6	ACR 6	Koretz
			7	ACR 9	Oropeza (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De?La?Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Gordon, Hancock, Harman, Shirley?Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La?Malfa, La?Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy,

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		Mullin, Nava, Negrete?McLeod, Niello, Nunez, Parra, Pavley, Plescia, Ridley-Thomas, Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)			Montanez, Nakanishi, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, and Yee)
8	ACR 10	Chu, Chan, Nakanishi, Tran, Yee, Shirley?Horton, Torrico, and Liu (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Calderon, Canciamilla, Chavez, Cogdill, Cohn, Coto, Daucher, De?La?Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La?Malfa, La?Suer, Laird, Leno, Leslie, Levine, Lieber, Matthews, Maze, McCarthy, Mountjoy, Mullin, Nation, Nava, Negrete?McLeod, Niello, Nunez, Parra, Pavley, Richman, Ridley-Thomas, Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Umberg, Vargas, Villines, Wolk, and Wyland) (Coauthor: Senator Machado)	12	ACR 19	Mullin (Principal coauthor: Senator Dunn) (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, DeVore, Dymally, Evans, Frommer, Garcia, Goldberg, Shirley Horton, Houston, Huff, Jones, Karnette, Klehs, Koretz, La Malfa, Laird, Leno, Leslie, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Plescia, Richman, Ridley-Thomas, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
9	ACR 14	DeVore (Coauthors: Assembly Members Aghazarian, Benoit, Blakeslee, Bogh, Cogdill, Daucher, Emmerson, Garcia, Harman, Haynes, Shirley?Horton, Houston, Huff, Jones, Keene, Klehs, La?Malfa, La?Suer, Leslie, Matthews, Maze, McCarthy, Mullin, Nakanishi, Nava, Negrete?McLeod, Niello, Plescia, Sharon?Runner, Ruskin, Spitzer, Strickland, Tran, Villines, Walters, Wyland, Arambula, Baca, Bass, Berg, Bermudez, Calderon, Canciamilla, Chan, Chavez, Chu, Cohn, Coto, De?La?Torre, Dymally, Evans, Frommer, Hancock, Jerome?Horton, Koretz, Laird, Levine, Lieber, Liu, Montanez, Nation, Nunez, Parra, Pavley, Richman, Ridley-Thomas, Saldana, Salinas, Torrico, Umberg, Vargas, Wolk, and Yee)	13	ACR 25	Benoit and McCarthy (Coauthors: Assembly Members Aghazarian, Cogdill, Daucher, DeVore, Emmerson, Garcia, Harman, Haynes, Shirley Horton, Houston, Huff, Keene, La Malfa, Leslie, Mountjoy, Nakanishi, Niello, Richman, Sharon Runner, Spitzer, Tran, Villines, and Wyland)
10	SCR 26	Committee on Agriculture (Denham (Chair), Ducheny (Vice-Chair), Chesbro, Florez, Hollingsworth, Maldonado, Ortiz, Poochigian, and Vincent) (Principal coauthors: Assembly Members Blakeslee, Canciamilla, Cogdill, Matthews, Maze, Parra, Salinas, and Vargas)	14	ACR 31	Coto (Principal coauthor: Assembly Member Calderon) (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Chan, Chavez, Chu, Cogdill, Cohn, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, McCarthy, Mountjoy, Mullin, Nakanishi, Nava, Negrete McLeod, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wyland, and Yee)
11	SCR 27	Dunn (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Chan, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Evans, Frommer, Garcia, Goldberg, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, McCarthy,	15	SCR 5	Battin
			16	SCR 13	Battin (Coauthors: Senators Aanestad, Alquist, Ashburn, Bowen, Cox, Ducheny, Margett, and Morrow) (Coauthors: Assembly Members Benoit, Bermudez, Chavez, Cogdill, Daucher, DeVore, Garcia, Haynes, Shirley Horton, Huff, Maze, Mountjoy, Nakanishi, Sharon Runner, and Spitzer)
			17	SCR 14	Runner (Principal coauthor: Senator Ashburn) (Principal coauthor: Assembly Member Sharon Runner)

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18	SCR 16	Battin (Coauthors: Senators Ducheny, Dutton, and Hollingsworth) (Coauthors: Assembly Members Benoit, Bogh, Emmerson, Garcia, Haynes, and Spitzer)			Speier (Principal coauthors: Senators Poochigian, Scott, and Simitian) (Principal coauthors: Assembly Members Aghazarian, Frommer, and Liu) (Coauthors: Senators Aanestad, Ackerman, Alarcon, Alquist, Ashburn, Battin, Bowen, Campbell, Cedillo, Chesbro, Cox, Denham, Ducheny, Dutton, Escutia, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Murray, Ortiz, Perata, Romero, Runner, Soto, Torlakson, and Vincent) (Coauthors: Assembly Members Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Matthews, Maze, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
19	SCR 21	Ducheny			
20	SCR 23	Scott, Aanestad, Chesbro, Cox, Florez, Ortiz, and Torlakson (Coauthors: Assembly Members Leslie, Negrete McLeod, Pavley, Ruskin, Strickland, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Levine, Liu, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nava, Niello, Nunez, Oropeza, Parra, Plescia, Runner, Saldana, Salinas, Spitzer, Torrico, Tran, Vargas, Villines, Wolk, Wyland, and Yee)	23	ACR 4	Chu, Shirley Horton, Yee, Tran, Nakanishi, Chan, Liu, and Torrico (Principal coauthors: Assembly Members Bass, Frommer, and Ridley-Thomas) (Coauthors: Assembly Members Nunez, Aghazarian, Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Chavez, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Garcia, Goldberg, Gordon, Hancock, Jerome Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Leno, Leslie, Levine, Lieber, Matthews, Maze, McCarthy, Mountjoy, Mullin, Nation, Nava, Negrete McLeod, Niello, Parra, Pavley, Plescia, Richman, Ruskin, Saldana, Salinas, Strickland, Umberg, Vargas, Villines, Walters, Wolk, and Wyland)
21	SCR 35	Battin (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran,	24	ACR 32	Arambula (Coauthors: Assembly Members Aghazarian, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Houston, Huff, Jones, Karnette,

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25	ACR 35	Hancock (Principal coauthor: Senator Perata) (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Harman, Shirley Horton, Houston, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	31	ACR 49	Frommer (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
26	ACR 17	Karmette	32	SCR 4	Torlakson (Principal coauthors: Assembly Members Chan and Koretz) (Coauthors: Senators Aanestad, Bowen, Escutia, Kuehl, Ortiz, and Scott) (Coauthors: Assembly Members Chavez, Cohn, Matthews, Nava, Spitzer, Aghazarian, Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Calderon, Canciamilla, Chu, Cogdill, Coto, Daucher, De La Torre, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jones, Karmette, Keene, Klehs, Laird, Leno, Leslie, Levine, Lieber, Liu, Maze, McCarthy, Mullin, Nakanishi, Negrete McLeod, Nunez, Parra, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Wolk, Wyland, and Yee)
27	ACR 27	La Malfa (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Canciamilla, Chavez, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Parra, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Walters, Wolk, Wyland, and Yee)	33	SCR 38	Alquist, Aanestad, Ackerman, Alarcon, Ashburn, Battin, Bowen, Campbell, Cedillo, Chesbro, Cox, Denham, Ducheno, Dunn, Dutton, Figueroa, Hollingsworth, Kehoe, Kuehl, Lowenthal, Machado, Maldonado, Margett, McClintock, Migden, Morrow, Murray, Ortiz, Perata, Poochigian, Romero, Runner, Scott, Simitian, Soto, Torlakson, and Vincent
28	ACR 8	Dymally	34	SJR 1	Ashburn (Principal coauthor: Assembly Member Maze) (Coauthor: Senator Florez) (Coauthor: Assembly Member Parra)
29	ACR 12	Chavez			
30	ACR 21	Wolk (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Jones, Keene, Klehs, Koretz, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mullin,			

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36	SCR 33	Torlakson (Coauthors: Senators Cox, Ducheny, Kuehl, and Speier) (Coauthors: Assembly Members Dymally, Jones, Nakanishi, Pavley, Salinas, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Karnette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	39	ACR 53	Lieber (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Liu, Matthews, Maze, McCarthy, Mountjoy, Mullin, Nakanishi, Nava, Negrete McLeod, Niello, Nunez, Parra, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
37	ACR 7	Sharon Runner and McCarthy (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, Montanez, Mountjoy, Mullin, Nakanishi, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ruskin, Saldana, Salinas, Spitzer, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee) (Coauthor: Senator Runner)	40	ACR 55	Jerome Horton (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Levine, Lieber, Liu, Matthews, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
38	ACR 41	Negrete McLeod and Bermudez (Principal coauthors: Assembly Members Chan, Cogdill, Cohn, Evans, Leno, Matthews, McCarthy, Parra, Tran, Wolk, Yee, Aghazarian, Arambula, Bass, Benoit,	41	SCR 39	Alquist (Principal coauthor: Assembly Member Chu) (Coauthors: Senators Battin, Bowen, Ducheny, Dutton, Escutia, Kuehl, Ortiz, Romero, Soto, and Speier) (Coauthors: Assembly Members Berg, Cohn, Daucher, Evans, Goldberg, Karnette, Liu, Negrete McLeod, Oropeza, Parra, Pavley, Sharon Runner, and Saldana)

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Res. Ch.	Res. No.	Author	Res. Ch.	Res. No.	Author
42	ACR 3	Cohn (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Levine, Lieber, Liu, Matthews, Maze, Montanez, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	46	ACR 61	Benoit (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Berg, Bermudez, Blakeslee, Bogh, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Harman, Haynes, Jerome Horton, Shirley Horton, Huff, Jones, Karnette, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
43	ACR 18	Gordon (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Lieber, Liu, Matthews, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Wyland, and Yee)	47	ACR 62	Nakanishi, Chan, Chu, Tran, Shirley Horton, Liu, Torrico, and Yee (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Canciamilla, Chavez, Cogdill, Cohn, Coto, Daucher, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Huff, Jones, Karnette, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Maze, McCarthy, Montanez, Mullin, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Umberg, Vargas, Villines, Wolk, and Wyland)
44	ACR 54	Yee	48	ACR 44	Baca
45	ACR 60	Mountjoy (Coauthors: Assembly Members Benoit, Bermudez, Bogh, Chavez, DeVore, Garcia, Haynes, Huff, Jones, La Suer, Leslie, Maze, Nakanishi, Sharon Runner, Tran, Villines, Walters, Aghazarian, Arambula, Baca, Bass, Berg, Blakeslee, Calderon, Canciamilla, Chan, Cogdill, Cohn, Coto, Daucher, De La Torre, Dymally, Emmerson, Evans, Frommer, Harman, Shirley Horton, Houston, Keene, La Malfa, Leno, Lieber, Liu, Matthews, McCarthy, Montanez, Mullin, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Wyland, and Yee) (Coauthors: Senators Aaenstad, Ackerman, Ashburn, Battin, Campbell, Cox, Denham, Dutton, Hollingsworth, Maldonado, Margett, McClintock, Morrow, Poochigian, Runner, and Vincent)	49	ACR 66	Saldana
			50	ACR 71	Saldana (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
			51	SCR 36	Alquist
			52	SCR 43	Figueroa
			53	SCR 45	Denham

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54	ACR 30	McCarthy			Coto, Daucher, De La Torre, DeVore, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Huff, Jones, Karnette, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Matthews, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Wolk, and Yee)
55	ACR 40	Lieber and Leno (Coauthors: Assembly Members Arambula, Baca, Berg, Bermudez, Blakeslee, Calderon, Canciamilla, Chan, Chavez, Chu, Cohn, Daucher, De La Torre, Dymally, Evans, Frommer, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Jones, Karnette, Klehs, Koretz, Laird, Levine, Liu, Matthews, Mullin, Nava, Negrete McLeod, Nunez, Parra, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Spitzer, Torrico, Umberg, Vargas, Wolk, and Yee)	56	ACR 48	Goldberg (Coauthors: Assembly Members Bass, Chu, Daucher, Hancock, Karnette, Lieber, Liu, Matthews, Negrete McLeod, Pavley, and Wolk) (Coauthors: Senators Alquist, Bowen, Ducheny, Escutia, Figueroa, Kuehl, Ortiz, and Soto)
57	AJR 6	Koretz (Coauthors: Assembly Members Dymally, Karnette, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Calderon, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	61	SCR 24	Kuehl
			62	SJR 14	Battin (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Cogdill, Coto, Daucher, DeVore, Emmerson, Garcia, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Liu, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Villines, Walters, Wyland, and Yee)
			63	AJR 21	Karnette (Coauthors: Assembly Members Arambula, Bermudez, Canciamilla, Shirley Horton, Huff, Mountjoy, Pavley, and Ruskin) (Coauthors: Senators Cox, Lowenthal, Margett, Soto, and Torlakson)
			64	ACR 5	Mountjoy and Goldberg
			65	ACR 20	Oropeza
			66	ACR 46	Strickland
58	AJR 7	Huff (Coauthors: Assembly Members Cogdill, DeVore, Dymally, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chu, Cohn, Coto, Daucher, De La Torre, Emmerson, Frommer, Garcia, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jones, Keene, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Maze, McCarthy, Montanez, Mountjoy, Nakanishi, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Villines, Walters, Wolk, Wyland, and Yee)	67	AJR 1	Bermudez and Tran (Coauthors: Assembly Members Chan, DeVore, Evans, Huff, Klehs, Liu, Matthews, Mullin, Nakanishi, Negrete McLeod, Torrico, Umberg, Yee, Aghazarian, Arambula, Baca, Berg, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Chu, Cogdill, Cohn, Daucher, De La Torre, Dymally, Emmerson, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Jones, Karnette, Keene, Koretz, Laird, Leno, Leslie, Levine, Lieber, Maze, McCarthy, Nava, Niello, Nunez, Parra, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Vargas, Villines, Wolk, and Wyland) (Coauthor: Senator Cox)
59	AJR 16	Baca	68	AJR 10	Chu (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan,
60	AJR 19	Dymally (Coauthors: Assembly Members Negrete McLeod, Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn,			

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		Chavez, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Lieber, Liu, Matthews, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, and Yee)	77	SJR 12	Dymally, Goldberg, Karnette, Laird, Oropeza, Pavley, and Ridley-Thomas)
			78	SCR 46	Chesbro, Ackerman, Cox, Denham, Figueroa, Florez, Machado, Margett, and Perata (Coauthors: Assembly Members Aghazarian, Benoit, Berg, Bermudez, Blakeslee, DeVore, Jones, Laird, Maze, Mullin, Nakanishi, Nation, Nava, Salinas, and Wolk)
			79	ACR 22	Romero (Coauthors: Assembly Members Baca, Bermudez, Huff, Liu, Mountjoy, Niello, Oropeza, Pavley, Salinas, and Torrico)
69	SCR 41	Machado	80	ACR 42	Dymally
70	ACR 16	Wolk (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Huff, Jones, Karnette, Keene, Klehs, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Wyland, and Yee)	81	ACR 43	Chu (Coauthors: Assembly Members Evans and Frommer) (Coauthor: Senator Chesbro)
			82	ACR 69	Jerome Horton and Koretz
			83	AJR 3	Goldberg
					Cohn and Karnette (Coauthors: Assembly Members Bass, Berg, Chan, Chavez, Chu, Evans, Goldberg, Hancock, Jones, Lieber, Matthews, Negrete McLeod, Oropeza, Pavley, Ridley-Thomas, Umberg, Wolk, Baca, Bermudez, Canciamilla, Coto, De La Torre, Dymally, Frommer, Gordon, Jerome Horton, Klehs, Koretz, Laird, Leno, Levine, Liu, Mullin, Nation, Nava, Nunez, Parra, Richman, Ruskin, Saldana, Salinas, Vargas, and Yee) (Coauthors: Senators Bowen, Escutia, Figueroa, Kehoe, Kuehl, Migden, Ortiz, and Speier)
			84	AJR 5	Oropeza (Coauthors: Assembly Members Arambula, Baca, Bass, Berg, Bermudez, Chan, Chavez, Chu, Cohn, Coto, Dymally, Evans, Frommer, Goldberg, Hancock, Harman, Shirley Horton, Jones, Karnette, Klehs, Koretz, Laird, Leno, Levine, Lieber, Liu, Matthews, Montanez, Mullin, Nation, Nava, Negrete McLeod, Nunez, Pavley, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Torrico, Umberg, Vargas, Wolk, and Yee)
71	ACR 68	Saldana and Wyland (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Calderon, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Wolk, and Yee) (Coauthors: Senators Bowen, Ducheny, Hollingsworth, Kehoe, Lowenthal, Morrow, Romero, and Speier)	85	AJR 13	Torrico, Chan, and Lieber (Coauthors: Assembly Members Arambula, Baca, Berg, Bermudez, Calderon, Chavez, Chu, Cohn, Coto, Dymally, Evans, Frommer, Goldberg, Hancock, Jerome Horton, Jones, Karnette, Klehs, Koretz, Laird, Leno, Levine, Liu, Matthews, Mullin, Nava, Negrete McLeod, Nunez, Parra, Ridley-Thomas, Ruskin, Saldana, Salinas, Umberg, Vargas, Wolk, and Yee)
72	SCR 8	Battin	86	AJR 15	Baca
73	SCR 12	Machado and Ortiz	87	SCR 50	Dunn and Ackerman (Coauthors: Senators Campbell, Margett, and Morrow)
74	SCR 18	Battin	88	SCR 54	Ashburn
75	SCR 22	Battin	89	SJR 9	Morrow
76	SCR 40	Lowenthal and Vincent (Coauthors: Senators Bowen, Kuehl, and Perata) (Coauthors: Assembly Members	90	ACR 23	Garcia

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91	ACR 33	Lieber, Sharon Runner, and Liu (Coauthors: Assembly Members Chu, Garcia, and Shirley Horton) (Coauthors: Senators Kehoe, Kuehl, and Morrow)			Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
92	ACR 50	Tran and DeVore (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Benoit, Bermudez, Blakeslee, Bogh, Calderon, Chavez, Cogdill, Coto, Daucher, Dymally, Emmerson, Garcia, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Keene, La Malfa, La Suer, Leslie, Liu, Maze, McCarthy, Montanez, Mountjoy, Mullin, Negrete McLeod, Niello, Parra, Plescia, Richman, Sharon Runner, Ruskin, Salinas, Spitzer, Strickland, Umberg, Vargas, Villines, Walters, and Wyland)	97	SCR 47	Alquist
			98	ACR 11	Dymally (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Calderon, Canciamilla, Chan, Chu, Cogdill, Cohn, Coto, Daucher, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Jones, Karmette, Keene, Klehs, Koretz, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Wolk, Wyland, and Yee)
93	AJR 8	Canciamilla (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Berg, Bermudez, Blakeslee, Calderon, Chan, Chavez, Chu, Cohn, Coto, Daucher, De La Torre, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, Mullin, Nakanishi, Nava, Negrete McLeod, Nunez, Parra, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Spitzer, Torrico, Tran, Umberg, Vargas, Wolk, Wyland, and Yee)	99	ACR 29	Leslie (Coauthors: Assembly Members Benoit, Bermudez, Chavez, Cogdill, Daucher, DeVore, Shirley Horton, Huff, Maze, Nakanishi, Pavley, Ruskin, Torrico, Aghazarian, Arambula, Baca, Bass, Berg, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chu, Coto, De La Torre, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Houston, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Levine, Liu, Matthews, McCarthy, Montanez, Mountjoy, Mullin, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropenza, Parra, Plescia, Richman, Sharon Runner, Saldana, Salinas, Spitzer, Strickland, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee) (Coauthors: Senators Cox, Dutton, and Margett)
			100	ACR 67	Plescia (Principal coauthor: Senator Ducheny) (Coauthors: Assembly Members Haynes, Shirley Horton, La Suer, Saldana, Vargas, Walters, and Wyland) (Coauthors: Senators Hollingsworth, Kehoe, and Morrow)
94	AJR 14	Yee (Coauthors: Assembly Members Baca, Bass, Berg, Bermudez, Blakeslee, Chan, Chavez, Chu, Cohn, Coto, Daucher, De La Torre, Dymally, Evans, Frommer, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Jones, Karmette, Klehs, Koretz, Laird, Leno, Levine, Lieber, Liu, Matthews, Montanez, Mullin, Nation, Nava, Negrete McLeod, Nunez, Pavley, Plescia, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Torrico, Umberg, Vargas, and Wolk) (Coauthors: Senators Chesbro, Figueroa, Kehoe, Kuehl, and Speier)	101	AJR 22	Bass
95	SJR 8	Soto	102	AJR 23	Klehs (Principal coauthors: Assembly Members Chan, Chu, Liu, Nakanishi, Torrico, and Tran) (Coauthors: Assembly Members Baca, Bermudez, Cohn, Jones, Koretz, Laird, Leno, Levine, Maze, McCarthy, Pavley, Aghazarian, Arambula, Bass, Benoit, Berg, Blakeslee, Bogh, Calderon, Canciamilla, Chavez, Cogdill, Coto, Daucher, De La Torre, Dymally, Emmerson, Evans, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karmette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropenza, Parra, Pavley,

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		Karnette, Keene, La Suer, Leslie, Lieber, Matthews, Montanez, Moutjoy, Mullin, Nation, Nava, Negrete McLeod, Nunez, Parra, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Umberg, Vargas, Villines, Wolk, and Yee) (Coauthors: Senators Bowen, Chesbro, Cox, Ducheny, Machado, and Speier)								
103	AJR	27			Jones (Coauthor: Assembly Member Koretz)					
104	SCR	10			Aanestad					
105	SCR	25			Speier					
106	SCR	29			Kehoe (Principal coauthors: Senators Dutton and Soto) (Principal coauthor: Assembly Member La Suer) (Coauthors: Senators Aanestad, Ashburn, Chesbro, and Ducheny) (Coauthors: Assembly Members Baca, Gordon, Jerome Horton, Karnette, La Malfa, Negrete McLeod, Aghazarian, Arambula, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Frommer, Garcia, Goldberg, Hancock, Houston, Huff, Jones, Keene, Klehs, Koretz, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ruskin, Saldana, Salinas, Spitzer, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)	113	ACR	57		Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
					Salinas (Coauthors: Assembly Members Chan, Gordon, Maze, Mullin, Nakanishi, Pavley, and Vargas) (Coauthor: Senator Romero)					
					Baca (Principal coauthor: Senator Ducheny) (Coauthors: Assembly Members Aghazarian, Arambula, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee) (Coauthors: Senators Ackerman, Bowen, and McClintock)	114	ACR	59		
					Negrete McLeod (Principal coauthor: Assembly Member Bermudez) (Coauthors: Assembly Members Bass, Benoit, Bogh, Calderon, Canciamilla, Chavez, Cohn, Dymally, Jerome Horton, Huff, Karnette, Klehs, Liu, Moutjoy, Nakanishi, Parra, Pavley, Salinas, Spitzer, and Torrico) (Coauthor: Senator Soto)	115	ACR	63		
107	SCR	58			Alquist	116	ACR	75		Oropeza
108	SJR	11			Kehoe, Kuehl, Migden, and Romero (Coauthors: Assembly Members Goldberg, Jones, Laird, and Leno)	117	AJR	2		Evans (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Frommer, Garcia, Goldberg, Hancock, Harman, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Lieber, Liu, Matthews, McCarthy, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, and Yee)
109	SJR	17			Ortiz (Coauthors: Senators Bowen, Kuehl, Machado, Perata, and Romero) (Coauthor: Assembly Member Chan)					Jones
110	ACR	2			Cohn (Principal coauthor: Assembly Member Negrete McLeod) (Principal coauthor: Senator Alquist)					Jones and Leslie (Coauthors: Assembly Members Arambula, Baca, Bass, Berg, Bermudez, Calderon, Canciamilla, Chan, Chavez, Chu, Cohn, Coto, De La Torre, Dymally, Evans, Frommer, Garcia, Goldberg, Hancock, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland,
111	ACR	24			Mullin					
112	ACR	36			Berg (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, Montanez, Moutjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland,					

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		Karnette, Klehs, Koretz, Laird, Leno, Lieber, Liu, Matthews, Montanez, Mullin, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Ridley-Thomas, Ruskin, Saldana, Salinas, Torrico, Umberg, Vargas, and Yee) (Coauthors: Senators Ducheny, Kehoe, and Maldonado)			Aghazarian, Arambula, Baca, Bass, Bermudez, Calderon, Canciamilla, Chavez, Chu, Cohn, Coto, De La Torre, Dymally, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Houston, Jones, Karnette, Klehs, Koretz, Laird, Levine, Lieber, Liu, Matthews, Montanez, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ruskin, Saldana, Salinas, Torrico, Tran, Umberg, Vargas, Wolk, and Yee)	
120	AJR	24	131	ACR	51	Calderon Jerome Horton
121	SCR	11	132	ACR	70	Aanestad Umberg (Coauthor: Assembly Member Harman)
122	SCR	42	133	ACR	74	Campbell Saldana (Coauthors: Assembly Members Chu, Cohn, Evans, Karnette, Liu, Matthews, Oropeza, Parra, Pavley, Aghazarian, Arambula, Baca, Bass, Berg, Bermudez, Blakeslee, Calderon, Canciamilla, Chan, Chavez, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
123	SCR	49				Speier
124	SCR	51				Perata (Coauthors: Senators Ashburn, Battin, Bowen, and Cedillo) (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
125	SCR	56				Alarcon (Principal coauthor: Assembly Member Montanez)
126	SCR	59	134	ACR	76	Figueroa, Chesbro, Ducheny, Kuehl, Ortiz, Romero, Soto, and Speier (Coauthors: Assembly Members Berg, Chan, Chu, Daucher, Garcia, Goldberg, Hancock, Shirley Horton, Liu, Matthews, Oropeza, Pavley, and Wolk)
127	SCR	61				Ortiz and Perata
128	ACR	1				Negrete McLeod
129	ACR	15				Evans (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Shirley Horton, Houston, Jones, Keene, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Wolk, Wyland, and Yee)
			135	ACR	83	Frommer
			136	ACR	85	Leno
			137	ACR	86	Parra (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally,
130	ACR	37				Berg (Coauthors: Assembly Members Chan, Daucher, Leno, Mullin,

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		Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, La Suer, Laird, Leno, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mountjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)			Chavez, Chu, Cogdill, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Goldberg, Hancock, Harman, Haynes, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Keene, Koretz, La Suer, Laird, Leno, Leslie, Levine, Liu, Matthews, Maze, McCarthy, Montanez, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Niello, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Walters, Wolk, Wyland, and Yee)
138	ACR 87	Niello	143	ACR 93	Bogh
139	ACR 88	Parra (Coauthors: Assembly Members Bogh, Cohn, Jones, and Lieber) (Coauthor: Senator Maldonado)	144	AJR 26	Chu (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Calderon, Canciamilla, Chan, Chavez, Cogdill, Cohn, Coto, De La Torre, Dymally, Emmerson, Frommer, Garcia, Goldberg, Hancock, Jerome Horton, Houston, Jones, Karnette, Keene, Klehs, Koretz, La Malfa, Laird, Leno, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nakanishi, Nation, Nava, Negrete McLeod, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ruskin, Saldana, Salinas, Spitzer, Torrico, Tran, Umberg, Vargas, Villines, Wolk, and Yee)
140	ACR 89	Mounjoy			
141	ACR 90	Arambula (Coauthors: Assembly Members Negrete McLeod, Aghazarian, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan, Chavez, Chu, Cogdill, Cohn, Coto, Daucher, De La Torre, DeVore, Dymally, Emmerson, Evans, Frommer, Garcia, Hancock, Harman, Jerome Horton, Shirley Horton, Houston, Huff, Jones, Karnette, Keene, Koretz, La Malfa, La Suer, Laird, Leslie, Levine, Lieber, Liu, Matthews, Maze, McCarthy, Montanez, Mounjoy, Mullin, Nakanishi, Nation, Nava, Nunez, Oropeza, Parra, Pavley, Plescia, Richman, Ridley-Thomas, Sharon Runner, Ruskin, Saldana, Salinas, Spitzer, Strickland, Torrico, Tran, Umberg, Vargas, Villines, Wolk, Wyland, and Yee)	145	AJR 30	Liu (Principal coauthor: Senator Speier) (Coauthors: Assembly Members Berg, Cohn, Evans, Goldberg, Hancock, Karnette, Lieber, Matthews, Montanez, Negrete McLeod, Oropeza, Pavley, Saldana, and Wolk) (Coauthors: Senators Bowen, Ducheny, Escutia, Figueroa, Kehoe, Kuehl, Migden, Ortiz, and Romero)
142	ACR 92	La Malfa (Coauthors: Assembly Members Aghazarian, Arambula, Baca, Bass, Benoit, Berg, Bermudez, Blakeslee, Bogh, Calderon, Canciamilla, Chan,			

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None.							

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None.					

STATUTES OF CALIFORNIA

2005 – 06

REGULAR SESSION

2005 CHAPTERS

CHAPTER 1

An act relating to human remains, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor February 2, 2005. Filed with
Secretary of State February 2, 2005.]

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

SECTION 1. Notwithstanding Sections 7054 and 103055 of the Health and Safety Code, or any other provision of law, the local registrar of births and deaths in the County of Fresno may issue a disposition permit for the burial of the Metropolitan Anthony Gerigiannakis on the grounds of the St. Nicholas Monastery in the County of Fresno and those remains may be so interred.

SEC. 2. Due to the unique circumstances concerning the County of Fresno, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

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 that the reinterment of the Metropolitan Anthony Gerigiannakis on the grounds of the St. Nicholas Monastery in the County of Fresno may take place as soon as possible, it is necessary that this act take effect immediately.

CHAPTER 2

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

[Approved by Governor February 28, 2005. Filed with
Secretary of State February 28, 2005.]

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

SECTION 1. Section 803 of the Penal Code, as amended by Chapter 368 of the Statutes of 2004, is repealed.

SEC. 2. Section 803 of the Penal Code, as amended by Chapter 2 of the Statutes of 2003–04 Fourth Extraordinary Session, is repealed.

SEC. 3. Section 803 is added to the Penal Code, 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, 134, or 186.10.

(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, 801, or 801.1, whichever is later, 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 Section 800, 801, or 801.1.

(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 all of the following occur:

(A) The limitation period specified in Section 800, 801, or 801.1, whichever is later, has expired.

(B) The crime involved substantial sexual conduct, as described in subdivision (b) of Section 1203.066, excluding masturbation that is not mutual.

(C) There is independent evidence that corroborates the victim’s allegation. If the victim was 21 years of age or older at the time of the report, the independent evidence shall clearly and convincingly corroborate the victim’s allegation.

(3) 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.

(h) (1) Notwithstanding any other limitation of time described in this chapter, a criminal complaint may be filed within one year of the date

on which the identity of the suspect is conclusively established by DNA testing, if both of the following conditions are met:

(A) The crime is one that is described in subparagraph (A) of paragraph (2) of subdivision (a) of Section 290.

(B) The offense was committed prior to January 1, 2001, and biological evidence collected in connection with the offense is analyzed for DNA type no later than January 1, 2004, or the offense was committed on or after January 1, 2001, and 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) For purposes of this section, "DNA" means deoxyribonucleic acid.

(i) 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.

(j) (1) In a criminal investigation involving child sexual abuse as described in subdivision (f) or (g), 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.

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

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 prevent deletion of the changes to Section 803 of the Penal Code enacted by Chapter 368 of the Statutes of 2004 by the enactment of Chapter 2 of the Statutes of the 2003–04 Fourth Extraordinary Session it is necessary that this bill take effect immediately.

CHAPTER 3

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

[Approved by Governor February 28, 2005. Filed with
Secretary of State February 28, 2005.]

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

SECTION 1. Item 0820-001-3086 is added to Section 2.00 of the Budget Act of 2004, to read:

0820-001-3086—For support of the Department of Justice..... 4,000,000

Provisions:

1. The funds appropriated in this item are for the purposes of implementing the DNA Fingerprint, Unsolved Crime and Innocence Protection Act (Proposition 69) as approved by the voters November 2, 2004.

SEC. 2. Item 0820-002-0001 is added to Section 2.00 of the Budget Act of 2004, to read:

0820-002-0001—For support of the Department of Justice..... 7,000,000

Provisions:

1. The funds appropriated in this item are a loan to the Department of Justice pursuant to subdivision (e) of Section 76104.6 of the Government Code for the purposes of implementing the DNA Fingerprint, Unsolved Crime and Innocence Protection Act (Proposition 69) as approved by the voters November 2, 2004. Principal and interest shall be repaid in full no later than four years from the date of the loan and shall be repaid from revenue from the DNA Identification Fund as specified pursuant to Section 76104.6 of the Government Code.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make an appropriation to implement the DNA Fingerprint, Unsolved Crime and Innocence Protection Act to ensure sufficient resources are available to collect DNA samples and palm prints from qualifying felons and specified arrestees as required by the act, it is necessary that this act take effect immediately.

CHAPTER 4

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

[Approved by Governor March 9, 2005. Filed with
Secretary of State March 9, 2005.]

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

SECTION 1. (a) Of the amount appropriated in Item 4260-111-0001 of Section 2.00 of the Budget Act of 2004 from the Cigarette and Tobacco Products Surtax Fund, twenty-four million eight hundred three thousand dollars (\$24,803,000) shall be allocated in accordance with subdivision (b) for the 2004–05 fiscal year from the following accounts:

(1) Twenty million two hundred twenty–seven thousand dollars (\$20,227,000) from the Hospital Services Account.

(2) Four million five hundred seventy–six thousand dollars (\$4,576,000) from the Physician Services Account.

(b) The funds specified in subdivision (a) shall be allocated proportionately as follows:

(1) Twenty-two million three hundred twenty-four thousand dollars (\$22,324,000) shall be administered and allocated for distribution through the California Healthcare for Indigents Program (CHIP), Chapter 5 (commencing with Section 16940) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(2) Two million four hundred seventy-nine thousand dollars (\$2,479,000) shall be administered and allocated through the rural health services program, Chapter 4 (commencing with Section 16930) of Part 4.7 of Division 9 of the Welfare and Institutions Code.

(c) Funds allocated by this section from the Physician Services Account in the Cigarette and Tobacco Products Surtax Fund shall be

used only for the reimbursement of uncompensated emergency services, as defined in Section 16953 of the Welfare and Institutions Code. Funds shall be transferred to the Physician Services Account in the county Emergency Medical Services Fund established pursuant to Sections 16951 and 16952 of the Welfare and Institutions Code.

(d) Funds allocated by this section from the Hospital Services Account in the Cigarette and Tobacco Products Surtax Fund shall be used only for reimbursement of uncompensated emergency services, as defined in Section 16953 of the Welfare and Institutions Code, provided in general acute care hospitals providing basic, comprehensive, or standby emergency services. Reimbursement for emergency services shall be consistent with Section 16952 of the Welfare and Institutions 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:

In order to make necessary changes to implement the Budget Act of 2004, it is necessary that this act take effect immediately.

CHAPTER 5

An act to amend Section 24357 of, and to add Section 17206 to, the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

[Approved by Governor March 10, 2005. Filed with
Secretary of State March 10, 2005.]

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

SECTION 1. Section 17206 is added to the Revenue and Taxation Code, to read:

17206. (a) For purposes of Section 17201, Section 170 of the Internal Revenue Code, as amended by Public Law 109-1, shall be applied to allow a taxpayer to elect to treat any contribution described in subdivision (b) made in January 2005, as if that contribution was made on December 31, 2004, and not in January 2005.

(b) A contribution is described in this subdivision if that contribution is a cash contribution made for the relief of victims in areas affected by the December 26, 2004, Indian Ocean tsunami for which a charitable contribution deduction is allowable under Section 17201.

SEC. 2. Section 24357 of the Revenue and Taxation Code is amended to read:

24357. (a) There shall be allowed as a deduction any charitable contribution (as defined in Section 24359) payment of which is made within the taxable year. A charitable contribution shall be allowable as a deduction only if verified under regulations prescribed by the Franchise Tax Board.

(b) (1) In the case of a corporation reporting its income on the accrual basis, the corporation may elect to treat the contribution as paid during that taxable year if both of the following occur:

(A) The board of directors authorizes a charitable contribution during the taxable year.

(B) Payment of the contribution is made after the close of that taxable year and on or before the 15th day of the third month following the close of the taxable year.

(2) The election allowed by paragraph (1) may be made only at the time of the filing of the return for the taxable year, and shall be signified in the manner as the Franchise Tax Board shall by regulations prescribe.

(c) For purposes of this section, payment of a charitable contribution that consists of a future interest in tangible personal property shall be treated as made only when all intervening interests in, and rights to the actual possession or enjoyment of, the property have expired or are held by persons other than the taxpayer or those standing in a relationship to the taxpayer described in Section 24428. For purposes of the preceding sentence, a fixture which is intended to be severed from the real property shall be treated as tangible personal property.

(d) No deduction shall be allowed under this section for traveling expenses (including amounts expended for meals and lodging) while away from home, whether paid directly or by reimbursement, unless there is no significant element of personal pleasure, recreation, or vacation in that travel.

(e) (1) Section 170(f)(8) of the Internal Revenue Code, relating to substantiation requirement for certain contributions, shall apply, except as otherwise provided.

(2) No deduction shall be denied under Section 170(f)(8) of the Internal Revenue Code, relating to substantiation requirement for certain contributions, upon a showing that the requirements in Section 170(f)(8) of the Internal Revenue Code have been met with respect to that contribution for federal purposes.

(f) Section 170(f)(9) of the Internal Revenue Code, relating to the denial of the deduction for lobbying activities shall apply, except as otherwise provided.

(g) (1) Notwithstanding any other provision of law to the contrary, for purposes of this section and Section 24341, Section 170 of the Internal Revenue Code, as amended by Public Law 109-1, shall be applied to allow a taxpayer to elect to treat any contribution described in paragraph (2) made in January 2005, as if that contribution was made on December 31, 2004, and not in January 2005.

(2) A contribution is described in this paragraph if that contribution is a cash contribution made for the relief of victims in areas affected by the December 26, 2004, Indian Ocean tsunami for which a charitable contribution deduction is allowable under this section.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 6

An act to amend Section 12174 of the Government Code, relating to museums, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor March 15, 2005. Filed with
Secretary of State March 15, 2005.]

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

SECTION 1. (a) It is the intent of the Legislature to extend knowledge of California's rich history, cultural diversity, and government to the people of the state through the museum located in the Secretary of State and State Archives Building Complex. The museum will preserve and present California's cultural, social, and political history through exhibits and programs that include the display of records, photographs, and artifacts from the collection of the California State Archives. The museum will also house a first-ever Women's History Museum.

(b) In recognition of the need to extend the fiscal resources of the state, it is the intent of the Legislature to authorize the Secretary of State to enter into an agreement with a private nonprofit organization for the operation of the museum and to permit the museum to occupy a portion of the Secretary of State and State Archives Building Complex.

(c) The benefit of this arrangement to the state will be that the private nonprofit organization shall develop and administer the museum and solicit private donations to assist in providing funding for the museum.

SEC. 2. Section 12174 of the Government Code is amended to read:
12174. (a) The Secretary of State shall administer, protect, develop, and interpret the Secretary of State and State Archives Building Complex

located in Sacramento in the area bounded by 10th, 11th, O, and P Streets as authorized by Section 12235 for the use, education, and enjoyment of the public.

(b) The Secretary of State may enter into an operating agreement with the Golden State Museum Public Benefit Corporation (GSM PBC), formerly known as the California Archives Foundation, an existing California nonprofit public benefit corporation, tax exempt under Section 501(c)(3) of the United States Internal Revenue Code, or its successor. Under the operating agreement with the Secretary of State (including the State Archives), the corporation shall operate a museum located in the Secretary of State and State Archives Building Complex, including development, administration, interpretation, and management of the museum and related public services, and acquiring and managing funding for the museum's programs and services. Secondly, the corporation may support the programs and operations of the State Archives.

(c) The governing board of the corporation shall include the Secretary of State or any Assistant Secretary of State designated by the Secretary of State and the Director of Parks and Recreation or his or her designee as ex officio voting members of the board. The board shall be the governing authority for operations funded through moneys received by the museum. The board shall submit an audit report annually to the Secretary of State. The Secretary of State shall submit copies of the annual audit reports to the Director 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 corporation shall be used for purposes inconsistent with support of the museum and the State Archives.

(d) No later than January 10 of each year, the corporation shall submit the corporation business plan for the following fiscal year to the Director of Finance and the Chair of the Joint Legislative Budget Committee for review and comment. The executive director of the corporation shall also submit, not less than 30 days prior to adoption by the governing board of the corporation, any proposed formal amendments to the corporation business plan to the Director of Finance and the Chair of the Joint Legislative Budget Committee for review and comment.

(e) Fees charged to members of the public for copying, reproduction, and other services provided by the State Archives shall be at a level consistent with the costs of providing these services. The Secretary of State may establish an agreement with the corporation to provide these services and collect moneys for providing these services.

(f) Notwithstanding any other provision of law, the GSM PBC, or its successor, is a private nonprofit corporation and shall not be considered a state, local, or other public body for any purpose.

(g) The Legislature encourages the governing board of the corporation to conduct its meetings in an open manner, establish a board membership that is representative and reflective of California's rich history, and work cooperatively with the Secretary of State to ensure public input, confidence, and accountability in the museum's use of its resources and the protection of California's priceless archives, collections, and artifacts.

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 enhance and improve the museum described in this act expeditiously it is necessary that this act take effect immediately.

CHAPTER 7

An act to make an appropriation in augmentation of the Budget Act of 2004, relating to contingencies and emergencies, to take effect immediately as an appropriation for the usual current expenses of the state.

[Approved by Governor March 22, 2005. Filed with
Secretary of State March 23, 2005.]

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

SECTION 1. The sum of thirty-one million, five hundred eighty-five thousand, nine hundred twenty-seven dollars (\$31,585,927) is hereby appropriated for expenditures for the 2004-05 fiscal year in augmentation of Item 9840-001-0001 of Section 2.00 of the Budget Act of 2004 (Chapter 208 of the Statutes of 2004) and, notwithstanding Provision 7 of that item, shall be allocated by the State Controller in accordance with the following schedule:

(1) Ten million, four hundred thirty-six thousand, eight hundred thirty-six dollars (\$10,436,836) to Item 1760-001-0001, for payment to Item 1760-001-0666, Schedule (1) Program Support.

(2) Ten million, nine hundred nineteen thousand, five hundred six dollars (\$10,919,506) to Item 5240-001-0001, Schedule (1) 21 - Institutions Program.

(3) Three million, six hundred sixty-six thousand, nine hundred thirty-five dollars (\$3,666,935) to Item 4440-011-0001, Schedule (2) 20.20 - Long-Term Care Services-Penal Code and Judicially Committed.

(4) Five million, one hundred nineteen thousand, two hundred fifty dollars (\$5,119,250) to Item 3960-001-0001.

(5) One million, four hundred forty-three thousand, four hundred dollars (\$1,443,400) to Item 0690-115-0001.

SEC. 2. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 8

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.

[Filed with Secretary of State April 21, 2005.]

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 2005.

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. (a) 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.

(b) 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 9

An act to add Section 6720 to the Government Code, relating to Armenia.

[Approved by Governor April 21, 2005. Filed with
Secretary of State April 21, 2005.]

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

SECTION 1. (a) Upon the occasion of the 90th anniversary of the Armenian Genocide, the Legislature recognizes that 1,500,000 Armenians living in their 3,000-year historic homeland were subjected to torture, starvation, and murder, including death marches into the Syrian desert, by the rulers of the Ottoman Turkish Empire and the exile of more than 500,000 innocent people during the period from 1915–23. The Armenian Genocide, also known as the “First Genocide of the Twentieth Century,” represented a deliberate attempt to eliminate all traces of a thriving noble civilization.

(b) In recognition of the anniversary of this Genocide and an open condemnation of these crimes against humanity, it is crucial to publicly acknowledge the occurrence of the Armenian Genocide, as it is denied to this day by the Republic of Turkey, and to prevent the repetition of similar future atrocities committed against any people.

(c) Armenian communities all over the world commemorate this great tragedy on April 24, because it was on that day in 1915 when hundreds of Armenian intellectual, political, religious, and business leaders were arrested and taken from their homes in Constantinople before dawn and brutally murdered.

SEC. 2. Section 6720 is added to the Government Code, to read:

6720. April 24 of each year shall be the “California Day of Remembrance of the Armenian Genocide,” and the period beginning on the Sunday before that day through the following Sunday shall be the days of remembrance in this state, and shall annually be so proclaimed by the Governor, in memory of the 1,500,000 victims who were subjected to torture, starvation, and murder, including death marches into the Syrian desert, by the rulers of the Ottoman Turkish Empire and the exile of more than 500,000 innocent people during the period from 1915 to 1923, inclusive, and in honor of the survivors of those crimes against humanity.

CHAPTER 10

An act to amend Section 11552 of, to add Article 14 (commencing with Section 12838) to Chapter 1 of Part 2.5 of Division 3 of Title 2 of, and to repeal Sections 11560, 11563.1, 12811, and 12811.1 of, the Government Code, and to amend Sections 2800, 2802, 2803, 2804, 2806, 2807, 2808, 2809, 2810, 2810.5, 2811, 2815, 2816, 3041, 3041.1, 5000, 5001, 5003.5, 5050, 5052, 5054, 5055, 5057, 5075, 5076.1, 6024, 6025, 6026, 6030, 6050, 7518, 13600, 13601, 13602, 13603, 13810, and 14204 of, to amend the headings of Chapter 1 (commencing with Section 5000), Chapter 2 (commencing with Section 5050), Chapter 3 (commencing with Section 5075), Chapter 4 (commencing with Section 6001), and Chapter 5 (commencing with Section 6024) of Title 7 of Part 3 of, and to amend the heading of Title 4.5 (commencing with Section 13600) of Part 4, of, and to add Sections 5075.1, 5075.6, and 6126.6 to, and to repeal Sections 2036, 2038, 2043.3, 2045.3, 2046.3, 2048.3, 2048.7, 2079, 5051, 5051.5, 5053, 5067, 5082, 6001, 6003, and 6004 of, and to repeal Article 3 (commencing with Section 2400) of Chapter 2 of Title 1 of Part 3 of, the Penal Code, and to amend Sections 1000, 1703, 1710, 1711, 1712, 1713, 1714, 1716, 1719, 1720, 1723, 1725, 1766, 1798, 3150, 3151, 3158, 3300, and 3309 of, and to repeal Sections 1717, 1718, 1721, 1722, and 3157 of, and to repeal and add Section 1798.5 the Welfare and Institutions Code, relating to reorganizing the Youth and Adult Correctional Agency, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor May 10, 2005. Filed with
Secretary of State May 10, 2005.]

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

SECTION 1. Section 11552 of the Government Code is amended to read:

11552. Effective January 1, 1988, an annual salary of eighty-five thousand four hundred two dollars (\$85,402) shall be paid to each of the following:

- (a) Commissioner of Financial Institutions.
- (b) Commissioner of Corporations.
- (c) Insurance Commissioner.
- (d) Director of Transportation.
- (e) Real Estate Commissioner.
- (f) Director of Social Services.
- (g) Director of Water Resources.
- (h) Chief Deputy Secretary for Adult Operations of the Department of Corrections and Rehabilitation.
- (i) Director of General Services.
- (j) Director of Motor Vehicles.
- (k) Chief Deputy Secretary for Juvenile Justice in the Department of Corrections and Rehabilitation.
- (l) Executive Officer of the Franchise Tax Board.
- (m) Director of Employment Development.
- (n) Director of Alcoholic Beverage Control.
- (o) Director of Housing and Community Development.
- (p) Director of Alcohol and Drug Abuse.
- (q) Director of the Office of Statewide Health Planning and Development.
- (r) Director of the Department of Personnel Administration.
- (s) Chairperson and Member of the Board of Equalization.
- (t) Secretary of Technology, Trade, and Commerce.
- (u) State Director of Health Services.
- (v) Director of Mental Health.
- (w) Director of Developmental Services.
- (x) State Public Defender.
- (y) Director of the California State Lottery.
- (z) Director of Fish and Game.
- (aa) Director of Parks and Recreation.
- (ab) Director of Rehabilitation.
- (ac) Director of Veterans Affairs.
- (ad) Director of Consumer Affairs.
- (ae) Director of Forestry and Fire Protection.
- (af) The Inspector General pursuant to Section 6125 of the Penal Code.

- (ag) Director of Child Support Services.
- (ah) Director of Industrial Relations.
- (ai) Chief Deputy Secretary for Adult Programs in the Department of Corrections and Rehabilitation.

The annual compensation provided by this section shall be increased in any fiscal year in which a general salary increase is provided for state employees. The amount of the increase provided by this section shall be comparable to, but shall not exceed, the percentage of the general salary increases provided for state employees during that fiscal year.

SEC. 2. Section 11560 of the Government Code is repealed.

SEC. 3. Section 11563.1 of the Government Code is repealed.

SEC. 4. Section 12811 of the Government Code is repealed.

SEC. 5. Section 12811.1 of the Government Code is repealed.

SEC. 6. Article 14 (commencing with Section 12838) is added to Chapter 1 of Part 2.5 of Division 3 of Title 2 of the Government Code, to read:

Article 14. Department of Corrections and Rehabilitation

12838. (a) There is hereby created in state government the Department of Corrections and Rehabilitation, to be headed by a secretary, who shall be appointed by the Governor, subject to Senate confirmation, and shall serve at the pleasure of the Governor. The Department of Corrections and Rehabilitation shall consist of Adult Operations, Adult Programs, Juvenile Justice, the Corrections Standards Authority, the Board of Parole Hearings, the State Commission on Juvenile Justice, the Prison Industry Authority, and the Prison Industry Board.

(b) The Governor, upon recommendation of the secretary, may appoint an Undersecretary of the Department of Corrections and Rehabilitation, subject to Senate confirmation. The undersecretary shall hold office at the pleasure of the Governor.

(c) The Governor, upon recommendation of the secretary, shall appoint three chief deputy secretaries, subject to Senate confirmation, who shall hold office at the pleasure of the Governor. One chief deputy secretary shall oversee adult operations, one chief deputy secretary shall oversee adult programs, and one chief deputy secretary shall oversee juvenile justice for the department.

(d) The Governor, upon recommendation of the secretary, shall appoint an assistant secretary, subject to Senate confirmation, who shall be responsible for health care policy for the department, and shall serve at the pleasure of the Governor.

(e) The Governor, upon recommendation of the secretary, shall appoint an Assistant Secretary for Victim and Survivor Rights and Services, and an Assistant Secretary for Correctional Safety, who shall serve at the pleasure of the Governor.

12838.1. There is hereby created within the Department of Corrections and Rehabilitation, under the Chief Deputy Secretary for Adult Operations, the Division of Adult Institutions and the Division of Adult Parole Operations. Each division shall be headed by a division chief, who shall be appointed by the Governor, upon recommendation of the secretary, subject to Senate confirmation, who shall serve at the pleasure of the Governor.

(b) The Governor shall, upon recommendation of the secretary, appoint five subordinate officers to the Chief of the Division of Adult Institutions, subject to Senate confirmation, who shall serve at the pleasure of the Governor. Each subordinate officer appointed pursuant to this subdivision shall oversee an identified category of adult institutions, one of which shall be female offender facilities.

12838.2. There is hereby created within the Department of Corrections and Rehabilitation, under the Chief Deputy Secretary for Adult Programs, the Division of Community Partnerships, the Division of Education, Vocations and Offender Programs, and the Division of Correctional Health Care Services. Each division shall be headed by a chief who shall be appointed by the Governor, at the recommendation of the secretary, subject to Senate confirmation, who shall serve at the pleasure of the Governor.

12838.3. There is hereby created within the Department of Corrections and Rehabilitation under the Chief Deputy Secretary for Juvenile Justice, the Division of Juvenile Facilities, the Division of Juvenile Programs, and the Division of Juvenile Parole Operations. Each division shall be headed by a chief, who shall be appointed by the Governor, at the recommendation of the secretary, subject to Senate confirmation, who shall serve at the pleasure of the Governor.

12838.4. The Board of Parole Hearings is hereby created. The Board of Parole Hearings shall be comprised of 17 commissioners, who shall be appointed by the Governor, subject to Senate confirmation, for three-year terms. The Board of Parole Hearings hereby succeeds to, and is vested with, all the powers, duties, responsibilities, obligations, liabilities, and jurisdiction of the following entities, which shall no longer exist: Board of Prison Terms, Narcotic Addict Evaluation Authority, and Youthful Offender Parole Board. For purposes of this article, the above entities shall be known as “predecessor entities.”

12838.5. The Department of Corrections and Rehabilitation hereby succeeds to, and is vested with, all the powers, functions, duties,

responsibilities, obligations, liabilities, and jurisdiction of the following entities, which shall no longer exist: Youth and Adult Correctional Agency, Department of Corrections, Department of the Youth Authority, Commission on Correctional Peace Officer Standards and Training, Board of Corrections, and State Commission on Juvenile Justice, Crime and Delinquency Prevention. For purposes of this article, the above entities shall be known as “predecessor entities.”

12838.6. The following entities shall be continued in existence within the Department of Corrections and Rehabilitation and shall retain existing functions, powers, responsibilities, and jurisdiction, except as expressly provided otherwise: Council on Mentally Ill Offenders, Prison Industry Authority, Prison Industry Authority Board, California Council for Interstate Adult Offender Supervision, and the Joint Venture Policy Advisory Board. For purposes of this article, these shall be known as “continuing entities.”

12838.7. (a) The Secretary of the Department of Corrections and Rehabilitation shall serve as the Chief Executive Officer of the Department of Corrections and Rehabilitation and shall have all of the powers and authority which are conferred upon a head of a state department by Chapter 2 (commencing with Section 11150) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) Without limiting any other powers or duties, the secretary shall assure compliance with the terms of any state plan, memorandums of understanding, administrative order, interagency agreements, assurances, single state agency obligations, federal statute and regulations, and any other form of agreement or obligation that vital government activities rely upon, or are a condition to, the continued receipt by the department of state or federal funds or services. This includes, but is not limited to, the designation, appointment, and provision of individuals, groups, and resources to fulfill specific obligations of any agency, board, or department that is abolished pursuant to Section 12838.4 or 12838.5.

12838.8. All regulations adopted by the predecessor entities, continuing entities, and any of their predecessors are expressly continued in force. Any statute, law, rule, or regulation now in force, or that may hereafter be enacted or adopted with reference to the predecessor entities and any of their predecessors shall mean the Department of Corrections and Rehabilitation. Any action concerning these duties, responsibilities, obligations, liabilities, and functions shall not abate but shall continue in the name of the Department of Corrections and Rehabilitation, and the Department of Corrections and Rehabilitation shall be substituted for the predecessor entities and continuing entities by the court wherein the action is pending. The substitution shall not affect the rights of the parties to the action.

12838.9. No contract, lease, license, or any other agreement to which the predecessor entities, continuing entities, and any of their predecessors are a party shall be void or voidable by reason of this measure, but shall continue in full force and effect, with the Department of Corrections and Rehabilitation assuming all of the rights, obligations, and duties of the predecessor entities. That assumption by the Department of Corrections and Rehabilitation shall not in any way affect the rights of the parties to the contract, lease, license, or agreement. Bonds issued by the predecessor entities, continuing entities, and any of their predecessors on or before July 1, 2005, shall become the indebtedness of any newly created entity. Any ongoing obligations or responsibilities of the predecessor entities, continuing entities, and any of their predecessors for managing and maintaining bond issuances shall be transferred to the newly created entity without impairment to any security contained in the bond instrument.

12838.10. On and after July 1, 2005, the unencumbered balance of all money available for expenditure by the predecessor entities, continuing entities, and any of their predecessors in carrying out any functions transferred to the Department of Corrections and Rehabilitation by this measure shall be made available for the support and maintenance of the Department of Corrections and Rehabilitation. All books, documents, records, and property of the predecessor entities shall be transferred to the Department of Corrections and Rehabilitation.

12838.11. On and after July 1, 2005, positions filled by appointment by the Governor in the predecessor entities or continuing entities shall be transferred to the Department of Corrections and Rehabilitation. Individuals in positions transferred pursuant to this section shall serve at the pleasure of the Governor, unless as otherwise expressly stated. Titles of positions transferred pursuant to this section shall be determined by the secretary with the approval of the Governor. Salaries of positions transferred shall remain at the level established pursuant to law on June 30, 2005.

12838.12. (a) Any officer or employee of the predecessor entities who is engaged in the performance of a function specified in this reorganization plan and who is serving in the state civil service, other than as a temporary employee, shall be transferred to the Department of Corrections and Rehabilitation pursuant to the provisions of Section 19050.9.

(b) Any officer or employee of the continuing entities who is engaged in the performance of a function specified in this reorganization plan and who is serving in the state civil service, other than as a temporary employee, shall continue such status with the continuing entity pursuant to the provisions of Section 19050.9.

(c) The status, position, and rights of any officer or employee of the predecessor entities shall not be affected by the transfer and shall be retained by the person as an officer or employee of the Department of Corrections and Rehabilitation, as the case may be, pursuant to the State Civil Service Act (Part 2 (commencing with Section 18500) of Division 5 of Title 2 of the Government Code), except as to a position that is exempt from civil service.

12838.13. This article shall become operative as of July 1, 2005.

SEC. 7. Section 2036 of the Penal Code is repealed.

SEC. 8. Section 2038 of the Penal Code is repealed.

SEC. 9. Section 2043.3 of the Penal Code is repealed.

SEC. 10. Section 2045.3 of the Penal Code is repealed.

SEC. 11. Section 2046.3 of the Penal Code is repealed.

SEC. 12. Section 2048.3 of the Penal Code is repealed.

SEC. 13. Section 2048.7 of the Penal Code is repealed.

SEC. 14. Section 2079 of the Penal Code is repealed.

SEC. 15. Article 3 (commencing with Section 2400) of Chapter 2 of Title 1 of Part 3 of the Penal Code is repealed.

SEC. 16. Section 2800 of the Penal Code is amended to read:

2800. Commencing July 1, 2005, there is hereby continued in existence within the Department of Corrections and Rehabilitation the Prison Industry Authority. As used in this article "authority" means the Prison Industry Authority. Commencing July 1, 2005, any reference to the Department of Corrections shall refer to the Department of Corrections and Rehabilitation.

SEC. 17. Section 2802 of the Penal Code is amended to read:

2802. Commencing July 1, 2005, there is hereby continued in existence within the Department of Corrections and Rehabilitation a Prison Industry Board. The board shall consist of the following 11 members:

(a) The Secretary of the Department of Corrections and Rehabilitation, or his or her designee.

(b) The Director of the Department of General Services, or his or her designee.

(c) The Secretary of Business, Transportation and Housing, or his or her designee.

(d) The Speaker of the Assembly shall appoint two members to represent the general public.

(e) The Senate Committee on Rules shall appoint two members to represent the general public.

(f) The Governor shall appoint four members. Of these, two shall be representatives of organized labor, and two shall be representatives of industry. The initial term of one of the members appointed by the Speaker

of the Assembly shall be two years, and the initial term of the other shall be three years. The initial term of one of the members appointed by the Senate Committee on Rules shall be two years, and the initial term of the other shall be three years. The initial terms of the four members appointed by the Governor shall be four years. All subsequent terms of all members shall be for four years. Each member's term shall continue until the appointment and qualification of his or her successor.

SEC. 18. Section 2803 of the Penal Code is amended to read:

2803. The Secretary of the Department Corrections and Rehabilitation shall be the chairperson of the board. The chairperson shall be the administrative head of the board and shall exercise all duties and functions necessary to insure that the responsibilities of the board are successfully discharged. The board shall hold meetings on the call of the chairperson or a majority of the board. Six members of the board, including the chairperson, shall constitute a quorum. The vote of a majority of the members serving on the board is necessary for the transaction of the business of the board.

SEC. 19. Section 2804 of the Penal Code is amended to read:

2804. The appointed members of the board shall receive a per diem to be determined by the chairperson, but not less than the usual per diem rate allowed to the Department of Corrections and Rehabilitation employees during travel out of state. All members, including the chairperson, shall also receive their actual and necessary expenses of travel incurred in attending meetings of the commission and in making investigations, either as a board or individually as members of the board at the request of the chairperson. All the expenses shall be paid from the Prison Industries Revolving Fund.

SEC. 20. Section 2806 of the Penal Code is amended to read:

2806. There is hereby constituted a permanent revolving fund in the sum of not less than seven hundred thirty thousand dollars (\$730,000), to be known as the Prison Industries Revolving Fund, and to be used to meet the expenses necessary in the purchasing of materials and equipment, salaries, construction and cost of administration of the prison industries program. The fund may also be used to refund deposits either erroneously made or made in cases where delivery of products cannot be consummated. The fund shall at all times contain the amount of at least seven hundred thirty thousand dollars (\$730,000), either in cash or in receivables, consisting of raw materials, finished or unfinished products, inventory at cost, equipment, or any combination of the above. Money received from the rendering of services or the sale of products in the prisons and institutions under the jurisdiction of the Department of Corrections and Rehabilitation pursuant to this article shall be paid to the State Treasurer monthly and shall be credited to the fund. At any

time that the Secretary of the Department of Corrections and Rehabilitation and the Director of Finance jointly determine that the balance in that revolving fund is greater than is necessary to carry out the purposes of the authority, they shall so inform the Controller and request a transfer of the unneeded balance from the revolving fund to the General Fund of the State of California. The Controller is authorized to transfer balances upon request. Funds deposited in the revolving fund are not subject to annual appropriation by the Legislature and may be used without a time limit by the authority.

The Prison Industries Revolving Fund is not subject to the provisions of Articles 2 (commencing with Section 13320) and 3 (commencing with Section 13335) of Chapter 3 of Part 3 of Division 3 of Title 2 of the Government Code.

Any major capital outlay project undertaken by the authority pursuant to this article shall be subject to review by the Public Works Board pursuant to the provisions of Part 10.5 (commencing with Section 15752) of Division 3 of Title 2 of the Government Code.

SEC. 21. Section 2807 of the Penal Code is amended to read:

2807. (a) The authority is hereby authorized and empowered to operate industrial, agricultural, and service enterprises which will provide products and services needed by the state, or any political subdivision thereof, or by the federal government, or any department, agency, or corporation thereof, or for any other public use. Products may be purchased by state agencies to be offered for sale to inmates of the department and to any other person under the care of the state who resides in state-operated institutional facilities. Fresh meat may be purchased by food service operations in state-owned facilities and sold for onsite consumption.

(b) All things authorized to be produced under subdivision (a) shall be purchased by the state, or any agency thereof, and may be purchased by any county, city, district, or political subdivision, or any agency thereof, or by any state agency to offer for sale to persons residing in state-operated institutions, at the prices fixed by the Prison Industry Authority. State agencies shall make maximum utilization of these products, and shall consult with the staff of the authority to develop new products and adapt existing products to meet their needs.

SEC. 21. Section 2808 of the Penal Code is amended to read:

2808. The board, in the exercise of its duties, shall have all of the powers and do all of the things that the board of directors of a private corporation would do, except as specifically limited in this article, including, but not limited to, all of the following:

(a) To enter into contracts and leases, execute leases, pledge the equipment, inventory and supplies under the control of the authority and

the anticipated future receipts of any enterprise under the jurisdiction of the authority as collateral for loans, and execute other necessary instruments and documents.

(b) To assure that all funds received by the authority are kept in commercial accounts according to standard accounting practices.

(c) To arrange for an independent annual audit.

(d) To review and approve the annual budget for the authority, in order to assure that the solvency of the Prison Industries Revolving Fund is maintained.

(e) To contract to employ a general manager to serve as the chief administrative officer of the authority. The general manager shall serve at the pleasure of the chairperson. The general manager shall have wide and successful experience with a productive enterprise, and have a demonstrated appreciation of the problems associated with prison management.

(f) To apply for and administer grants and contracts of all kinds.

(g) To establish, notwithstanding any other provision of law, procedures governing the purchase of raw materials, component parts, and any other goods and services which may be needed by the authority or in the operation of any enterprise under its jurisdiction. Those procedures shall contain provisions for appeal to the board from any action taken in connection with them.

(h) To establish, expand, diminish, or discontinue industrial, agricultural and service enterprises under the authority's jurisdiction to enable it to operate as a self-supporting enterprise, to provide as much employment for inmates as is feasible, and to provide diversified work activities to minimize the impact on existing private industry in the state.

(i) To hold public hearings pursuant to subdivision (h) to provide an opportunity for persons or organizations who may be affected to appear and present testimony concerning the plans and activities of the authority. The authority shall assure adequate public notice of those hearings. No new industrial, agricultural, or service enterprise which involves a gross annual production of more than fifty thousand dollars (\$50,000) shall be established unless and until a hearing concerning the enterprise has been held by a committee of persons designated by the board including at least two board members. The board shall take into consideration the effect of a proposed enterprise on California industry and shall not approve the establishment of the enterprise if the board determines it would have a comprehensive and substantial adverse impact on California industry which cannot be mitigated.

(j) To periodically determine the prices at which activities, supplies, and services shall be sold.

(k) To report to the Legislature in writing, on or before February 1 of each year, regarding:

(1) The financial activity and condition of each enterprise under its jurisdiction.

(2) The plans of the board regarding any significant changes in existing operations.

(3) The plans of the board regarding the development of new enterprises.

(4) A breakdown, by institution, of the number of prisoners at each institution, working in enterprises under the jurisdiction of the authority, said number to indicate the number of prisoners which are not working full time.

SEC. 23. Section 2809 of the Penal Code is amended to read:

2809. Notwithstanding any other provision of law, commencing July 1, 2005, the authority may recruit and employ civilian staff that may be necessary to carry out the purposes of this article, and shall establish recruiting, testing, hiring, promotion, disciplinary, and dismissal procedures and practices which will meet the unique personnel needs of the authority. The practices may include incentives based on productivity, profit-sharing plans, or other criteria which will encourage civilian employee involvement in the productivity goals of the authority. The procedures and practices shall apply to all employees working in enterprises under the jurisdiction of the authority. The general manager shall be the appointing authority for all personnel of the authority other than the general manager.

SEC. 24. Section 2810 of the Penal Code is amended to read:

2810. Commencing July 1, 2005, the general manager, with the approval of the Department of Finance, may authorize the borrowing of money by the authority for purposes of any of the following:

(a) Operating the business affairs of the authority.

(b) Purchasing new equipment, materials and supplies.

(c) Constructing new facilities, or repairing, remodeling, or demolishing old facilities.

Funds may be borrowed from private sources, upon those terms that the Department of Finance deems appropriate, including but not limited to, the use of equipment under the jurisdiction of the authority, and of the future income of an enterprise under the jurisdiction of the authority, as collateral to secure any loan.

SEC. 25. Section 2810.5 of the Penal Code is amended to read:

2810.5. Notwithstanding any other provision of law, commencing July 1, 2005, the Pooled Money Investment Board, or its successor, may grant loans to the authority when money is appropriated for that purpose by the Legislature, upon application by the Secretary of the Department

of Corrections and Rehabilitation, in order to finance the establishment of a new industrial, agricultural, or service enterprise. All loans shall bear the same interest rate as the pooled money market investment rate and shall have a maximum repayment period of 20 years from the date of approval of the loan.

Prior to making its decision to grant a loan, the Pooled Money Investment Board, or its successor, shall require the authority to demonstrate all of the following:

(a) The proposed industry project cannot be feasibly financed from private sources under Section 2810. The authority shall present proposed loan conditions from at least two private sources.

(b) The proposed industry project cannot feasibly be financed from proceeds from other Prison Industry Authority enterprises.

(c) The proceeds from the proposed project provide for a reasonable payback schedule to the General Fund.

SEC. 26. Section 2811 of the Penal Code is amended to read:

2811. Commencing July 1, 2005, the general manager shall adopt and maintain a compensation schedule for inmate employees. That compensation schedule shall be based on quantity and quality of work performed and shall be required for its performance, but in no event shall that compensation exceed one-half the minimum wage provided in Section 1182 of the Labor Code, except as otherwise provided in this code. This compensation shall be credited to the account of the inmate.

Inmate compensation shall be paid from the Prison Industries Revolving Fund.

SEC. 27. Section 2815 of the Penal Code is amended to read:

2815. Commencing July 1, 2005, the authority may, under rules prescribed by the Secretary of the Department of Corrections and Rehabilitation, dispose of products developed from the operations of industrial enterprises in prisons and institutions under the jurisdiction of the authority by sale to foreign governments, corporations for distribution in foreign countries, and private persons or their agents in markets outside the United States and in countries which permit the importation of prison-made goods. All sales made pursuant to this section shall be reported to the Legislature in the general manager's annual report pursuant to Section 2808.

SEC. 28. Section 2816 of the Penal Code is amended to read:

2816. With the approval of the Department of Finance, there shall be transferred to, or deposited in, the Prison Industries Revolving Fund for purposes authorized by this section, money appropriated from any source including sources other than state appropriations.

Notwithstanding subdivision (b) of Section 2808, the general manager may order any authorized public works project involving construction,

renovation, or repair of prison facilities to be performed by inmate labor when the total expenditure does not exceed the project limit established by Section 10108 of the Public Contract Code. Projects entailing expenditure of greater than the project limit established by Section 10108 of the Public Contract Code shall be reviewed and approved by the Secretary of the Department of Corrections and Rehabilitation.

Money so transferred or deposited shall be available for expenditure by the department for the purposes for which appropriated, contributed or made available, without regard to fiscal years and irrespective of the provisions of Sections 13340 and 16304 of the Government Code. Money transferred or deposited pursuant to this section shall be used only for purposes authorized in this section.

SEC. 29. Section 3041 of the Penal Code is amended to read:

3041. (a) In the case of any inmate sentenced pursuant to any provision of law, other than Chapter 4.5 (commencing with Section 1170) of Title 7 of Part 2, the Board of Parole Hearings shall meet with each inmate during the third year of incarceration for the purposes of reviewing the inmate's file, making recommendations, and documenting activities and conduct pertinent to granting or withholding postconviction credit. One year prior to the inmate's minimum eligible parole release date a panel of two or more commissioners or deputy commissioners shall again meet with the inmate and shall normally set a parole release date as provided in Section 3041.5. No more than one member of the panel shall be a deputy commissioner. In the event of a tie vote, the matter shall be referred for an en banc hearing by the board. The release date shall be set in a manner that will provide uniform terms for offenses of similar gravity and magnitude in respect to their threat to the public, and that will comply with the sentencing rules that the Judicial Council may issue and any sentencing information relevant to the setting of parole release dates. The board shall establish criteria for the setting of parole release dates and in doing so shall consider the number of victims of the crime for which the inmate was sentenced and other factors in mitigation or aggravation of the crime. At least one commissioner of the panel shall have been present at the last preceding meeting, unless it is not feasible to do so or where the last preceding meeting was the initial meeting. Any person on the hearing panel may request review of any decision regarding parole for an en banc hearing by the board. In case of a review, a majority vote in favor of parole by the board members participating in an en banc hearing is required to grant parole to any inmate.

(b) The panel or the board, sitting en banc, shall set a release date unless it determines that the gravity of the current convicted offense or offenses, or the timing and gravity of current or past convicted offense or offenses, is such that consideration of the public safety requires a

more lengthy period of incarceration for this individual, and that a parole date, therefore, cannot be fixed at this meeting. After the effective date of this subdivision, any decision of the parole panel finding an inmate suitable for parole shall become final within 120 days of the date of the hearing. During that period, the board may review the panel's decision. The panel's decision shall become final pursuant to this subdivision unless the board finds that the panel made an error of law, or that the panel's decision was based on an error of fact, or that new information should be presented to the board, any of which when corrected or considered by the board has a substantial likelihood of resulting in a substantially different decision upon a rehearing. In making this determination, the board shall consult with the commissioners who conducted the parole consideration hearing. No decision of the parole panel shall be disapproved and referred for rehearing except by a majority vote of the board, sitting en banc, following a public hearing.

(c) For the purpose of reviewing the suitability for parole of those inmates eligible for parole under prior law at a date earlier than that calculated under Section 1170.2, the board shall appoint panels of at least two persons to meet annually with each inmate until the time the person is released pursuant to proceedings or reaches the expiration of his or her term as calculated under Section 1170.2.

(d) It is the intent of the Legislature that during times when there is no backlog of inmates awaiting parole hearings, life parole consideration hearings or life rescission hearings, hearings will be conducted by a panel of three or more members, the majority of whom shall be commissioners. The board shall report monthly on the number of cases where an inmate has not received a completed initial or subsequent parole consideration hearing within 30 days of the hearing date required by subdivision (a) of Section 3041.5 or paragraph (2) of subdivision (b) of Section 3041.5, unless the inmate has waived the right to those timeframes. That report shall be considered the backlog of cases for purposes of this section, and shall include information on the progress toward eliminating the backlog, and on the number of inmates who have waived their right to the above timeframes. The report shall be made public at a regularly scheduled meeting of the board and a written report shall be made available to the public and transmitted to the Legislature quarterly.

(e) For purposes of this section, an en banc hearing by the board means a hearing conducted by a committee of nine randomly selected commissioners who are specifically appointed to hear adult parole matters, selected by the chairperson. The committee shall be comprised of a majority of commissioners holding office on the date the matter is heard by the committee.

SEC. 30. Section 3041.1 of the Penal Code is amended to read:

3041.1. Up to 90 days prior to a scheduled release date, the Governor may request review of any decision by a parole authority concerning the grant or denial of parole to any inmate in a state prison. The Governor shall state the reason or reasons for the request, and whether the request is based on a public safety concern, a concern that the gravity of current or past convicted offenses may have been given inadequate consideration, or on other factors. When a request has been made, a randomly selected committee comprised of nine commissioners specifically appointed to hear adult parole matters and who are holding office at the time, shall review the parole decision. In case of a review, a vote in favor of parole by a majority of the commissioners on the committee shall be required to grant parole to any inmate. In carrying out any review, the board shall comply with the provisions of this chapter.

SEC. 31. The heading of Chapter 1 (commencing with Section 5000) of Title 7 of Part 3 of the Penal Code is amended to read:

CHAPTER 1. THE DEPARTMENT OF CORRECTIONS AND
REHABILITATION

SEC. 32. Section 5000 of the Penal Code is amended to read:

5000. Commencing July 1, 2005, any reference to the Department of Corrections in this or any other code refers to the Department of Corrections and Rehabilitation, Division of Adult Operations.

Nothing in the act enacted by Senate Bill 737 of the 2005-06 Regular Session shall be construed to alter the primary objective of adult incarceration under the reorganized Department of Corrections and Rehabilitation, which remains public safety as articulated in the legislative findings and declarations set forth in Section 1170.

SEC. 33. Section 5001 of the Penal Code is amended to read:

5001. (a) The Governor may request the State Personnel Board to use extensive recruitment and merit selection techniques and procedures to provide lists of persons qualified for appointment pursuant to Article 14 (commencing with Section 12838) of Chapter 1 of Part 2.5 of Division 3 of the Government Code. The Governor may appoint any person from the lists of qualified persons or may reject all names and appoint other persons who meet the requirements of the positions.

SEC. 34. Section 5003.5 of the Penal Code is amended to read:

5003.5. The Board of Parole Hearings is empowered to advise and recommend to the Secretary of the Department of Corrections and Rehabilitation on general and specific policies and procedures relating to the duties and functions of the secretary. The secretary is empowered to advise and recommend to the board on matters of general and specific

policies and procedures, relating to the duties and functions of the board. The secretary and the board shall meet for purposes of exchange of information and advice.

SEC. 35. The heading of Chapter 2 (commencing with Section 5050) of Title 7 of Part 3 of the Penal Code is amended to read:

CHAPTER 2. THE SECRETARY OF THE DEPARTMENT OF CORRECTIONS
AND REHABILITATION

SEC. 36. Section 5050 of the Penal Code is amended to read:

5050. Commencing July 1, 2005, any reference to the Director of Corrections in this or any other code refers to the Secretary of the Department of Corrections and Rehabilitation. As of that date, the office of the Director of Corrections is abolished.

SEC. 37. Section 5051 of the Penal Code is repealed.

SEC. 38. Section 5051.5 of the Penal Code is repealed.

SEC. 39. Section 5052 of the Penal Code is amended to read:

5052. Any officer or employee of the Department of Corrections and Rehabilitation designated in writing by the secretary, shall have the power of a head of a department pursuant to Article 2 (commencing at Section 11180) of Chapter 2, Part 1, Division 3, Title 2, of the Government Code.

SEC. 40. Section 5053 of the Penal Code is repealed.

SEC. 41. Section 5054 of the Penal Code is amended to read:

5054. Commencing July 1, 2005, the supervision, management and control of the state prisons, and the responsibility for the care, custody, treatment, training, discipline and employment of persons confined therein are vested in the Secretary of the Department of Corrections and Rehabilitation.

SEC. 42. Section 5055 of the Penal Code is amended to read:

5055. Commencing July 1, 2005, all powers and duties previously granted to and imposed upon the Department of Corrections shall be exercised by the Secretary of the Department of Corrections and Rehabilitation, except where those powers and duties are expressly vested by law in the Board of Parole Hearings.

Whenever a power is granted to the secretary or a duty is imposed upon the secretary, the power may be exercised or the duty performed by a subordinate officer to the secretary or by a person authorized pursuant to law by the secretary.

SEC. 43. Section 5057 of the Penal Code is amended to read:

5057. (a) Subject to the powers of the Department of Finance under Section 13300 of the Government Code, the secretary shall establish an accounting and auditing system for all of the agencies and institutions

including the prisons which comprise the department in whatever form that will best facilitate their operation, and may modify the system from time to time.

(b) The accounting and auditing system shall include those accounts and records that are necessary to properly account for all money and property of the inmates.

(c) Except where other disposition is provided by law, all money belonging to the state received by the department, shall be reported to the Controller and deposited in the State Treasury monthly.

SEC. 44. Section 5067 of the Penal Code is repealed.

SEC. 45. The heading of Chapter 3 (commencing with Section 5075) of Title 7 of Part 3 of the Penal Code is amended to read:

CHAPTER 3. THE BOARD OF PAROLE HEARINGS

SEC. 46. Section 5075 of the Penal Code is amended to read:

5075. (a) Commencing July 1, 2005, there is hereby created the Board of Parole Hearings. As of July 1, 2005, any reference to the Board of Prison Terms in this or any other code refers to the Board of Parole Hearings. As of that date, the Board of Prison Terms is abolished.

(b) The Governor shall appoint 17 commissioners, subject to Senate confirmation, pursuant to this section. Of those 17 commissioners, 12 shall be appointed and trained to hear only adult matters, and five shall be appointed and trained to hear only juvenile matters. The terms of the commissioners shall expire as follows: eight on July 1, 2007, and nine on July 1, 2008. Successor commissioners shall hold office for terms of three years, each term to commence on the expiration date of the predecessor. Any appointment to a vacancy that occurs for any reason other than expiration of the term shall be for the remainder of the unexpired term. Commissioners are eligible for reappointment. 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 population of the state.

(c) The chair of the board shall be designated by the Governor periodically. The Governor may appoint an executive officer of the board, subject to Senate confirmation, who shall hold office at the pleasure of the Governor. The executive officer shall be the administrative head of the board and shall exercise all duties and functions necessary to insure that the responsibilities of the board are successfully discharged. The secretary shall be the appointing authority for all civil service positions of employment with the board.

(d) Each commissioner shall participate in hearings on each workday, except when it is necessary for a commissioner to attend training, en banc hearings or full board meetings, or other administrative business requiring the participation of the commissioner. For purposes of this subdivision, these hearings shall include parole consideration hearings, parole rescission hearings, and parole progress hearings.

SEC. 47. Section 5075.1 is added to the Penal Code, to read:

5075.1. The Board of Parole Hearings shall do all of the following:

(a) Conduct parole consideration hearings, parole rescission hearings, and parole progress hearings for adults and juveniles under the jurisdiction of the department.

(b) Conduct mentally disordered offender hearings.

(c) Conduct sexually violent predator hearings.

(d) Review inmates' requests for reconsideration of denial of good-time credit and setting of parole length or conditions, pursuant to Section 5077.

(e) Determine revocation of parole for adult offenders under the jurisdiction of the Division of Adult Parole Operations, pursuant to Section 5077.

(f) Carry out the functions described in Section 1719 of the Welfare and Institutions Code, and make every order granting and revoking parole and issuing final discharges to any person under the jurisdiction of the Department of Corrections and Rehabilitation.

(g) Conduct studies pursuant to Section 3150 of the Welfare and Institutions Code.

(h) Investigate and report on all applications for reprieves, pardons, and commutation of sentence, as provided in Title 6 (commencing with Section 4800) of Part 3.

(i) Exercise other powers and duties as prescribed by law.

(j) Effective January 1, 2007, all commissioners appointed and trained to hear juvenile parole matters, together with their duties prescribed by law as functions of the Board of Parole Hearings concerning wards under the jurisdiction of the Department of Corrections and Rehabilitation, are transferred to the Chief Deputy Secretary for Juvenile Justice. All applicable regulations in effect at the time of transfer shall be deemed to apply to those commissioners until new regulations are adopted.

SEC. 48. Section 5075.6 is added to the Penal Code, to read:

5075.6. (a) (1) Commissioners and deputy commissioners hearing matters pursuant to subdivision (f) of Section 5075.1, or any other matter involving wards under the jurisdiction of the Division of Juvenile Facilities, 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 an

individual's progress toward reformation. Insofar as practicable, commissioners and deputy commissioners selected to hear these matters also shall have a varied and sympathetic interest in youth correction work and shall have experience or education in the fields of corrections, sociology, law, law enforcement, mental health, medicine, drug treatment, or education.

(2) Within 60 days of appointment and annually thereafter, commissioners and deputy commissioners described in subdivision (a) shall undergo a minimum of 40 hours of training in the following areas:

(A) Treatment and training programs provided to wards at Department of Corrections and Rehabilitation institutions, including, but not limited to, educational, vocational, mental health, medical, substance abuse, psychotherapeutic counseling, and sex offender treatment programs.

(B) Current national research on effective interventions with juvenile offenders and how they compare to department program and treatment services.

(C) Parole Services.

(D) Commissioner duties and responsibilities.

(E) Knowledge of laws and regulations applicable to conducting parole hearings, including the rights of victims, witnesses, and wards.

(F) Factors influencing ward lengths of stay and ward recidivism rates and their relationship to one another.

(b) (1) Commissioners and deputy commissioners hearing matters concerning adults under the jurisdiction of the Department of Corrections and Rehabilitation shall have a broad background in criminal justice and an ability for appraisal of adult offenders, the crimes for which those persons are committed, and the evaluation of an individual's progress toward reformation. Insofar as practicable, commissioners and deputy commissioners shall have a varied interest in adult correction work, public safety, and shall have experience or education in the fields of corrections, sociology, law, law enforcement, medicine, mental health, or education.

(2) All commissioners and deputy commissioners who conduct hearings for the purpose of considering the parole suitability of inmates, the setting of a parole release date for inmates, or the revocation of parole for adult parolees, shall, within 60 days of appointment and annually thereafter undergo a minimum of 40 hours of training in the following areas:

(A) Treatment and training programs provided to inmates at Department of Corrections and Rehabilitation institutions, including, but not limited to, educational, vocational, mental health, medical, substance abuse, psychotherapeutic counseling, and sex offender treatment programs.

- (B) Parole services.
- (C) Commissioner duties and responsibilities.
- (D) Knowledge of laws and regulations applicable to conducting parole hearings, including the rights of victims, witnesses, and inmates.

SEC. 49. Section 5076.1 of the Penal Code is amended to read:

5076.1. (a) The board shall meet at each of the state prisons and facilities under the jurisdiction of the Division of Juvenile Facilities. Meetings shall be held at whatever times may be necessary for a full and complete study of the cases of all inmates and wards whose matters are considered. Other times and places of meeting may also be designated by the board. Each commissioner of the board shall receive his actual necessary traveling expenses incurred in the performance of his or her official duties. Where the board performs its functions by meeting en banc in either public or executive sessions to decide matters of general policy, at least nine members shall be present, and no action shall be valid unless it is concurred in by a majority vote of those present.

(b) The board may use deputy commissioners to whom it may assign appropriate duties, including hearing cases and making decisions. Those decisions shall be made in accordance with policies approved by a majority of the total membership of the board.

(c) The board may meet and transact business in panels. Each panel shall consist of two or more persons, subject to subdivision (d) of Section 3041. No action shall be valid unless concurred in by a majority vote of the persons present. In the event of a tie vote, the matter shall be referred to a randomly selected committee, comprised of a majority of the commissioners specifically appointed to hear adult parole matters and who are holding office at the time.

(d) When determining whether commissioners or deputy commissioners shall hear matters pursuant to subdivision (f) of Section 5075.1, or any other matter submitted to the board involving wards under the jurisdiction of the Division of Juvenile Facilities, the chair shall take into account the degree of complexity of the issues presented by the case. Any decision resulting in the extension of a parole consideration date shall entitle a ward to appeal the decision to a panel comprised of two or more commissioners, of which no more than one may be a deputy commissioner. The panel shall consider and act upon the appeal in accordance with rules established by the board.

(e) Consideration of parole release for persons sentenced to life imprisonment pursuant to subdivision (b) of Section 1168 shall be heard by a panel of two or more commissioners or deputy commissioners, of which only one may be a deputy commissioner. A recommendation for recall of a sentence under subdivisions (d) and (e) of Section 1170 shall

be made by a panel, a majority of whose commissioners are commissioners of the Board of Parole Hearings.

SEC. 50. Section 5082 of the Penal Code is repealed.

SEC. 51. The heading of Chapter 4 (commencing with Section 6001) of Title 7 of Part 3 of the Penal Code is amended to read:

CHAPTER 4. DIVISION OF JUVENILE FACILITIES

SEC. 52. Section 6001 of the Penal Code is amended to read:

6001. Commencing July 1, 2005, the establishment, organization, jurisdiction, powers, duties, responsibilities, and functions of the Youth Authority as provided in the Youth Authority Act (Chapter 1 (commencing with Section 1700) of Division 2.5 of the Welfare and Institutions Code), as it existed on June 30, 2005, are continued in the Department of Corrections and Rehabilitation, Division of Juvenile Facilities.

SEC. 53. Section 6003 of the Penal Code is repealed.

SEC. 54. Section 6004 of the Penal Code is repealed.

SEC. 55. The heading of Chapter 5 (commencing with Section 6024) of Title 7 of Part 3 of the Penal Code is amended to read:

CHAPTER 5. THE CORRECTIONS STANDARDS AUTHORITY

SEC. 56. Section 6024 of the Penal Code is amended to read:

6024. Commencing July 1, 2005, there is hereby established with the Department of Corrections and Rehabilitation the Corrections Standards Authority. As of July 1, 2005, any reference to the Board of Corrections refers to the Corrections Standards Authority. As of that date, the Board of Corrections is abolished.

SEC. 57. Section 6025 of the Penal Code is amended to read:

6025. (a) Commencing July 1, 2005, the Corrections Standards Authority shall be composed of 19 members, one of whom shall be the Secretary of the Department of Corrections and Rehabilitation, or his or her designee, who shall be designated as the chairperson, and four of whom shall be subordinate officers of the secretary. At least one subordinate officer shall be a manager or administrator of a state correctional facility for adult offenders, and at least one subordinate officer shall be a manager or administrator of a state correctional facility for juvenile offenders. The remaining 14 members shall be appointed by the Governor after consultation with, and with the advice of, the secretary, and with the advice and consent of the Senate. The gubernatorial appointments shall include all of the following:

(1) A county sheriff in charge of a local detention facility which has a Corrections Standards Authority rated capacity of 200 or less inmates.

(2) A county sheriff in charge of a local detention facility which has a Corrections Standards Authority rated capacity of over 200 inmates.

(3) A county supervisor or county administrative officer.

(4) A chief probation officer from a county with a population over 200,000.

(5) A chief probation officer from a county with a population under 200,000.

(6) A manager or administrator of a county local detention facility.

(7) An administrator of a local community-based correctional program.

(8) Two public members, at least one of whom shall represent the interests of crime victims.

(9) Four rank and file representatives: one juvenile probation officer who is a first-line supervisor or lower rank, with a minimum of five years of experience as a juvenile probation officer; one deputy sheriff who is a sergeant or lower rank, with a minimum of five years of experience in an adult correctional facility; one state parole officer or parole agent; and one person with a minimum of five years experience working in a state adult correctional facility.

(10) A representative of a community-based youth service organization.

(b) The terms of the members appointed by the Governor shall expire as follows: seven on July 1, 2007, and seven on July 1, 2008. Successor members shall hold office for terms of three years, each term to commence on the expiration date of the predecessor. Any appointment to a vacancy that occurs for any reason other than expiration of the term shall be for the remainder of the unexpired term. Members are eligible for reappointment.

(c) The authority shall select a vice chairperson from among its members. Ten members of the board shall constitute a quorum.

(d) When the authority is hearing charges against any member, the individual concerned shall not sit as a member of the board for the period of hearing of charges and the determination of recommendations to the Governor.

(e) If any appointed member is not in attendance for three consecutive meetings the authority may recommend to the Governor that the member be removed and the Governor may make a new appointment, with the advice and consent of the Senate, for the remainder of the term.

SEC. 58. Section 6026 of the Penal Code is amended to read:

6026. The Corrections Standards Authority shall be the means whereby the Department of Corrections and Rehabilitation may correlate its individual programs for adults and youths under its jurisdiction.

SEC. 59. Section 6030 of the Penal Code is amended to read:

6030. (a) The Corrections Standards Authority shall establish minimum standards for state and local correctional facilities. The standards for state correctional facilities shall be established by January 1, 2007. The authority shall review those standards biennially and make any appropriate revisions.

(b) The standards shall include, but not be limited to, the following: health and sanitary conditions, fire and life safety, security, rehabilitation programs, recreation, treatment of persons confined in state and local correctional facilities, and personnel training.

(c) The standards shall require that at least one person on duty at the facility is knowledgeable in the area of fire and life safety procedures.

(d) The standards shall also include requirements relating to the acquisition, storage, labeling, packaging, and dispensing of drugs.

(e) In establishing minimum standards, the authority shall seek the advice of the following:

(1) For health and sanitary conditions:

The State Department of Health Services, physicians, psychiatrists, local public health officials, and other interested persons.

(2) For fire and life safety:

The State Fire Marshal, local fire officials, and other interested persons.

(3) For security, rehabilitation programs, recreation, and treatment of persons confined in correctional facilities:

The Department of Corrections and Rehabilitation, state and local juvenile justice commissions, state and local correctional officials, experts in criminology and penology, and other interested persons.

(4) For personnel training:

The Commission on Peace Officer Standards and Training, psychiatrists, experts in criminology and penology, the Department of Corrections and Rehabilitation, state and local correctional officials, and other interested persons.

SEC. 60. Section 6050 of the Penal Code is amended to read:

6050. (a) The Governor, upon recommendation of the secretary, shall appoint the wardens of the various state prisons. Each warden shall be subject to removal by the secretary. If the secretary removes him or her, the secretary's action shall be final. The wardens shall be exempt from civil service.

(b) The Department of Personnel Administration shall fix the compensation of the wardens of the state prisons.

SEC. 61. Section 6126 of the Penal Code is amended to read:

6126. (a) (1) The Inspector General shall review departmental policy and procedures, conduct audits of investigatory practices and other audits, and conduct investigations of the Department of Corrections and

Rehabilitation, as requested by either the Secretary of the Department of Corrections and Rehabilitation or a Member of the Legislature, pursuant to the approval of the Inspector General under policies to be developed by the Inspector General. The Inspector General may, under policies developed by the Inspector General, initiate an investigation or an audit on his or her own accord.

(2) The Inspector General shall audit each warden of an institution one year after his or her appointment, and shall audit each correctional institution at least once every four years. These audit reports shall be provided to the Legislature and shall be made public. The requirements of this paragraph shall be phased in by the Inspector General so that they are fully met by July 1, 2009.

(b) Upon completion of an investigation or audit, the Inspector General shall provide a response to the requester.

(c) The Inspector General shall, during the course of an investigatory audit, identify areas of full and partial compliance, or noncompliance, with departmental investigatory policies and procedures, specify deficiencies in the completion and documentation of investigatory processes, and recommend corrective actions, including, but not limited to, additional training with respect to investigative policies, additional policies, or changes in policy, as well as any other findings or recommendations that the Inspector General deems appropriate.

(d) The Inspector General, pursuant to Section 6126.6, shall review the Governor's candidates for appointment to serve as warden for the state's adult correctional institutions.

(e) The Inspector General shall, in consultation with the Department of Finance, develop a methodology for producing a workload budget to be used for annually adjusting the budget of the office of the Inspector General, beginning with the budget for the 2005-06 fiscal year.

SEC. 62. Section 6126.3 of the Penal Code is amended to read:

6126.3. (a) The Inspector General shall not destroy any papers or memoranda used to support a completed audit within three years after a report is released.

(b) Except as provided in subdivision (c), all books, papers, records, and correspondence of the office pertaining to its work are public records subject to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code and shall be filed at any of the regularly maintained offices of the Inspector General.

(c) The following books, papers, records, and correspondence of the office of the Inspector General pertaining to its work are not public records subject to Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code, nor shall they be subject

to discovery pursuant to any provision of Title 3 (commencing with Section 1985) of Part 4 of the Code of Civil Procedure in any manner:

(1) All reports, papers, correspondence, memoranda, electronic communications, or other documents that are otherwise exempt from disclosure pursuant to the provisions of subdivision (d) of Section 6126.5, Section 6126.6, subdivision (c) of Section 6128, subdivision (a) or (b) of Section 6131, or all other 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 of 1977, and the provisions of Section 832.7, relating to the disposition notification for complaints against peace officers.

(2) Any papers, correspondence, memoranda, electronic communications, or other documents pertaining to any audit or investigation that has not been completed.

(3) Any papers, correspondence, memoranda, electronic communications, or other documents pertaining to internal discussions between the Inspector General and his or her staff, or between staff members of the Inspector General, or any personal notes of the Inspector General or his or her staff.

(4) All identifying information, and any personal papers or correspondence from any person requesting assistance from the Inspector General, except in those cases where the Inspector General determines that disclosure of the information is necessary in the interests of justice.

SEC. 63. Section 6126.6 is added to the Penal Code, to read:

6126.6. (a) Prior to filling a vacancy for warden by appointment pursuant to Section 6050, the Governor shall first submit to the Inspector General the names of candidates for the position of warden for review of their qualifications.

(b) Upon receipt of the names of those candidates and their completed personal data questionnaires, the Inspector General shall employ appropriate confidential procedures to evaluate and determine the qualifications of each candidate with regard to his or her ability to discharge the duties of the office to which the appointment or nomination is made.

Within 90 days of submission by the Governor of those names, the Inspector General shall advise in confidence to the Governor his or her recommendation whether the candidate is exceptionally well-qualified, well-qualified, qualified, or not qualified and the reasons therefore, and may report, in confidence, any other information that the Inspector General deems pertinent to the qualifications of the candidate.

(c) In reviewing the qualifications of a candidate for the position of warden, the Inspector General shall consider, among other appropriate

factors, his or her experience in effectively managing correctional facilities and inmate populations; ability to deal effectively with employees, detained persons and other interested persons in addressing management, confinement, and safety issues in an effective, fair, and professional manner; and knowledge of correctional best practices.

(d) The Inspector General shall establish and adopt rules and procedures regarding the review of the qualifications of candidates for the position of warden. Those rules and procedures shall establish appropriate, confidential methods for disclosing to the candidate the subject matter of substantial and credible adverse allegations received regarding the candidate's reputation and integrity which, unless rebutted, would be determinative of the candidate's unsuitability for appointment. No rule or procedure shall be adopted that permits the disclosure to the candidate of information from which the candidate may infer the source, and no information shall either be disclosed to the candidate nor be obtainable by any process which would jeopardize the confidentiality of communications from persons whose opinion has been sought on the candidate's qualifications.

(e) All communications, written, verbal or otherwise, of and to the Governor, the Governor's authorized agents or employees, including, but not limited to, the Governor's Legal Affairs Secretary and Appointments Secretary, or of and to the Inspector General in furtherance of the purposes of this section are absolutely privileged from disclosure and confidential, and any communication made in the discretion of the Governor or the Inspector General with a candidate or person providing information in furtherance of the purposes of this section shall not constitute a waiver of the privilege or a breach of confidentiality.

(f) When the Governor has appointed a person to the position of warden who has been found not qualified by the Inspector General, the Inspector General shall make public that finding, after due notice to the appointee of his or her intention to do so. That notice and disclosure shall not constitute a waiver of privilege or breach of confidentiality with respect to communications of or to the Inspector General concerning the qualifications of the appointee.

(g) No person or entity shall be liable for any injury caused by any act or failure to act, be it negligent, intentional, discretionary, or otherwise, in the furtherance of the purposes of this section, including, but not limited to, providing or receiving any information, making any recommendations, and giving any reasons therefore.

(h) As used in this section, the term "Inspector General" includes employees and agents of the Office of the Inspector General.

(i) At any time prior to the receipt of the review from the Inspector General specified in subdivision (b), the Governor may withdraw the

name of any person submitted to the Inspector General for evaluation pursuant to this section.

(j) No candidate for the position of warden may be appointed until the Inspector General has advised the Governor pursuant to this section, or until 90 days have elapsed after submission of the candidate's name to the Inspector General, whichever occurs earlier. The requirement of this subdivision shall not apply to any vacancy in the position of warden occurring within the 90 days preceding the expiration of the Governor's term of office, provided, however, that with respect to those vacancies, the Governor shall be required to submit any candidate's name to the Inspector General in order to provide him or her an opportunity, if time permits, to review and make a report.

(k) Nothing in this section shall be construed as imposing an additional requirement for an appointment or nomination to the position of warden, nor shall anything in this section be construed as adding any additional qualifications for the position of warden.

(l) Wardens who have been appointed but not yet confirmed as of July 1, 2005, need not be reappointed to the position after that date, but are subject to the review process provided in this section.

SEC. 64. Section 7518 of the Penal Code is amended to read:

7518. (a) The Department of Corrections and Rehabilitation and local health officers shall adopt guidelines for the making of decisions pursuant to this chapter in consultation with the Office of AIDS in the State Department of Health Services. The guidelines shall be based on the latest written guidelines of HIV transmission and infection established by the federal Centers for Disease Control and Prevention.

(b) Oversight responsibility for implementation of the applicable provisions of this title, including the oversight of reports involving parole officers and the staff of state adult and youth correctional facilities shall be vested with the Chief of Medical Services in the Department of Corrections and Rehabilitation.

Oversight responsibility at the county, the city, or the county and city level shall rest with the local health officer.

SEC. 65. The heading of Title 4.5 (commencing with Section 13600) of Part 4 of the Penal Code is amended to read:

TITLE 4.5. CORRECTIONS STANDARDS AUTHORITY

SEC. 66. Section 13600 of the Penal Code is amended to read:

13600. (a) Commencing July 1, 2005, any reference to the Commission on Correctional Peace Officer Standards and Training or "CPOST" shall refer to the Corrections Standards Authority established pursuant to Chapter 5 (commencing with Section 6024) of Title 7 of Part

3. As of that date, the Commission on Correctional Peace Officer Standards and Training is abolished.

(b) The Legislature finds and declares that peace officers of the state correctional system, including youth and adult correctional facilities, fulfill responsibilities that require creation and application of sound selection criteria for applicants and standards for their training prior to assuming their duties. For the purposes of this section, correctional peace officers are peace officers as defined in Section 830.5 and employed or designated by the Department of Corrections and Rehabilitation.

The Legislature further finds that sound applicant selection and training are essential to public safety and in carrying out the missions of the Department of Corrections and Rehabilitation in the custody and care of the state's offender population. The greater degree of professionalism which will result from sound screening criteria and a significant training curriculum will greatly aid the department in maintaining smooth, efficient, and safe operations and effective programs in the department.

(c) The Secretary of the Department of Corrections and Rehabilitation shall, with advice from the Corrections Standards Authority, appoint a subordinate officer to serve as executive director of the board. The subordinate officer shall serve at the pleasure of the secretary. The subordinate officer shall appoint staff as provided for in the annual Budget Act, beginning in the 2005-06 fiscal year.

SEC. 67. Section 13601 of the Penal Code is amended to read:

13601. (a) The Corrections Standards Authority shall develop, approve, and monitor standards for the selection and training of state correctional peace officer apprentices. Any standard for selection established under this subdivision shall be subject to approval by the State Personnel Board. Using the psychological and screening standards established by the State Personnel Board, the State Personnel Board or the Department of Corrections and Rehabilitation, Division of Juvenile Facilities shall ensure that, prior to training, each applicant who has otherwise qualified in all physical and other testing requirements to be a peace officer in either a youth or adult correctional facility, is determined to be free from emotional or mental conditions that might adversely affect the exercise of his or her duties and powers as a peace officer.

(b) The authority may approve standards for a course in the carrying and use of firearms for correctional peace officers that is different from that prescribed pursuant to Section 832. The standards shall take into consideration the different circumstances presented within the institutional setting from that presented to other law enforcement agencies outside the correctional setting.

(c) Notwithstanding Section 3078 of the Labor Code, the length of the probationary period for correctional peace officer apprentices shall be determined by the authority subject to approval by the State Personnel Board, pursuant to Section 19170 of the Government Code.

(d) The authority shall develop, approve, and monitor standards for advanced rank-and-file and supervisory state correctional peace officer and training programs for the Department of Corrections and Rehabilitation. When a correctional peace officer is promoted within the department, he or she shall be provided with and be required to complete these secondary training experiences.

(e) The authority shall develop, approve, and monitor standards for the training of state correctional peace officers in the department in the handling of stress associated with their duties.

(f) Toward the accomplishment of the objectives of this act, the authority may confer with, and may avail itself of the assistance and recommendations of, other state and local agencies, boards, or commissions.

(g) Notwithstanding the authority of the authority, the department shall design and deliver training programs, shall conduct validation studies, and shall provide program support. The authority shall monitor program compliance by the department.

(h) The authority may disapprove any training courses created by the department pursuant to the standards developed by the authority if it determines that the courses do not meet the prescribed standards.

(i) The authority shall annually submit an estimate of costs to conduct those inquiries and audits as may be necessary to determine whether the department and each of its institutions and parole regions are adhering to the standards developed by the authority, and shall conduct those inquiries and audits consistent with the annual Budget Act.

(j) The authority shall establish and implement procedures for reviewing and issuing decisions concerning complaints or recommendations from interested parties regarding authority rules, regulations, standards, or decisions.

SEC. 68. Section 13602 of the Penal Code is amended to read:

13602. (a) The Department of Corrections and Rehabilitation may use the training academy at Galt or the training center in Stockton. The academy at Galt shall be known as the Richard A. McGee Academy. The training divisions, in using the funds, shall endeavor to minimize costs of administration so that a maximum amount of the funds will be used for providing training and support to correctional peace officers while being trained by the department.

(b) Each new cadet who attends an academy shall complete the course of training, pursuant to standards approved by the Corrections Standards

Authority before he or she may be assigned to a post or job as a peace officer. Every newly appointed first-line or second-line supervisor in the Department of Corrections and Rehabilitation shall complete the course of training, pursuant to standards approved by the authority for that position.

(c) The Department of Corrections and Rehabilitation shall make every effort to provide training prior to commencement of supervisory duties. If this training is not completed within six months of appointment to that position, any first-line or second-line supervisor shall not perform supervisory duties until the training is completed.

SEC. 69. Section 13603 of the Penal Code is amended to read:

13603. (a) The Department of Corrections and Rehabilitation shall provide 16 weeks of training to each correctional peace officer cadet. Except as provided by subdivision (b), this training shall be completed by the cadet prior to his or her assignment to a post or position as a correctional peace officer.

(b) If an agreement is reached between the department and the bargaining unit for the correctional peace officers that this subdivision shall apply, and with the approval of the Corrections Standards Authority on how to implement the on-the-job training requirements of the subdivision, the department shall provide a total of 16 weeks of training to each correctional peace officer cadet as follows:

(1) Twelve weeks of the training shall be at the department's training academy. Cadets shall be sworn in as correctional peace officers upon the completion of this initial 12 weeks.

(2) Four weeks shall be at the institution where the cadet is assigned to a post or position.

(c) The department shall provide a minimum of two weeks of training to each newly appointed first-line supervisor.

(d) Training standards previously established pursuant to this section shall remain in effect until training requirements are established by the Corrections Standards Authority pursuant to Section 13602.

SEC. 70. Section 13810 of the Penal Code is amended to read:

13810. There is hereby created in the state government the California Council on Criminal Justice, which shall be composed of the following members: the Attorney General; the Administrative Director of the Courts; 19 members appointed by the Governor, including the Commissioner of the Department of the Highway Patrol, the Secretary of the Department of Corrections and Rehabilitation, or his or her designee, a subordinate officer of the Secretary of Corrections and Rehabilitation, and the State Public Defender; eight members appointed by the Senate Rules Committee; and eight members appointed by the Speaker of the Assembly.

The remaining appointees of the Governor shall include different persons from each of the following categories: a district attorney, a sheriff, a county public defender, a county probation officer, a member of a city council, a member of a county board of supervisors, a faculty member of a college or university qualified in the field of criminology, police science, or law, a person qualified in the field of criminal justice research and six private citizens, including a representative of a citizens, professional, or community organization. The Senate Committee on Rules shall include among its appointments different persons from each of the following categories: a member of the Senate Public Safety Committee, a representative of the counties, a representative of the cities, a judge designated by the Judicial Council, and four private citizens, including a representative of a citizens, professional, or community organization. The Speaker of the Assembly shall include among his appointments different persons from each of the following categories: a representative of the counties, a representative of the cities, a member of the Assembly Committee on Public Safety, a chief of police, a peace officer, and three private citizens, including a representative of a citizens, professional, or community organization directly related to delinquency prevention.

The Governor shall select a chairman from among the members of the council.

SEC. 71. Section 14204 of the Penal Code is amended to read:

14204. The Attorney General shall provide training on the services provided by the center to line personnel, supervisors, and investigators in the following fields: law enforcement, district attorneys' offices, the Department of Corrections and Rehabilitation, probation departments, court mediation services, and the judiciary. The Corrections Standards Authority shall provide for the presentation of training to peace officers which will enable them to more efficiently handle, on the local level, the tracing of missing persons and victims of violent crimes.

SEC. 72. Section 1000 of the Welfare and Institutions Code is amended to read:

1000. Commencing July 1, 2005, any reference to the Department of the Youth Authority refers to the Department of Corrections and Rehabilitation, Division of Juvenile Facilities, which has jurisdiction over all educational training and treatment institutions now or hereafter established and maintained in the state as correctional schools for the reception of wards of the juvenile court and other persons committed to the department.

SEC. 73. Section 1703 of the Welfare and Institutions Code is amended to read:

1703. Commencing July 1, 2005, as used in this chapter the following terms have the following meanings:

(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 "division" means the Department of Corrections and Rehabilitation, Division of Juvenile Facilities.

(d) "Board" or "board" means the Board of Parole Hearings, until January 1, 2007, at which time "board" shall refer to the body created to hear juvenile parole matters under the jurisdiction of the Chief Deputy Secretary for Juvenile Justice in the Department of Corrections and Rehabilitation.

(e) The masculine pronoun includes the feminine.

SEC. 74. Section 1710 of the Welfare and Institutions Code is amended to read:

1710. (a) Commencing July 1, 2005, any reference to the Department of the Youth Authority in this or any other code refers to the Department of Corrections and Rehabilitation, Division of Juvenile Facilities.

(b) The Legislature finds and declares the following:

(1) The purpose of the Division of Juvenile Facilities within the Department of Corrections and Rehabilitation is to protect society from the consequences of criminal activity by providing for the secure custody of wards, and to effectively and efficiently operate and manage facilities housing youthful offenders under the jurisdiction of the department, consistent with the purposes set forth in Section 1700.

(2) The purpose of the Division of Juvenile Programs within the Department of Corrections and Rehabilitation is to provide comprehensive training, treatment, and rehabilitative services to youthful offenders under the jurisdiction of the department, that are designed to promote community restoration, accountability to victims and to produce youth who become law-abiding and productive members of society, consistent with the purposes set forth in Section 202.

(3) The purpose of the Division of Juvenile Parole Operations within the Department of Corrections and Rehabilitation is to monitor and supervise the reentry into society of youthful offenders under the jurisdiction of the department, and to promote the successful reintegration of youthful offenders into society, in order to reduce the rate of recidivism, thereby increasing public safety.

SEC. 75. Section 1711 of the Welfare and Institutions Code is amended to read:

1711. Commencing July 1, 2005, any reference to the Director of the Youth Authority shall be to the Chief Deputy Secretary for Juvenile Justice in the Department of Corrections and Rehabilitation, unless otherwise expressly provided.

SEC. 76. 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 Juvenile Justice branch of the Department of Corrections and Rehabilitation, or to the Board of Parole Hearings, shall be exercised and performed by the Secretary of the Department of Corrections and Rehabilitation. The secretary shall be the appointing authority for all civil service positions of employment in the department. The secretary may delegate the powers and duties vested in him or her by law, in accordance with Section 7.

(b) Commencing July 1, 2005, the secretary is authorized to make and enforce all rules appropriate to the proper accomplishment of the functions of the Division of Juvenile Facilities, Division of Juvenile Programs, and Division of Juvenile Parole Operations. 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 secretary 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:

(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. 77. Section 1713 of the Welfare and Institutions Code is amended to read:

1713. (a) The Chief Deputy Secretary for Juvenile Justice in the Department of Corrections and Rehabilitation shall have wide and

successful administrative experience in youth or adult correctional programs embodying rehabilitative or delinquency prevention concepts.

(b) The Governor may request the State Personnel Board to use extensive recruitment and merit selection techniques and procedures to provide a list of persons qualified for appointment as that subordinate officer. The Governor may appoint any person from such list of qualified persons or may reject all names and appoint another person who meets the requirements of this section.

SEC. 78. Section 1714 of the Welfare and Institutions Code is amended to read:

1714. The Secretary of the Department of Corrections and Rehabilitation may transfer persons confined in one institution or facility of the Division of Juvenile Facilities to another.

SEC. 79. Section 1716 of the Welfare and Institutions Code is amended to read:

1716. Commencing July 1, 2005, any reference to the Youth Authority Board refers to the Board of Parole Hearings. As of that date, the Youth Authority Board is abolished.

SEC. 80. Section 1717 of the Welfare and Institutions Code is repealed.

SEC. 81. Section 1718 of the Welfare and Institutions Code is repealed.

SEC. 82. Section 1719 of the Welfare and Institutions Code is amended to read:

1719. (a) Commencing July 1, 2005, the following powers and duties shall be exercised and performed by the Board of Parole Hearings: 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 commissioners.

(c) The following powers and duties shall be exercised and performed by the Division of Juvenile Facilities: 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 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 facilities under the jurisdiction of the Division of Juvenile Facilities, 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. 83. 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 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 Division of Juvenile Facilities 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 division 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 division 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 division 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 division shall provide copies of the reviews prepared pursuant to this section to the court and the probation department of the committing county.

SEC. 84. Section 1721 of the Welfare and Institutions Code is repealed.

SEC. 85. Section 1722 of the Welfare and Institutions Code is repealed.

SEC. 86. Section 1723 of the Welfare and Institutions Code is amended to read:

1723. (a) Every order granting or revoking parole or issuing final discharges to any person under the jurisdiction of the division shall be made by the board or its designee, as authorized by this article.

(b) All other powers conferred to the board concerning wards under the jurisdiction of the division may be exercised through subordinates or delegated to the division under rules established by the board. Any person subjected to an order of those subordinates or of the division 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 Section 5075.6 of the Penal Code.

SEC. 87. Section 1725 of the Welfare and Institutions Code is amended to read:

1725. (a) Commencing July 1, 2005, the Board of Parole Hearings shall succeed, and shall exercise and perform all powers and duties previously granted to, exercised by, and imposed upon the Youthful Offender Parole Board and Youth Authority Board, as authorized by this article. The Youthful Offender Parole Board and Youth Authority Board are abolished.

(b) Commencing January 1, 2007, all commissioners appointed and trained to hear juvenile parole matters, together with their duties prescribed by law as functions of the Board of Parole Hearings concerning wards under the jurisdiction of the Department of Corrections and Rehabilitation, are transferred to the Chief Deputy Secretary for Juvenile Justice.

SEC. 88. Section 1766 of the Welfare and Institutions Code is amended to read:

1766. (a) When a person has been committed to the Department of Corrections and Rehabilitation, Division of Juvenile Facilities, the Board of Parole Hearings 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 do any of the following:

(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 division 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 division.

(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 division 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 panel of board commissioners for any action that would result in the extension of a parole consideration date pursuant to subdivision (d) of Section 5076.1 of the Penal Code.

(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 division and the 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. 89. Section 1798 of the Welfare and Institutions Code is amended to read:

1798. As of July 1, 2005, the State Commission on Juvenile Justice, Crime and Delinquency Prevention is abolished.

SEC. 90. Section 1798.5 of the Welfare and Institutions Code is repealed.

SEC. 91. Section 1798.5 is added to the Welfare and Institutions Code, to read:

1798.5. (a) Commencing July 1, 2005, there is hereby established within the Department of Corrections and Rehabilitation the State Commission on Juvenile Justice. The commission shall advise the Secretary of the Department of Corrections and Rehabilitation and the Chief Deputy Secretary of Juvenile Justice of the department. The purpose of the commission is to provide comprehensive oversight, planning and coordination of efforts leading to the improvement of juvenile justice among state and local agencies.

(b) The commission shall be composed of 11 members, one of whom shall be the Chief Deputy Secretary of Juvenile Justice for the department, or his or her designee, who shall be designated as the chairperson. One member shall be appointed by the Senate Rules Committee. One member shall be appointed by the Speaker of the Assembly. One member shall be a judge of the juvenile court designated by the chairperson of the Judicial Council. The remaining seven members shall be appointed by the Governor after consultation with, and with the advice of, the secretary

of the department, and with the advice and consent of the Senate. The gubernatorial appointments shall include all of the following:

- (1) A chief probation officer.
- (2) A county sheriff.
- (3) A manager or administrator of a county local detention facility for juveniles.
- (4) A rank and file representative from local juvenile corrections.
- (5) A representative from a community-based organization serving at-risk youth.
- (6) Two members of the public, at least one of whom shall represent the interests of crime victims.

(c) The terms of the members appointed by the Governor shall expire as follows: three on July 1, 2007, and four on July 1, 2008. The terms of the members appointed by the Senate Rules Committee and the Speaker of the Assembly shall expire on July 1, 2008. The term of the member appointed by the Chairperson of the Judicial Council shall expire on July 1, 2007. Successor members shall hold office for terms of three years, each term to commence on the expiration date of the predecessor. Any appointment to a vacancy that occurs for any reason other than expiration of the term shall be for the remainder of the unexpired term. Members are eligible for reappointment.

(d) The commission shall select a vice chairperson from among its members. Six members of the board shall constitute a quorum.

(e) If any member appointed by the Governor is not in attendance for three consecutive meetings the commission may recommend to the Governor that the member be removed and the Governor may make a new appointment, with the advice and consent of the Senate, for the remainder of the term.

SEC. 92. Section 3150 of the Welfare and Institutions Code is amended to read:

3150. Commencing July 1, 2005, any reference to the Narcotic Addict Evaluation Authority refers to the Board of Parole Hearings, any reference to the chairperson of the authority is to the chair of the board, and any reference to a member of the authority is to a commissioner of the board.

(b) The board shall conduct a full and complete study of the cases of all patients who are certified by the Secretary of the Department of Corrections and Rehabilitation to the board as having recovered from addiction or imminent danger of addiction to such an extent that release in an outpatient status is warranted.

(c) Members of other similar boards may be assigned to hear cases and make recommendations to the board on these matters. Those

recommendations shall be made in accordance with policies established by a majority of the total membership of the board.

SEC. 93. Section 3151 of the Welfare and Institutions Code is amended to read:

3151. Commencing July 1, 2005, after an initial period of observation and treatment, and subject to the rules and policies established by the secretary, whenever a person committed under Article 2 or Article 3 of this chapter has recovered from his addiction or imminent danger of addiction to such an extent that, in the opinion of the secretary, release in an outpatient status is warranted, the secretary shall certify that fact to the board. If the secretary has not so certified within the preceding 12 months, in the anniversary month of the commitment of any person committed under this chapter his case shall automatically be referred to the board for consideration of the advisability of release in outpatient status. Upon certification by the secretary or upon automatic certification, the board may release the person in an outpatient status subject to all rules and regulations adopted by the board, and subject to all conditions imposed by the board, whether of general applicability or restricted to the particular person released in outpatient status, and subject to being retaken and returned to inpatient status as prescribed in those rules, regulations, or conditions. The supervision of those persons while in an outpatient status shall be administered by the department. Those persons are not subject to the provisions of Section 2600 of the Penal Code.

A single commissioner of the board may, by written or oral order, suspend the release in outpatient status of a person and cause him or her to be retaken, until the next meeting of the board. The written order of any commissioner shall be a sufficient warrant for any peace officer to return persons to physical custody.

It is the duty of all peace officers to execute any order under this section in the same manner as ordinary criminal process.

SEC. 94. Section 3157 of the Welfare and Institutions Code is repealed.

SEC. 95. Section 3158 of the Welfare and Institutions Code is amended to read:

3158. 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 release hearing or other adjudication concerning rights of a person committed to the custody of the secretary by the board.

SEC. 96. Section 3300 of the Welfare and Institutions Code is amended to read:

3300. There is hereby established an institution and branches, under the jurisdiction of the Department of Corrections and Rehabilitation, to

be known as the California Rehabilitation Center. Branches may be established in existing institutions of the Department of Corrections and Rehabilitation, Division of Adult Operations, in halfway houses as described in Section 3153, in such other facilities as may be made available on the grounds of other state institutions, and in city and county correctional facilities where treatment facilities are available. Branches shall not be established on the grounds of such other institutions in any manner which will result in the placement of patients of such institutions into inferior facilities. Branches placed in a facility of the State Department of Mental Health shall have prior approval of the Director of Mental Health, and branches placed in a facility of the State Department of Developmental Services shall have the prior approval of the Director of Developmental Services. Commencing July 1, 2005, the branches in the Department of Corrections and Rehabilitation, Division of Juvenile Facilities shall be established by order of the secretary, and shall be subject to his or her administrative direction. Branches placed in city or county facilities shall have prior approval of the legislative body of the city or county.

Persons confined pursuant to this section in branches established in city and county correctional facilities shall be housed separately from the prisoners therein, and shall be entitled to receive treatment substantially equal to that which would be afforded those persons if confined in the main institution of the California Rehabilitation Center.

SEC. 97. Section 3309 of the Welfare and Institutions Code is amended to read:

3309. Commencing July 1, 2005, the Secretary of the Department of Corrections and Rehabilitation shall make rules and regulations for the government of the community correctional centers in the management of their affairs.

SEC. 98. Section 48 of Governor's Reorganization Plan No. 1, as submitted to the Legislature on February 22, 2005, is not operative.

SEC. 99. This act shall become operative only if the Governor's Reorganization Plan No. 1 becomes effective. This measure shall become operative as of July 1, 2005. However, in order to facilitate a smooth transition to the operations of the newly reorganized department, the Secretary of the Department of Corrections and Rehabilitation shall retain and exercise authority over all operations of all divisions of the department until January 1, 2006.

SEC. 100. It is the intent of the Legislature that the changes made in this act supplement and refine the changes proposed by Governor's Reorganization Plan No. 1, as submitted to the Legislature on February 22, 2005, and to the extent that any conflicts exist between this act and that measure, the changes made in this act shall prevail.

SEC. 101. (a) It is the intent of the Legislature that nothing in this act shall compromise public safety or cause public safety to become subordinate to economic or other interests.

(b) It is the intent of the Legislature that any expansion of rehabilitation programs by this act shall not change the public safety objective, nor shall the creation of new education, rehabilitation, or parole programs or alternatives pursuant to this act be construed to create new entitlements.

(c) It is the intent of the Legislature that this act is not designed to create new programs that are alternatives to incarceration. Any additional programs should be evidence-based, result-oriented and subject to periodic review.

SEC. 102. The program budget structures for the Department of Corrections and Rehabilitation shall not go into effect until a process for making a transition to a new program budget structure is approved by the Legislature in the Budget Act of 2005 or in any budget implementing legislation necessary to enact statutory changes relating to the Budget Act of 2005, and the program budget structures are approved by the Legislature consistent with the approved process or legislation for transition.

SEC. 103. 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 Governor's Reorganization Plan No. 1 will be effectively and efficiently implemented, it is necessary that this act take effect immediately.

CHAPTER 11

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

[Approved by Governor May 13, 2005. Filed with
Secretary of State May 16, 2005.]

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

SECTION 1. The sum of forty-five million dollars (\$45,000,000) is hereby appropriated from the General Fund to the Attorney General to pay for the judgment in the case of Kevin McMahan et al. v. State of

California, et al., Sacramento County Superior Court, Case No. 02AS 06058. Any funds appropriated in excess of the amounts required for the payment of this judgment claim shall revert to the General Fund on June 30, 2006.

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 judgments and settlement claims against the state and end hardship to claimants as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 12

An act to amend Sections 6047.13, 6047.29, and 6047.68 of, and to amend and renumber Section 6047.35 of, the Food and Agricultural Code, relating to agriculture, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 9, 2005. Filed with Secretary
of State June 9, 2005.]

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

SECTION 1. Section 6047.13 of the Food and Agricultural Code is amended to read:

6047.13. (a) All proprietary information obtained by the board or the department from producers, processors, or any other source, including, but not limited to, the name, addresses, and assessments collected from individual producers and processors in the possession of the board or the department, including processors' lists of their producers and the assessment of individual producers, is confidential and shall not be disclosed, except when required by a court order issued upon a showing of good cause and that the information is necessary to a judicial proceeding involving this article.

(b) Disclosure, as permitted under this section, shall be conducted in camera by the court.

(c) The court shall, in the court's discretion, issue orders restraining a party or parties to a judicial proceeding involving this article from disseminating any proprietary information to the public or any other person not a party to that judicial proceeding.

SEC. 2. Section 6047.29 of the Food and Agricultural Code is amended to read:

6047.29. (a) The secretary shall appoint an advisory task force consisting of scientific experts, including, but not limited to, university researchers and agricultural representatives, for the purpose of advising the secretary on the control and management of Pierce's disease.

(b) Members of the advisory task force, or alternate members when acting as members, may be reimbursed, upon request, for necessary expenses incurred by them in the performance of their duties.

(c) Notwithstanding Sections 6047.20 and 6047.27, this section shall remain in effect until March 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before March 1, 2011, deletes or extends that date.

SEC. 3. Section 6047.35 of the Food and Agricultural Code is amended and renumbered to read:

6047.3.5. Notwithstanding any other provision of law, the secretary, upon the recommendation of the board, may contract with any nonprofit authoritative scientific body with expertise in agricultural issues in order to expedite research relating to the eradication of Pierce's disease.

SEC. 4. Section 6047.68 of the Food and Agricultural Code is amended to read:

6047.68. (a) The petition shall be accompanied by a fee in an amount established by the board of supervisors as is necessary to reimburse the county for all costs incurred by it in connection with the proposed organization of the district. The board of supervisors may charge the district for actual expenses incurred by the county in connection with the proceedings for the formation of the district.

(b) Upon the establishment of the district, the district shall reimburse those who provided the funds specified in subdivision (a) from assessments collected pursuant to this article.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

Clarification of provisions relating to the Pierce's Disease Control Program is necessary before the winegrape grower referendum, scheduled for this year, takes place.

CHAPTER 13

An act to amend Section 14087.54 of the Welfare and Institutions Code, relating to Medi-Cal, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 9, 2005. Filed with Secretary of State June 9, 2005.]

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

SECTION 1. Section 14087.54 of the Welfare and Institutions Code is amended to read:

14087.54. (a) Any county or counties may establish a special commission in order to meet the problems of the delivery of publicly assisted medical care in the county or counties and to demonstrate ways of promoting quality care and cost efficiency.

(b) (1) A county board of supervisors may, by ordinance, establish a commission to negotiate the exclusive contract specified in Section 14087.5 and to arrange for the provision of health care services provided pursuant to this chapter. The boards of supervisors of more than one county may also establish a single commission with the authority to negotiate an exclusive contract and to arrange for the provision of services in those counties. If a board of supervisors elects to enact this ordinance, all rights, powers, duties, privileges, and immunities vested in a county by this article shall be vested in the county commission. Any reference in this article to "county" shall mean a commission established pursuant to this section.

(2) In addition to the authority specified in paragraph (1), the board of supervisors may, by ordinance, authorize the commission established pursuant to this section to provide health care delivery systems for any or all of the following persons:

(A) Persons who are eligible to receive medical benefits under both Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395 et seq.) and Title 19 of the federal Social Security Act (42 U.S.C. Sec. 1396 et seq.).

(B) Persons who are eligible to receive medical benefits under Title 18 of the federal Social Security Act (42 U.S.C. Sec. 1395).

(3) For purposes of providing services to persons described in paragraph (2), if the commission seeks a contract with the federal Centers for Medicare and Medicaid Services to provide Medicare services as a Medicare Advantage program, the commission shall first obtain a license under the Knox-Keene Health Care Service Plan Act (Chapter 2.2

(commencing with Section 1340) of Division 2 of the Health and Safety Code).

(4) With respect to the provision of services for persons described in paragraph (2), the commission shall conform to applicable state licensing and freedom of choice requirements as directed by the federal Centers for Medicare and Medicaid Services.

(5) Any material, provided to a person described in paragraph (2) who is dually eligible to receive medical benefits under both the Medi-Cal program and the Medicare program, regarding the enrollment or availability of enrollment in Medicare services established by the commission shall include notice of all of the following information in the following format:

(A) Medi-Cal eligibility will not be lost or otherwise affected if the person does not enroll in the plan for Medicare benefits.

(B) The person is not required to enroll in the Medicare plan to be eligible for Medicare benefits.

(C) The person may have other choices for Medicare coverage and for further assistance may contact the federal Centers for Medicare and Medicaid Services (CMS) at 1-800-MEDICARE or <www.Medicare.gov>.

(D) The notice shall be in plain language, prominently displayed, and translated into any language other than English that the commission is required to use in communicating with Medi-Cal beneficiaries.

(c) It is the intent of the Legislature that if a county forms a commission pursuant to this section, the county shall, with respect to its medical facilities and programs occupy no greater or lesser status than any other health care provider in negotiating with the commission for contracts to provide health care services.

(d) The enabling ordinance shall specify the membership of the county commission, the qualifications for individual members, the manner of appointment, selection, or removal of commissioners, and how long they shall serve, and any other matters as a board of supervisors deems necessary or convenient for the conduct of the county commission's activities. A commission so established shall be considered an entity separate from the county or counties, shall be considered a public entity for purposes of Division 3.6 (commencing with Section 810) of Title 1 of the Government Code, and shall file the statement required by Section 53051 of the Government Code. The commission shall have in addition to the rights, powers, duties, privileges, and immunities previously conferred, the power to acquire, possess, and dispose of real or personal property, as may be necessary for the performance of its functions, to employ personnel and contract for services required to meet its obligations, to sue or be sued, and to enter into agreements under Chapter

5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code. Any obligations of a commission, statutory, contractual, or otherwise, shall be the obligations solely of the commission and shall not be the obligations of the county or of the state.

(e) Upon creation, a commission may borrow from the county or counties, and the county or counties may lend the commission funds, or issue revenue anticipation notes to obtain those funds necessary to commence operations.

(f) In the event a commission may no longer function for the purposes for which it was established, at such time as the commission's then existing obligations have been satisfied or the commission's assets have been exhausted, the board or boards of supervisors may by ordinance terminate the commission.

(g) Prior to the termination of a commission, the board or boards of supervisors shall notify the State Department of Health Services of its intent to terminate the commission. The department shall conduct an audit of the commission's records within 30 days of the notification to determine the liabilities and assets of the commission. The department shall report its findings to the board or boards within 10 days of completion of the audit. The board or boards shall prepare a plan to liquidate or otherwise dispose of the assets of the commission and to pay the liabilities of the commission to the extent of the commission's assets, and present the plan to the department within 30 days upon receipt of these findings.

(h) Upon termination of a commission by the board or boards, the county or counties shall manage any remaining assets of the commission until superseded by a department-approved plan. Any liabilities of the commission shall not become obligations of the county or counties upon either the termination of the commission or the liquidation or disposition of the commission's remaining assets.

(i) Any assets of a commission shall be disposed of pursuant to provisions contained in the contract entered into between the state and the commission pursuant to this article.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to enable important changes to be made in health care delivery systems in certain geographical areas, it is necessary that this act go into immediate effect.

CHAPTER 14

An act to amend Section 30122 of the Revenue and Taxation Code, relating to fiscal affairs, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 16, 2005. Filed with
Secretary of State June 17, 2005.]

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

SECTION 1. The Legislature finds and declares all of the following:

(a) Proposition 99, adopted by the voters in 1988, imposed a twenty-five cents (\$0.25) per pack surtax on tobacco products. Revenues from this surtax may be appropriated, among other things, for medical and hospital care and treatment of patients who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole or in part by the federal government.

(b) Amendments to Proposition 99 must be consistent with its purposes.

(c) A primary purpose of Proposition 99 is to expand resources to meet the increasing demand for medical services for the most needy Californians. As stated in the ballot argument, voting yes on Proposition 99 meant a vote "... for medical care for people who cannot afford health care ..." and would provide "... additional resources to care for those in need."

(d) The adoption of Proposition 99 created the Cigarette and Tobacco Products Surtax Fund, consisting of six separate accounts, including the Hospital Services Account, the Physicians Services Account, and the Unallocated Account.

(e) Preventing the use of Proposition 99 funds to provide medical care where payment for medical care is made through any program funded in part by the federal government limits California's ability to fulfill a primary purpose of Proposition 99 which is to provide medical care for people who cannot afford health care, and limits available funding to deliver medical care.

(f) After the adoption of Proposition 99, California has created or expanded programs that further the purpose of that proposition, including the Access for Infants and Mothers Program. In addition, the federal government created the State Children's Health Insurance Program, providing new opportunities for states to secure federal funding for health care services, and the state's ability to receive matching funding for

health care programs funded by Proposition 99 would enable it to maximize available resources to provide medical care to more people than could be provided if state funds alone were available.

(g) In the 2004-05 fiscal year, Proposition 99 revenues allocated to the Hospital Services Account, the Physician Services Account, and the Unallocated Account will total an estimated \$216,000,000. Proposition 99 originally provided approximately \$570,000,000 for health care related programs. Since that time revenues have declined steadily as the use of tobacco products has diminished due to the success of the antitobacco media campaign and other tobacco control and antismoking efforts. The use of declining Proposition 99 revenues to match federal funding will enable the state to maximize the benefit to the public from a declining revenue stream.

(h) The appropriation of funds from the Hospital Services Account, the Physicians Services Account, and the Unallocated Account to pay for the care of persons covered by programs funded in part by the federal government would maximize utilization of Proposition 99 funds in furtherance of the initiative's purpose: to provide medical services to those in need, including those in medically underserved areas and rural communities.

(i) The amendment of Proposition 99 to clarify that the appropriation of Cigarette and Tobacco Products Surtax Law funds in the Hospital Services Account, the Physicians Services Account, and the Unallocated Account to pay for the care of persons covered by programs funded in part by the federal government is consistent with the purposes of Proposition 99.

SEC. 2. Section 30122 of the Revenue and Taxation Code is amended to read:

30122. (a) The Cigarette and Tobacco Products Surtax Fund is hereby created in the State Treasury. The fund shall consist of all revenues deposited therein pursuant to this article. Moneys in the fund may only be appropriated for the following purposes:

- (1) Tobacco-related school and community health education programs.
- (2) Tobacco-related disease research.
- (3) Medical and hospital care and treatment of patients who cannot afford to pay for those services, and for whom payment will not be made through any private coverage or by any program funded in whole by the federal government.

- (4) Programs for fire prevention; environmental conservation; protection, restoration, enhancement, and maintenance of fish, waterfowl, and wildlife habitat areas; and enhancement of state and local park and recreation purposes.

(b) The fund consists of six separate accounts, as follows:

(1) The Health Education Account, which shall only be available for appropriation for programs for the prevention and reduction of tobacco use, primarily among children, through school and community health education programs. Revenues from the Health Education Account shall not be used to match federal funds for any purpose.

(2) The Hospital Services Account, which shall only be available for appropriation for payment to public and private hospitals licensed pursuant to subdivision (a) of Section 1250 of the Health and Safety Code for the treatment of hospital patients who cannot afford to pay for that treatment and for whom payment for hospital services will not be made through private coverage or by any program funded in whole by the federal government.

(3) The Physician Services Account, which shall only be available for appropriation for payment to physicians for services to patients who cannot afford to pay for those services, and for whom payment for physician services will not be made through private coverage or by any program funded in whole by the federal government.

(4) The Research Account, which shall only be available for appropriation for tobacco-related disease research. Revenues from the Public Research Account shall not be used to match federal funds for any purpose.

(5) The Public Resources Account, which shall only be available for appropriation in equal amounts for both of the following:

(A) Programs to protect, restore, enhance, or maintain fish, waterfowl, and wildlife habitat on an equally funded basis.

(B) Programs to enhance state and local park and recreation resources.

(6) The Unallocated Account, which shall be available for appropriation for any purpose specified in subdivision (a).

SEC. 3. The following amounts are appropriated from the Cigarette and Tobacco Products Surtax Fund to the State Department of Health Services for the 2004-05 fiscal year for enhancements set forth in subdivisions (m) and (n) of Section 51509 of Title 22 of the California Code of Regulations, as adopted pursuant to the settlement of Orthopaedic Hospital and the California Association of Hospitals and Health System v. Belshe (CV 94-4764), to hospital outpatient reimbursement rates pursuant to subdivision (a) of Section 14132 of the Welfare and Institutions Code, as follows:

(a) From the Hospital Services Account, the amount of three million six hundred thirty-one thousand dollars (\$3,631,000).

(b) From the Unallocated Account, the amount of forty-two million four hundred seventy-three thousand dollars (\$42,473,000).

SEC. 4. Section 2 of this act shall be applied with respect to the entire 2004-05 fiscal year and for each fiscal year following that fiscal year.

SEC. 5. No program or service funded through the Budget Act of 2004 that receives funding from the Physicians Services Account, the Hospital Services Account, or the Unallocated Account of the Cigarette and Tobacco Products Surtax Fund shall be adversely affected by the receipt of federal funding as a result of the implementation of this act.

SEC. 6. Notwithstanding any other provision of law, the Director of Finance shall make all necessary budgetary adjustments to implement this act and other changes identified in the Governor's May Revision to the Budget Bill for the 2004-05 fiscal year. Within 30 days of making the adjustments, the Director of Finance shall notify the appropriate committees of the Legislature of those adjustments.

SEC. 7. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order that this act is operative for the 2004-05 fiscal year, it is necessary that this act take effect immediately.

CHAPTER 15

An act to amend Section 3262 of the Civil Code, relating to works of improvement.

[Filed with Secretary of State June 22, 2005.]

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

SECTION 1. Section 3262 of the Civil Code is amended to read:

3262. (a) Neither the owner nor original contractor by any term of their contract, or otherwise, shall waive, affect, or impair the claims and liens of other persons whether with or without notice except by their written consent, and any term of the contract to that effect shall be null and void. Any written consent given by any claimant pursuant to this subdivision shall be null, void, and unenforceable unless and until the claimant executes and delivers a waiver and release. That waiver and release shall be binding and effective to release the owner, construction lender, and surety on a payment bond from claims and liens only if the waiver and release follows substantially one of the forms set forth in this section and is signed by the claimant or his or her authorized agent, and, in the case of a conditional release, there is evidence of payment to the claimant. Evidence of payment may be by the claimant's endorsement on a single or joint payee check which has been paid by the bank upon

which it was drawn or by written acknowledgment of payment given by the claimant.

(b) No oral or written statement purporting to waive, release, impair or otherwise adversely affect a claim is enforceable or creates any estoppel or impairment of a claim unless (1) it is pursuant to a waiver and release prescribed herein, or (2) the claimant had actually received payment in full for the claim. Nothing in this section precludes a stop notice claimant from reducing the amount of, or releasing in its entirety, a stop notice that has been served upon an owner. The reduction or release of a stop notice, which shall be in writing, may be served in a form other than the forms of release set forth in this section. Any reduction or release of a stop notice: (1) shall not preclude the service of a subsequent stop notice that is timely and proper; (2) shall release the owner from any obligation to withhold money on account of the stop notice, to the extent of the reduction or release; (3) shall be effective to release the claimant's right to enforce the stop notice, to the extent of the reduction or release; and (4) shall not operate as a release of any right that the claimant may have, other than the claimant's right to enforce the stop notice, to the extent of the reduction or release.

(c) This section does not affect the enforceability of either an accord and satisfaction regarding a bona fide dispute or any agreement made in settlement of an action pending in any court provided the accord and satisfaction or agreement and settlement make specific reference to the mechanic's lien, stop notice, or bond claims.

(d) The waiver and release given by any claimant hereunder shall be null, void, and unenforceable unless it follows substantially the following forms in the following circumstances:

(1) If the claimant is required to execute a waiver and release in exchange for, or in order to induce the payment of, a progress payment and the claimant is not, in fact, paid in exchange for the waiver and release or a single payee check or joint payee check is given in exchange for the waiver and release, the waiver and release shall follow substantially the following form:

CONDITIONAL WAIVER AND RELEASE UPON PROGRESS PAYMENT

Upon receipt by the undersigned of a check from

_____ in the sum of \$ _____

(Maker of Check)

(Amount of Check)

payable to _____

(Payee or Payees of Check)

and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanic's lien, stop notice, or bond right the undersigned has on the job of

_____ located at _____

(Owner)

(Job Description)

to the following extent. This release covers a progress payment for labor, services, equipment, or material furnished to

_____ through _____

(Your Customer)

(Date)

only and does not cover any retentions retained before or after the release date; extras furnished before the release date for which payment has not been received; extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanic's lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between parties to the contract based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for furnished labor, services, equipment, or material covered by this release if that furnished labor, services, equipment, or material was not compensated by the progress payment. Before any recipient of this document relies on it, said party should verify evidence of payment to the undersigned.

Dated: _____

(Company Name)

By _____

(Title)

(2) If the claimant is required to execute a waiver and release in exchange for, or in order to induce payment of, a progress payment and the claimant asserts in the waiver it has, in fact, been paid the progress payment, the waiver and release shall follow substantially the following form:

UNCONDITIONAL WAIVER AND RELEASE UPON
PROGRESS PAYMENT

The undersigned has been paid and has received a progress payment in the sum of \$ ____ for labor, services, equipment, or material furnished to _____ on the job of _____

(Your Customer)

(Owner)

located at _____ and does

(Job Description)

hereby release any mechanic’s lien, stop notice, or bond right that the undersigned has on the above referenced job to the following extent. This release covers a progress payment for labor, services, equipment, or materials furnished to

_____ through _____

(Your Customer)

(Date)

only and does not cover any retentions retained before or after the release date; extras furnished before the release date for which payment has not been received; extras or items furnished after the release date. Rights based upon work performed or items furnished under a written change order which has been fully executed by the parties prior to the release date are covered by this release unless specifically reserved by the claimant in this release. This release of any mechanic’s lien, stop notice, or bond right shall not otherwise affect the contract rights, including rights between parties to the contract based upon a rescission, abandonment, or breach of the contract, or the right of the undersigned to recover compensation for furnished labor, services, equipment, or material covered by this release if that furnished labor, services, equipment, or material was not compensated by the progress payment.

Dated: _____

(Company Name)

By _____

(Title)

Each unconditional waiver in this provision shall contain the following language, in at least as large a type as the largest type otherwise on the document:

“NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.”

(3) If the claimant is required to execute a waiver and release in exchange for, or in order to induce the payment of, a final payment and the claimant is not, in fact, paid in exchange for the waiver and release or a single payee check or joint payee check is given in exchange for

the waiver and release, the waiver and release shall follow substantially the following form:

CONDITIONAL WAIVER AND RELEASE UPON FINAL PAYMENT

Upon receipt by the undersigned of a check from _____ in the sum of \$ _____ payable to _____ and when the check has been properly endorsed and has been paid by the bank upon which it is drawn, this document shall become effective to release any mechanic's lien, stop notice, or bond right the undersigned has on the job of

_____ located at _____

(Owner)

(Job Description)

This release covers the final payment to the undersigned for all labor, services, equipment, or material furnished on the job, except for disputed claims for additional work in the amount of \$ _____. Before any recipient of this document relies on it, the party should verify evidence of payment to the undersigned.

Dated: _____

(Company Name)

By _____

(Title)

(4) If the claimant is required to execute a waiver and release in exchange for, or in order to induce payment of, a final payment and the claimant asserts in the waiver it has, in fact, been paid the final payment, the waiver and release shall follow substantially the following form:

UNCONDITIONAL WAIVER AND RELEASE UPON FINAL
PAYMENT

The undersigned has been paid in full for all labor, services, equipment or material furnished to

_____ on the job of _____
 (Your Customer) (Owner)
 located at _____ and does
 (Job Description)

hereby waive and release any right to a mechanic's lien, stop notice, or any right against a labor and material bond on the job, except for disputed claims for extra work in the amount of \$ _____.

Dated: _____
 (Company Name)

By _____
 (Title)

Each unconditional waiver in this provision shall contain the following language, in at least as large a type as the largest type otherwise on the document:

“NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.”

CHAPTER 16

An act to amend Section 17002 of the Corporations Code, and to amend Section 16430 of the Government Code, relating to limited liability companies, and declaring the urgency thereof, to take effect immediately.

[Filed with Secretary of State June 22, 2005.]

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

SECTION 1. Section 17002 of the Corporations Code is amended to read:

17002. (a) Subject to any limitations contained in the articles of organization and to compliance with any other applicable laws, a limited liability company may engage in any lawful business activity, whether or not for profit, except the banking business, the business of issuing

policies of insurance and assuming insurance risks, or the trust company business.

(b) Notwithstanding subdivision (a) and as specifically provided in this subdivision, a limited liability company may operate as a health care service plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the limited liability company is a subsidiary of a health care service plan licensed pursuant to those provisions and the limited liability company is established to serve an existing line of business of the parent health care service plan. Notwithstanding any other provision of law, the tort or contract liability of a limited liability company created to operate as a health care service plan under this subdivision and its members is not limited or restricted in any manner because of the limited liability company status of the health care service plan.

SEC. 2. Section 16430 of the Government Code is amended to read:

16430. Eligible securities for the investment of surplus moneys shall be any of the following:

(a) Bonds or interest-bearing notes or obligations of the United States, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

(b) Bonds or interest-bearing notes on obligations that are guaranteed as to principal and interest by a federal agency of the United States.

(c) Bonds and notes of this state, or those for which the faith and credit of this state are pledged for the payment of principal and interest.

(d) Bonds or warrants, including, but not limited to, revenue warrants, of any county, city, metropolitan water district, California water district, California water storage district, irrigation district in the state, municipal utility district, or school district of this state.

(e) Bonds, consolidated bonds, collateral trust debentures, consolidated debentures, or other obligations issued by federal land banks or federal intermediate credit banks established under the Federal Farm Loan Act, as amended, in debentures and consolidated debentures issued by the Central Bank for Cooperatives and banks for cooperatives established under the Farm Credit Act of 1933, as amended, in bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, in stock, bonds, debentures and other obligations of the Federal National Mortgage Association established under the National Housing Act as amended, and in the bonds of any federal home loan bank established under that act, obligations of the Federal Home Loan Mortgage Corporation, in bonds, notes, and other obligations issued by the Tennessee Valley Authority under the Tennessee Valley Authority Act as amended, and bonds, notes, and other obligations guaranteed by the Commodity Credit Corporation for the export of California

agricultural products under the Commodity Credit Corporation Charter Act as amended.

(f) (1) Commercial paper of “prime” quality as defined by a nationally recognized organization that rates these securities. Eligible paper is further limited to issuing corporations, trusts, or limited liability companies approved by the Pooled Money Investment Board that meet the conditions in either subparagraph (A) or subparagraph (B):

(A) Both of the following:

- (i) Organized and operating within the United States.
- (ii) Having total assets in excess of five hundred million dollars (\$500,000,000).

(B) Both of the following:

- (i) Organized within the United States as a special purpose corporation, trust, or limited liability company.
- (ii) Having programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond.

(2) Purchases of eligible commercial paper may not exceed 180 days’ maturity, represent more than 10 percent of the outstanding paper of an issuing corporation, trust, or limited liability company, nor exceed 30 percent of the resources of an investment program. At the request of the Pooled Money Investment Board, this investment shall be secured by the issuer by depositing with the Treasurer securities authorized by Section 53651 of a market value at least 10 percent in excess of the amount of the state’s investment.

(g) Bills of exchange or time drafts drawn on and accepted by a commercial bank, otherwise known as bankers acceptances, which are eligible for purchase by the Federal Reserve System.

(h) Negotiable certificates of deposits issued by a federally or state-chartered bank or savings and loan association, a state-licensed branch of a foreign bank, or a federally or state-chartered credit union. For the purposes of this section, negotiable certificates of deposits do not come within the provisions of Chapter 4 (commencing with Section 16500) and Chapter 4.5 (commencing with Section 16600).

(i) The portion of bank loans and obligations guaranteed by the United States Small Business Administration or the United States Farmers Home Administration.

(j) Bank loans and obligations guaranteed by the Export-Import Bank of the United States.

(k) Student loan notes insured under the Guaranteed Student Loan Program established pursuant to the Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1001 and following) and eligible for resale to the Student Loan Marketing Association established pursuant to Section

133 of the Education Amendments of 1972, as amended (20 U.S.C. Sec. 1087-2).

(l) Obligations issued, assumed, or guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the International Finance Corporation, or the Government Development Bank of Puerto Rico.

(m) Bonds, debentures, and notes issued by corporations organized and operating within the United States. Securities eligible for investment under this subdivision shall be within the top three ratings of a nationally recognized rating service.

SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide health plans with adequate time to establish limited liability companies for the transfer of existing contracts, it is necessary that this act take effect immediately.

CHAPTER 17

An act to amend Section 629.51 of the Penal Code, relating to wiretaps.

[Filed with Secretary of State June 22, 2005.]

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

SECTION 1. Section 629.51 of the Penal Code is amended to read:
629.51. For the purposes of this chapter, the following terms have the following meanings:

(a) "Wire communication" means any aural transfer made in whole or in part through the use of facilities for the transmission of communications by the aid of wire, cable, or other like connection between the point of origin and the point of reception (including the use of a like connection in a switching station), furnished or operated by any person engaged in providing or operating these facilities for the transmission of communications.

(b) "Electronic pager communication" means any tone or digital display or tone and voice pager communication.

(c) "Electronic cellular telephone communication" means any cellular or cordless radio telephone communication.

(d) “Aural transfer” means a transfer containing the human voice at any point between and including the point of origin and the point of reception.

CHAPTER 18

An act to amend Section 872 of the Penal Code, relating to criminal procedure.

[Filed with Secretary of State June 23, 2005.]

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

SECTION 1. Section 872 of the Penal Code is amended to read:

872. (a) If, however, it appears from the examination that a public offense has been committed, and there is sufficient cause to believe that the defendant is guilty, the magistrate shall make or indorse on the complaint an order, signed by him or her, to the following effect: “It appearing to me that the offense in the within complaint mentioned (or any offense, according to the fact, stating generally the nature thereof), has been committed, and that there is sufficient cause to believe that the within named A. B. is guilty, I order that he or she be held to answer to the same.”

(b) Notwithstanding Section 1200 of the Evidence Code, the finding of probable cause may be based in whole or in part upon the sworn testimony of a law enforcement officer or honorably retired law enforcement officer relating the statements of declarants made out of court offered for the truth of the matter asserted. An honorably retired law enforcement officer may only relate statements of declarants made out of court and offered for the truth of the matter asserted that were made when the honorably retired officer was an active law enforcement officer. Any law enforcement officer or honorably retired law enforcement officer testifying as to hearsay statements shall either have five years of law enforcement experience or have completed a training course certified by the Commission on Peace Officer Standards and Training that includes training in the investigation and reporting of cases and testifying at preliminary hearings.

CHAPTER 19

An act to amend Section 1 of Chapter 260 of the Statutes of 2004, relating to school employees.

[Filed with Secretary of State June 28, 2005.]

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

SECTION 1. Section 1 of Chapter 260 of the Statutes of 2004 is amended to read:

Section 1. For purposes of making reductions initiated during the 2004-05 or 2005-06 school years pursuant to Section 44955 of the Education Code in the number of employees because of a reduction in services or elimination of a juvenile camp program, a county superintendent of schools in a county of the first class may retain those employees until the effective date of the closure or reduction in services of that juvenile camp program.

CHAPTER 20

An act to add Section 18343 to the Education Code, relating to the Banning Unified School District.

[Filed with Secretary of State June 28, 2005.]

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

SECTION 1. Section 18343 is added to the Education Code, to read: 18343. (a) The governing board of the Banning Unified School District may, by resolution, provide that the Banning Unified School District Library District shall be governed by a separate governing board. Upon adoption, the resolution shall be filed with the County Clerk of the County of Riverside.

(b) Upon the effective date of the resolution adopted pursuant to subdivision (a), the name of the Banning Unified School District Library District shall be the Banning Library District.

(c) The governing board shall consist of five members, each of whom shall be a registered voter residing within the library district.

(d) Except for the initial board, members appointed pursuant to paragraph (1) of subdivision (f), and members described in subdivision (h), of the governing board shall hold office for a fixed term of four

years, beginning on the last Friday in November next succeeding their appointment or election.

(e) Within 60 days after filing with the County Clerk of the County of Riverside of the resolution adopted pursuant to subdivision (a), the Board of Supervisors of the County of Riverside shall appoint the initial governing board of the library district. The appointments shall be made from the membership of the Library Commission of the Banning Unified School District Library District.

(f) The first board of trustees shall, at their first meeting, so classify themselves by lot that their terms shall expire:

(1) Two on the last Friday in November of the first even-numbered calendar year succeeding his or her appointment.

(2) Three on the last Friday of November of the second succeeding even-numbered calendar year.

(g) The library district shall continue to receive revenues, including apportioned property taxes and authorized special taxes as if it were still the Banning Unified School District Library District. There shall be no change in district powers or responsibilities.

(h) Notwithstanding any other provision of law, those persons elected to the governing board in 2007 shall hold office for a fixed five-year term.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances applicable to the Banning Unified School District.

CHAPTER 21

An act to amend Section 2892 of the Public Utilities Code, relating to telecommunications.

[Filed with Secretary of State June 28, 2005.]

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

SECTION 1. Section 2892 of the Public Utilities Code is amended to read:

2892. (a) As used in this section, the term “commercial mobile radio service” has the same meaning as the term “commercial mobile service,” as defined in subsection (d) of Section 332 of Title 47 of the United States Code.

(b) A provider of commercial mobile radio service shall provide access for end users of that service to the local emergency telephone systems described in the Warren-911-Emergency Assistance Act (Article 6 (commencing with Section 53100) of Chapter 1 of Part 1 of Division 2 of Title 5 of the Government Code). "911" shall be the primary access number for those emergency systems. A provider of commercial mobile radio service, in accordance with all applicable Federal Communication Commission orders, shall transmit all "911" calls from technologically compatible commercial mobile radio service communication devices without requiring user validation or any similar procedure. A provider of commercial mobile radio service may not charge any airtime, access, or similar usage charge for any "911" call placed from a commercial mobile radio service telecommunications device to a local emergency telephone system.

(c) A "911" call from a commercial mobile radio service telecommunications device may be routed to a public safety answering point other than the Department of the California Highway Patrol only if the alternate routing meets all of the following requirements:

(1) The "911" call originates from a location other than from a freeway, as defined in Section 23.5 of the Streets and Highways Code, under the jurisdiction of the Department of the California Highway Patrol.

(2) The alternate routing is economically and technologically feasible.

(3) The alternate routing will benefit public safety and reduce burdens on dispatchers for the Department of the California Highway Patrol.

(4) The Department of the California Highway Patrol, the Department of General Services, and the proposed alternate public safety answering point, in consultation with the wireless industry, providers of "911" selective routing service, and local law enforcement officials, determine that it is in the best interest of the public and will provide more effective emergency service to the public to route "911" calls that do not originate from a freeway, as defined in Section 23.5 of the Streets and Highways Code, under the jurisdiction of the Department of the California Highway Patrol to another public safety answering point.

CHAPTER 22

An act to amend Sections 1658, 6704.1, 8764, 8776.4, 19641.2, 24045.3, 24045.5, 24045.9, 24045.15, and 25658 of the Business and Professions Code, to amend Sections 798.25, 799.1.5, 1365.2.5, 1747.08, 1798.81.5, 1798.83, and 1936 of the Civil Code, to amend Sections 995.640, 1985.6, 2025.480, 2030.050, 2031.300, and 2033.220 of the

Code of Civil Procedure, to amend Section 31109.1 of the Corporations Code, to amend Sections 1240, 17212.2, 17592.70, 17592.72, 17592.73, 22115, 22200, 33126, 41020.5, 41326.1, 41328, 41530, 44830.3, 48853, 49341, 49414.5, 51226.1, 51430, 52059, 52124, 56366, 56366.1, 56366.11, 56505, 59052, 66739.5, 71093, 89539.2, 94742.3, 94931, and 99235 of, and to amend and renumber Section 17463.6 of, the Education Code, to amend Section 9042 of the Elections Code, to amend Sections 299.3, 420, 2024.6, 3111, and 6341 of the Family Code, to amend Section 14252 of the Financial Code, to amend Sections 1053, 1363.5, and 8494 of the Fish and Game Code, to amend Sections 77253 and 77265 of the Food and Agricultural Code, to amend Sections 3309.5, 6254, 7072, 7076.2, 7099, 7110, 7113.5, 8592.4, 8875.10, 12599, 12715, 17555, 20281.5, 20610, 21224, 22860, 27393, 30061, 31492.1, 31725.65, 31755, 31781.2, 31831.2, 31874.6, 51283.4, 53080, 53635, 54954.5, 56700, 65053.5, 65351, 65460.1, 66907.7, 68085, 68115, 68927, 69927, 70367, 71622, 82036, 84602, and 90004 of, and to add the heading of Chapter 5 (commencing with Section 14557) to Part 5.3 of Division 3 of Title 2 of, the Government Code, to amend Sections 1179.2, 1351.2, 1596.792, 11571.1, 18070, 25395.110, 25395.65, 25395.67, 25395.93, 25395.95, 25395.96, 25404, 25404.3, 44297, 100425, 101317, 101850, 113995, 118275, 120440, 125001 of, and to amend and renumber the heading of Article 45 (commencing with Section 123620) of Chapter 2 of Part 2 of Division 106 of, the Health and Safety Code, to amend Section 1215.2 of the Insurance Code, to amend Sections 98.2, 98.6, 2699.5, 3099.3, 3600.1, and 4658.5 of the Labor Code, to amend Sections 179, 972.1, and 985 of the Military and Veterans Code, to amend Sections 502.01, 679.05, 1203.4a, 11055, 12081, and 12553 of the Penal Code, to amend Sections 6106.5, 6108, and 10411 of the Public Contract Code, to amend Sections 5018.1, 14530.1, 14539, 14551, 21159.24, 30310, 40507, 42648.6 of, to amend and renumber Section 21061.5 of, and to amend and renumber the heading of Chapter 4 (commencing with Section 71069) of Part 2 of Division 34 of, the Public Resources Code, to amend Sections 353.2, 379.6, 394.25, 2827.10, 2828, 21661.5, 90300, 130054.1, 130630, and 170042 of the Public Utilities Code, to amend Sections 69.4, 214, 217, 2508, 3811, 7105, 17041, 17052.6, 18648, 18706, 19164, and 20583 of the Revenue and Taxation Code, to amend Sections 527, 36705, 36733, and 36737 of the Streets and Highways Code, to amend Section 1052 of the Unemployment Insurance Code, to amend Sections 4000.1, 4466, 5205.5, 9400.1, 12509, 13352, 15250, 15275, 23575, 23593, and 27362 of the Vehicle Code, to amend Sections 521, 525, 527, 1013, 12997, 13305, 13387, and 35539.13 of the Water Code, to amend Sections 294, 366.21, 387, 636, 740, 827, 4637.5, 4688.5, 7200.06, 11404, 11462, 14016.5, 14016.51, 14087.6, 14123.25, and 16206 of the

Welfare and Institutions Code, to amend Section 15 of Chapter 656 of the Statutes of 2003, and to amend Sections 4 and 5 of the Lake County Flood Control and Water Conservation District Act (Chapter 1544 of the Statutes of 1951), relating to the maintenance of the codes.

[Filed with Secretary of State June 28, 2005.]

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

SECTION 1. Section 1658 of the Business and Professions Code is amended to read:

1658. (a) When a licensee desires to have more than one place of practice, he or she shall, prior to the opening of the additional office, apply to the board, pay the fee required by this chapter, and receive permission in writing from the board to have the additional place of practice.

“Place of practice” means any dental office where any act of dentistry is practiced as defined by Section 1625, and includes a place of practice in which the applicant holds any proprietary interest of any nature whatsoever, or in which he or she holds any right to participate in the management or control thereof. A dentist who is the lessor of a dental office shall not be deemed to hold a proprietary interest in that place of practice, unless he or she is entitled to participate in the management or control of the dentistry practiced there.

(b) This section shall not apply to a licensee who practices dentistry outside his or her registered place of practice in any of the following places:

- (1) Facilities licensed by the State Department of Health Services.
- (2) Licensed health facilities as defined in Section 1250 of the Health and Safety Code.
- (3) Clinics that are licensed under subdivision (a) of Section 1204 of, or that are exempt from licensure under subdivision (b), (c), or (h) of Section 1206 of, the Health and Safety Code.
- (4) Licensed community care facilities as defined in Section 1502 of the Health and Safety Code.
- (5) Schools of any grade level, whether public or private.
- (6) Public institutions, including, but not limited to, federal, state, and local penal and correctional facilities.
- (7) Mobile units that are operated by a public or governmental agency or a nonprofit or charitable organization and are approved by the board, provided that the mobile units meet all statutory or regulatory requirements.

(8) The home of a nonambulatory patient when a physician or registered nurse has provided a written note that the patient is unable to visit a dental office.

SEC. 2. Section 6704.1 of the Business and Professions Code is amended to read:

6704.1. (a) The Department of Consumer Affairs, in conjunction with the board, and the Joint Committee on Boards, Commissions, and Consumer Protection shall review the engineering branch titles specified in Section 6732 to determine whether certain title acts should be eliminated from this chapter, retained, or converted to practice acts similar to civil, electrical, and mechanical engineering, and whether supplemental engineering work should be permitted for all branches of engineering. The department shall contract with an independent consulting firm to perform this comprehensive analysis of title act registration.

(b) The independent consultant shall perform, but not be limited to, the following: (1) meet with representatives of each of the engineering branches and other professional groups; (2) examine the type of services and work provided by engineers in all branches of engineering and interrelated professions within the marketplace, to determine the interrelationship that exists between the various branches of engineers and other interrelated professions; (3) review and analyze educational requirements of engineers; (4) identify the degree to which supplemental or “overlapping” work between engineering branches and interrelated professions occurs; (5) review alternative methods of regulation of engineers in other states and what impact the regulations would have if adopted in California; (6) identify the manner in which local and state agencies utilize regulations and statutes to regulate engineering work; and (7) recommend changes to existing laws regulating engineers after considering how these changes may affect the health, safety, and welfare of the public.

(c) The board shall reimburse the department for costs associated with this comprehensive analysis. The department shall report its findings and recommendations to the Legislature by September 1, 2002.

SEC. 3. Section 8764 of the Business and Professions Code is amended to read:

8764. The record of survey shall show the applicable provisions of the following consistent with the purpose of the survey:

(a) All monuments found, set, reset, replaced, or removed, describing their kind, size, and location, and giving other data relating thereto.

(b) Bearing or witness monuments, basis of bearings, bearing and length of lines, scale of map, and north arrow.

(c) Name and legal designation of the property in which the survey is located, and the date or time period of the survey.

(d) The relationship to those portions of adjacent tracts, streets, or senior conveyances which have common lines with the survey.

(e) Memorandum of oaths.

(f) Statements required by Section 8764.5.

(g) Any other data necessary for the intelligent interpretation of the various items and locations of the points, lines, and areas shown, or convenient for the identification of the survey or surveyor, as may be determined by the civil engineer or land surveyor preparing the record of survey.

The record of survey shall also show, either graphically or by note, the reason or reasons, if any, why the mandatory filing provisions of paragraphs (1) to (5), inclusive, of subdivision (b) of Section 8762 apply.

The record of survey need not consist of a survey of an entire property.

SEC. 4. Section 8776.4 of the Business and Professions Code is amended to read:

8776.4. Notwithstanding any other provision of law, a licensee shall not be considered to have violated a confidential settlement agreement or other confidential agreement by providing a report to the board as required by this article.

SEC. 5. Section 19641.2 of the Business and Professions Code is amended to read:

19641.2. (a) The nonprofit foundation authorized to receive funds pursuant to Section 19641 shall use those funds to administer a health and welfare trust fund without prejudice and for the benefit of every eligible person. The officers and directors of the health and welfare trust fund shall have a fiduciary responsibility to manage the fund for the benefit of the beneficiaries.

(b) Every employer of backstretch workers shall, upon request, submit in writing or electronically to the administrator of the welfare program for backstretch workers any employment records necessary for prompt payment of benefits and proper administration of the program. Upon request, employers shall also provide to the administrator access to any employment records necessary for prompt payment of benefits and proper administration of the program.

(c) At least one member of the health and welfare fund board shall be a member without financial interest in the horse racing industry appointed from a list of nominees submitted jointly by the California State Council of the Service Employees International Union, the Jockey's Guild, and the California Teamsters Public Affairs Council.

(d) Nothing in this section is intended to affect the status of the welfare fund as a charity under Section 501(c)(3) of the federal Internal Revenue

Code or its compliance with the Charitable Purposes Act (Article 7 (commencing with Section 12580) of Chapter 6 of Part 2 of Division 3 of Title 2 of the Government Code).

SEC. 6. Section 24045.3 of the Business and Professions Code is amended to read:

24045.3. (a) The department may issue a special temporary retail package off-sale beer and wine license to a women's educational and charitable organization that is a part of a national organization having at least 10 chapters in California at least one of which has been incorporated since 1928, whose purpose is to foster interest among its members in the social, economic, and civic conditions of their community and to give effective volunteer service. An applicant for this license shall accompany the application with a fee of one hundred dollars (\$100).

(b) This license shall only entitle the licensee to sell at auction for charitable purposes beer and wine donated to it. None of the funds realized from this auction shall be used for the administrative expenses of the auction and all funds shall be placed in trust for a charitable purpose. Notwithstanding any other provision of this division, a licensee may donate beer and wine to an organization licensed under this section, provided that donations are not made in connection with a sale of an alcoholic beverage.

(c) This license shall be for a period not exceeding one day. Only one license shall be issued to any organization in a calendar year.

SEC. 7. Section 24045.5 of the Business and Professions Code is amended to read:

24045.5. The department in its discretion may issue a temporary permit to the transferee of any license to continue the operation of the premises during the period a transfer application for the license from person to person at the same premises is pending and when all the following conditions exist:

(a) The premises shall have been operated under a license within 30 days of the date of filing the application for a temporary permit.

(b) The license for the premises shall have been surrendered pursuant to rules of the department.

(c) The applicant for the temporary permit shall have filed with the department an application for transfer of the license at the premises to himself or herself.

(d) The application for the temporary permit shall be accompanied by a temporary permit fee of one hundred dollars (\$100).

A temporary permit issued by the department pursuant to this section shall be for a period not to exceed four calendar months. A temporary permit may be extended at the discretion of the department for an additional four calendar months upon payment of an additional fee of

one hundred dollars (\$100) and upon compliance with all conditions required herein. A temporary permit is a conditional permit and authorizes the holder thereof to sell the alcoholic beverages as would be permitted to be sold under the privileges of the license for which the transfer application has been filed with the department.

Purchase of beer, wine, and distilled spirits by the holder of a temporary permit shall be made only upon payment before or at the time of delivery in currency or by check. However, the holder of a temporary retail permit who also holds one or more retail licenses and is operating under the retail license or licenses in addition to the temporary permit, and who is not delinquent under the provisions of Section 25509 as to any retail license under which he or she operates, may purchase alcoholic beverages on credit under the temporary permit.

All checks received by a seller for alcoholic beverages purchased by the holder of a temporary retail permit shall be deposited not later than the second business day following the date the alcoholic beverages are delivered.

A check dishonored on presentation shall not be deemed payment. The receipt by the seller or his or her agent in good faith from a holder of a temporary permit of a check dishonored on presentation shall not be cause for disciplinary action against the seller.

Transfer of the license for which the holder of a temporary permit has filed an application shall not be approved by the department until the holder of the temporary permit has filed with the department a statement executed under penalty of perjury that all current obligations have been discharged, and that all outstanding checks issued by him or her in payment for alcoholic beverages will be honored on presentation.

It shall not be a violation of this section or otherwise grounds for disciplinary action for any licensee to extend credit to the holder of a temporary permit or to receive payment from the permittee in a manner other than authorized herein unless the seller had knowledge of the fact that the purchaser was operating under a temporary permit. Knowledge of the fact may be established by evidence, including, but not limited to, evidence that, at the time of receipt of payment or the extension of credit, the premises operated under a temporary permit were posted with the notice required by Section 23985, or the holder of the temporary permit had recorded notice as required by Section 24073, or the holder of the temporary permit had published notice as required by Section 23986, or the holder of the temporary permit had recorded and published notice pursuant to Division 6 (commencing with Section 6101) of the Commercial Code.

Refusal by the department to issue or extend a temporary permit shall not entitle the applicant to petition for the permit pursuant to Section

24011, or to a hearing pursuant to Section 24012. Articles 2 (commencing with Section 23985) and 3 (commencing with Section 24011) shall not apply to temporary permits.

Notwithstanding any other provision of law, a temporary permit may be canceled or suspended summarily at anytime if the department determines that good cause for the cancellation or suspension exists. Chapter 8 (commencing with Section 24300) shall not apply to temporary permits.

Application for a temporary permit shall be on any form the department shall prescribe. If an application for a temporary permit is withdrawn before issuance or is refused by the department, the fee which accompanied the application shall be refunded in full, and Section 23959 shall not apply. Fees received by the department for issuance of temporary permits shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

SEC. 8. Section 24045.9 of the Business and Professions Code is amended to read:

24045.9. (a) The department may issue a special temporary on-sale beer and wine license to: (1) a television station, supported wholly or in part by public membership subscription, which is a nonprofit, charitable corporation exempt from payment of income taxes under the provisions of the Internal Revenue Code of 1954 of the United States, or (2) a nonprofit, charitable corporation exempt from payment of income taxes under the provisions of the Internal Revenue Code of 1954 of the United States which receives and administers donations for a noncommercial, educational television station or public broadcasting station supported wholly or in part by public membership subscription. An applicant for this license shall accompany the application with a fee of one hundred dollars (\$100).

(b) This license shall only entitle the licensee to sell and serve beer and wine donated to it. Notwithstanding any other provision of this division, a licensee may donate beer or wine to a corporation licensed under this section, provided that the donations are not made in connection with a sale of an alcoholic beverage.

(c) This license shall be for a period not exceeding 30 days. Only one license shall be issued to any corporation in a calendar year.

(d) For purposes of this section, any licensee may also serve that beer or wine donated by him or her at any event for which the license has been issued.

(e) The department shall adopt rules as it determines necessary to implement and administer this section.

SEC. 9. Section 24045.15 of the Business and Professions Code is amended to read:

24045.15. (a) Notwithstanding any other provision of this division, the department may issue a special temporary on-sale or off-sale wine license to any nonprofit corporation having an agricultural purpose that is exempt from the payment of income taxes under Section 501(c)(5) of the Internal Revenue Code of 1986. If the nonprofit corporation's name, or any name under which the nonprofit corporation does business, includes the designation of an American Viticultural Area (AVA) recognized by the United States Bureau of Alcohol, Tobacco and Firearms (BATF), as set forth in Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations (27 C.F.R. 9.1 et seq.), the membership of the nonprofit corporation shall include a majority of the winegrowers located in the named AVA in order to obtain a license under this section. No more than one nonprofit corporation located in an AVA is entitled to obtain a license under this section. The applicant shall accompany the application with a fee of one hundred dollars (\$100).

(b) This special license shall only entitle the licensee to sell wine donated or sold to the nonprofit corporation by the member winegrowers to consumers for the purpose of fundraising. The wine shall bear the brand name of the producing winery. Off-sale privileges shall be limited to direct mail, telephone, and online computer services. No member winegrower shall donate or sell more than 75 cases of wine per year to the nonprofit corporation and the nonprofit corporation shall sell no more than 1,000 cases of wine per year under the license. If the nonprofit corporation's name or any name under which the nonprofit corporation does business includes the designation of an American Viticultural Area (AVA) recognized by the United States Bureau of Alcohol, Tobacco and Firearms (BATF), as set forth in Part 9 (commencing with Section 9.1) of Title 27 of the Code of Federal Regulations (27 C.F.R. 9.1 et seq.), the wines sold by the nonprofit corporation must be entitled to use the named AVA as the appellation of origin. In order to avoid confusion between the corporation and any winery whose name also includes the designation of the named AVA, any advertising or solicitation for the sale of wine under this license by the corporation shall include a statement disclosing that the corporation is a nonprofit agricultural organization whose members include individual winegrowers or grapegrowers and whose purpose is to promote its agricultural region and improve its grapes and wines. This advertising or solicitation shall also include a complete roster of the corporation's members and a list of the brand names, varieties, and vintages of the wines offered for sale. The wine shall not be sold at less than its minimum retail price.

(c) This special license shall be for a period not exceeding 60 days. Only one special license authorized by this section shall be issued to any nonprofit corporation in a calendar year.

SEC. 10. Section 25658 of the Business and Professions Code is amended to read:

25658. (a) Except as otherwise provided in subdivision (c), every person who sells, furnishes, gives, or causes to be sold, furnished, or given away, any alcoholic beverage to any person under the age of 21 years is guilty of a misdemeanor.

(b) Any person under the age of 21 years who purchases any alcoholic beverage, or any person under the age of 21 years who consumes any alcoholic beverage in any on-sale premises, is guilty of a misdemeanor.

(c) Any person who violates subdivision (a) by purchasing any alcoholic beverage for, or furnishing, giving, or giving away any alcoholic beverage to, a person under the age of 21 years, and the person under the age of 21 years thereafter consumes the alcohol and thereby proximately causes great bodily injury or death to himself, herself, or any other person, is guilty of a misdemeanor.

(d) Any on-sale licensee who knowingly permits a person under the age of 21 years to consume any alcoholic beverage in the on-sale premises, whether or not the licensee has knowledge that the person is under the age of 21 years, is guilty of a misdemeanor.

(e) (1) Except as otherwise provided in paragraph (2) or (3), any person who violates this section shall be punished by a fine of two hundred fifty dollars (\$250), no part of which shall be suspended, or the person shall be required to perform not less than 24 hours or more than 32 hours of community service during hours when the person is not employed and is not attending school, or a combination of a fine and community service as determined by the court. A second or subsequent violation of subdivision (b) shall be punished by a fine of not more than five hundred dollars (\$500), or the person shall be required to perform not less than 36 hours or more than 48 hours of community service during hours when the person is not employed and is not attending school, or a combination of a fine and community service as determined by the court. It is the intent of the Legislature that the community service requirements prescribed in this section require service at an alcohol or drug treatment program or facility or at a county coroner's office, if available, in the area where the violation occurred or where the person resides.

(2) Except as provided in paragraph (3), any person who violates subdivision (a) by furnishing an alcoholic beverage, or causing an alcoholic beverage to be furnished, to a minor shall be punished by a fine of one thousand dollars (\$1,000), no part of which shall be suspended, and the person shall be required to perform not less than 24 hours of community service during hours when the person is not employed and is not attending school.

(3) Any person who violates subdivision (c) shall be punished by imprisonment in a county jail for a minimum term of six months not to exceed one year, by a fine not exceeding one thousand dollars (\$1,000), or by both imprisonment and fine.

(f) Persons under the age of 21 years may be used by peace officers in the enforcement of this section to apprehend licensees, or employees or agents of licensees, who sell alcoholic beverages to minors. Notwithstanding subdivision (b), any person under the age of 21 years who purchases or attempts to purchase any alcoholic beverage while under the direction of a peace officer is immune from prosecution for that purchase or attempt to purchase an alcoholic beverage. Guidelines with respect to the use of persons under the age of 21 years as decoys shall be adopted and published by the department in accordance with the rulemaking portion of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). Law enforcement-initiated minor decoy programs in operation prior to the effective date of regulatory guidelines adopted by the department shall be authorized as long as the minor decoy displays to the seller of alcoholic beverages the appearance of a person under the age of 21 years. This subdivision shall not be construed to prevent the department from taking disciplinary action against a licensee who sells alcoholic beverages to a minor decoy prior to the department's final adoption of regulatory guidelines. After the completion of every minor decoy program performed under this subdivision, the law enforcement agency using the decoy shall notify licensees within 72 hours of the results of the program. When the use of a minor decoy results in the issuance of a citation, the notification required shall be given within 72 hours of the issuance of the citation. A law enforcement agency may comply with this requirement by leaving a written notice at the licensed premises addressed to the licensee, or by mailing a notice addressed to the licensee.

(g) The penalties imposed by this section do not preclude prosecution under any other provision of law, including, but not limited to, Section 272 of the Penal Code.

SEC. 11. Section 798.25 of the Civil Code is amended to read:

798.25. (a) Except as provided in subdivision (d), when the management proposes an amendment to the park's rules and regulations, the management shall meet and consult with the homeowners in the park, their representatives, or both, after written notice has been given to all the homeowners in the park 10 days or more before the meeting. The notice shall set forth the proposed amendment to the park's rules and regulations and shall state the date, time, and location of the meeting.

(b) Except as provided in subdivision (d) following the meeting and consultation with the homeowners, the noticed amendment to the park's rules and regulations may be implemented, as to any homeowner, with the consent of that homeowner, or without the homeowner's consent upon written notice of not less than six months, except for regulations applicable to recreational facilities, which may be amended without homeowner consent upon written notice of not less than 60 days.

(c) Written notice to a homeowner whose tenancy commences within the required period of notice of a proposed amendment to the park's rules and regulations under subdivision (b) or (d) shall constitute compliance with this section where the written notice is given before the inception of the tenancy.

(d) When the management proposes an amendment to the park's rules and regulations mandated by a change in the law, including, but not limited to, a change in a statute, ordinance, or governmental regulation, the management may implement the amendment to the park's rules and regulations, as to any homeowner, with the consent of that homeowner or without the homeowner's consent upon written notice of not less than 60 days. For purposes of this subdivision, the management shall specify in the notice the citation to the statute, ordinance, or regulation, including the section number, that necessitates the proposed amendment to the park's rules and regulations.

(e) Any amendment to the park's rules and regulations that creates a new fee payable by the homeowner and that has not been expressly agreed upon by the homeowner and management in the written rental agreement or lease, shall be void and unenforceable.

SEC. 12. Section 799.1.5 of the Civil Code is amended to read:

799.1.5. A homeowner or resident, or an heir, joint tenant, or personal representative of the estate who gains ownership of a mobilehome through the death of the resident of the mobilehome who was a resident at the time of his or her death, or the agent of any of those persons, may advertise the sale or exchange of his or her mobilehome or, if not prohibited by the terms of an agreement with the management or ownership, may advertise the rental of his or her mobilehome by displaying a sign in the window of the mobilehome, or by a sign posted on the side of the mobilehome facing the street, or by a sign in front of the mobilehome facing the street, stating that the mobilehome is for sale or exchange or, if not prohibited, for rent by the owner of the mobilehome or his or her agent. Any such person also may display a sign conforming to these requirements indicating that the mobilehome is on display for an "open house," unless the park rules prohibit the display of an open house sign. The sign shall state the name, address, and telephone number of the owner of the mobilehome or his or her agent. The sign face may

not exceed 24 inches in width and 36 inches in height. Signs posted in front of a mobilehome pursuant to this section may be of an H-frame or A-frame design with the sign face perpendicular to, but not extending into, the street. A homeowner or resident, or an heir, joint tenant, or personal representative of the estate who gains ownership of a mobilehome through the death of the resident of the mobilehome who was a resident at the time of his or her death, or the agent of any of those persons, may attach to the sign or their mobilehome tubes or holders for leaflets that provide information on the mobilehome for sale, exchange, or rent.

SEC. 13. Section 1365.2.5 of the Civil Code is amended to read:

1365.2.5. (a) The disclosures required by this article in regard to an association or a property shall be summarized on the following form:

Assessment and Reserve Funding Disclosure Summary

- (1) The current assessment per unit is \$ _____ per _____.
 Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page _____ of the attached report.
- (2) Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment is due:	Amount per unit per month (If assessments are variable, see note immediately below):	Purpose of the assessment:
	Total:	

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page _____ of the attached report.

- (3) Based upon the most recent reserve study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association’s obligation for repair and/or replacement of major components during the next 30 years?

Yes _____ No _____

- (4) If the answer to (3) is no, what additional assessments or other

contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years?

Approximate date assessment will be due:	Amount per unit per month:
	Total:

(5) The following major components, which are included in the reserve study, are NOT included in the existing reserve funding:

Major component:	Useful remaining life in years:	Reason this major component was not included:

(6) As of the last reserve study or update, the current balance in the reserve fund is \$_____. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the required amount in the reserve fund is \$_____, and if an alternate, but generally accepted, method of calculation is also used, the required amount is \$_____. (See attached explanation)

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change.

- (b) For the purposes of preparing a summary pursuant to this section:
 - (1) “Estimated remaining useful life” means the time reasonably calculated to remain before a major component will require replacement.
 - (2) “Major component” has the meaning used in Section 1365.5. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in the Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.

(4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

SEC. 14. Section 1747.08 of the Civil Code is amended to read:

1747.08. (a) Except as provided in subdivision (c), no person, firm, partnership, association, or corporation that accepts credit cards for the transaction of business shall do any of the following:

(1) Request, or require as a condition to accepting the credit card as payment in full or in part for goods or services, the cardholder to write any personal identification information upon the credit card transaction form or otherwise.

(2) Request, or require as a condition to accepting the credit card as payment in full or in part for goods or services, the cardholder to provide personal identification information, which the person, firm, partnership, association, or corporation accepting the credit card writes, causes to be written, or otherwise records upon the credit card transaction form or otherwise.

(3) Utilize, in any credit card transaction, a credit card form which contains preprinted spaces specifically designated for filling in any personal identification information of the cardholder.

(b) For purposes of this section "personal identification information," means information concerning the cardholder, other than information set forth on the credit card, and including, but not limited to, the cardholder's address and telephone number.

(c) Subdivision (a) does not apply in the following instances:

(1) If the credit card is being used as a deposit to secure payment in the event of default, loss, damage, or other similar occurrence.

(2) Cash advance transactions.

(3) If the person, firm, partnership, association, or corporation accepting the credit card is contractually obligated to provide personal identification information in order to complete the credit card transaction or is obligated to collect and record the personal identification information by federal law or regulation.

(4) If personal identification information is required for a special purpose incidental but related to the individual credit card transaction,

including, but not limited to, information relating to shipping, delivery, servicing, or installation of the purchased merchandise, or for special orders.

(d) This section does not prohibit any person, firm, partnership, association, or corporation from requiring the cardholder, as a condition to accepting the credit card as payment in full or in part for goods or services, to provide reasonable forms of positive identification, which may include a driver's license or a California state identification card, or where one of these is not available, another form of photo identification, provided that none of the information contained thereon is written or recorded on the credit card transaction form or otherwise. If the cardholder pays for the transaction with a credit card number and does not make the credit card available upon request to verify the number, the cardholder's driver's license number or identification card number may be recorded on the credit card transaction form or otherwise.

(e) Any person who violates this section shall be subject to a civil penalty not to exceed two hundred fifty dollars (\$250) for the first violation and one thousand dollars (\$1,000) for each subsequent violation, to be assessed and collected in a civil action brought by the person paying with a credit card, by the Attorney General, or by the district attorney or city attorney of the county or city in which the violation occurred. However, no civil penalty shall be assessed for a violation of this section if the defendant shows by a preponderance of the evidence that the violation was not intentional and resulted from a bona fide error made notwithstanding the defendant's maintenance of procedures reasonably adopted to avoid that error. When collected, the civil penalty shall be payable, as appropriate, to the person paying with a credit card who brought the action, or to the general fund of whichever governmental entity brought the action to assess the civil penalty.

(f) The Attorney General, or any district attorney or city attorney within his or her respective jurisdiction, may bring an action in the superior court in the name of the people of the State of California to enjoin violation of subdivision (a) and, upon notice to the defendant of not less than five days, to temporarily restrain and enjoin the violation. If it appears to the satisfaction of the court that the defendant has, in fact, violated subdivision (a), the court may issue an injunction restraining further violations, without requiring proof that any person has been damaged by the violation. In these proceedings, if the court finds that the defendant has violated subdivision (a), the court may direct the defendant to pay any or all costs incurred by the Attorney General, district attorney, or city attorney in seeking or obtaining injunctive relief pursuant to this subdivision.

(g) Actions for collection of civil penalties under subdivision (e) and for injunctive relief under subdivision (f) may be consolidated.

(h) The changes made to this section by Chapter 458 of the Statutes of 1995 apply only to credit card transactions entered into on and after January 1, 1996. Nothing in those changes shall be construed to affect any civil action which was filed before January 1, 1996.

SEC. 15. Section 1798.81.5 of the Civil Code is amended to read:

1798.81.5. (a) It is the intent of the Legislature to ensure that personal information about California residents is protected. To that end, the purpose of this section is to encourage businesses that own or license personal information about Californians to provide reasonable security for that information. For the purpose of this section, the phrase "owns or licenses" is intended to include, but is not limited to, personal information that a business retains as part of the business' internal customer account or for the purpose of using that information in transactions with the person to whom the information relates.

(b) A business that owns or licenses personal information about a California resident shall implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.

(c) A business that discloses personal information about a California resident pursuant to a contract with a nonaffiliated third party shall require by contract that the third party implement and maintain reasonable security procedures and practices appropriate to the nature of the information, to protect the personal information from unauthorized access, destruction, use, modification, or disclosure.

(d) For purposes of this section, the following terms have the following meanings:

(1) "Personal information" means an individual's first name or first initial and his or her last name in combination with any one or more of the following data elements, when either the name or the data elements are not encrypted or redacted:

(A) Social security number.

(B) Driver's license number or California identification card number.

(C) Account number, credit or debit card number, in combination with any required security code, access code, or password that would permit access to an individual's financial account.

(D) Medical information.

(2) "Medical information" means any individually identifiable information, in electronic or physical form, regarding the individual's medical history or medical treatment or diagnosis by a health care professional.

(3) "Personal information" does not include publicly available information that is lawfully made available to the general public from federal, state, or local government records.

(e) The provisions of this section do not apply to any of the following:

(1) A provider of health care, health care service plan, or contractor regulated by the Confidentiality of Medical Information Act (Part 2.6 (commencing with Section 56) of Division 1).

(2) A financial institution as defined in Section 4052 of the Financial Code and subject to the California Financial Information Privacy Act (Division 1.2 (commencing with Section 4050) of the Financial Code.

(3) A covered entity governed by the medical privacy and security rules issued by the federal Department of Health and Human Services, Parts 160 and 164 of Title 45 of the Code of Federal Regulations, established pursuant to the Health Insurance Portability and Availability Act of 1996 (HIPAA).

(4) An entity that obtains information under an agreement pursuant to Article 3 (commencing with Section 1800) of Chapter 1 of Division 2 of the Vehicle Code and is subject to the confidentiality requirements of the Vehicle Code.

(5) A business that is regulated by state or federal law providing greater protection to personal information than that provided by this section in regard to the subjects addressed by this section. Compliance with that state or federal law shall be deemed compliance with this section with regard to those subjects. This paragraph does not relieve a business from a duty to comply with any other requirements of other state and federal law regarding the protection and privacy of personal information.

SEC. 16. Section 1798.83 of the Civil Code is amended to read:

1798.83. (a) Except as otherwise provided in subdivision (d), if a business has an established business relationship with a customer and has within the immediately preceding calendar year disclosed personal information that corresponds to any of the categories of personal information set forth in paragraph (6) of subdivision (e) to third parties, and if the business knows or reasonably should know that the third parties used the personal information for the third parties' direct marketing purposes, that business shall, after the receipt of a written or electronic mail request, or, if the business chooses to receive requests by toll-free telephone or facsimile numbers, a telephone or facsimile request from the customer, provide all of the following information to the customer free of charge:

(1) In writing or by electronic mail, a list of the categories set forth in paragraph (6) of subdivision (e) that correspond to the personal information disclosed by the business to third parties for the third parties'

direct marketing purposes during the immediately preceding calendar year.

(2) In writing or by electronic mail, the names and addresses of all of the third parties that received personal information from the business for the third parties' direct marketing purposes during the preceding calendar year and, if the nature of the third parties' business cannot reasonably be determined from the third parties' name, examples of the products or services marketed, if known to the business, sufficient to give the customer a reasonable indication of the nature of the third parties' business.

(b) (1) A business required to comply with this section shall designate a mailing address, electronic mail address, or, if the business chooses to receive requests by telephone or facsimile, a toll-free telephone or facsimile number, to which customers may deliver requests pursuant to subdivision (a). A business required to comply with this section shall, at its election, do at least one of the following:

(A) Notify all agents and managers who directly supervise employees who regularly have contact with customers of the designated addresses or numbers or the means to obtain those addresses or numbers and instruct those employees that customers who inquire about the business's privacy practices or the business's compliance with this section shall be informed of the designated addresses or numbers or the means to obtain the addresses or numbers.

(B) Add to the home page of its Web site a link either to a page titled "Your Privacy Rights" or add the words "Your Privacy Rights" to the home page's link to the business's privacy policy. If the business elects to add the words "Your Privacy Rights" to the link to the business's privacy policy, the words "Your Privacy Rights" shall be in the same style and size as the link to the business's privacy policy. If the business does not display a link to its privacy policy on the home page of its Web site, or does not have a privacy policy, the words "Your Privacy Rights" shall be written in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from the surrounding text of the same size by symbols or other marks that call attention to the language. The first page of the link shall describe a customer's rights pursuant to this section and shall provide the designated mailing address, e-mail address, as required, or toll-free telephone number or facsimile number, as appropriate. If the business elects to add the words "Your California Privacy Rights" to the home page's link to the business's privacy policy in a manner that complies with this subdivision, and the first page of the link describes a customer's rights pursuant to this section, and provides the designated mailing address, electronic mailing address, as required, or toll-free telephone

or facsimile number, as appropriate, the business need not respond to requests that are not received at one of the designated addresses or numbers.

(C) Make the designated addresses or numbers, or means to obtain the designated addresses or numbers, readily available upon request of a customer at every place of business in California where the business or its agents regularly have contact with customers.

The response to a request pursuant to this section received at one of the designated addresses or numbers shall be provided within 30 days. Requests received by the business at other than one of the designated addresses or numbers shall be provided within a reasonable period, in light of the circumstances related to how the request was received, but not to exceed 150 days from the date received.

(2) A business that is required to comply with this section and Section 6803 of Title 15 of the United States Code may comply with this section by providing the customer the disclosure required by Section 6803 of Title 15 of the United States Code, but only if the disclosure also complies with this section.

(3) A business that is required to comply with this section is not obligated to provide information associated with specific individuals and may provide the information required by this section in standardized format.

(c) (1) A business that is required to comply with this section is not obligated to do so in response to a request from a customer more than once during the course of any calendar year. A business with fewer than 20 full-time or part-time employees is exempt from the requirements of this section.

(2) If a business that is required to comply with this section adopts and discloses to the public, in its privacy policy, a policy of not disclosing personal information of customers to third parties for the third parties' direct marketing purposes unless the customer first affirmatively agrees to that disclosure, or of not disclosing the personal information of customers to third parties for the third parties' direct marketing purposes if the customer has exercised an option that prevents that information from being disclosed to third parties for those purposes, as long as the business maintains and discloses the policies, the business may comply with subdivision (a) by notifying the customer of his or her right to prevent disclosure of personal information, and providing the customer with a cost-free means to exercise that right.

(d) The following are among the disclosures not deemed to be disclosures of personal information by a business for a third party's direct marketing purposes for purposes of this section:

(1) Disclosures between a business and a third party pursuant to contracts or arrangements pertaining to any of the following:

(A) The processing, storage, management, or organization of personal information, or the performance of services on behalf of the business during which personal information is disclosed, if the third party that processes, stores, manages, or organizes the personal information does not use the information for a third party's direct marketing purposes and does not disclose the information to additional third parties for their direct marketing purposes.

(B) Marketing products or services to customers with whom the business has an established business relationship where, as a part of the marketing, the business does not disclose personal information to third parties for the third parties' direct marketing purposes.

(C) Maintaining or servicing accounts, including credit accounts and disclosures pertaining to the denial of applications for credit or the status of applications for credit and processing bills or insurance claims for payment.

(D) Public record information relating to the right, title, or interest in real property or information relating to property characteristics, as defined in Section 408.3 of the Revenue and Taxation Code, obtained from a governmental agency or entity or from a multiple listing service, as defined in Section 1087, and not provided directly by the customer to a business in the course of an established business relationship.

(E) Jointly offering a product or service pursuant to a written agreement with the third party that receives the personal information, provided that all of the following requirements are met:

(i) The product or service offered is a product or service of, and is provided by, at least one of the businesses that is a party to the written agreement.

(ii) The product or service is jointly offered, endorsed, or sponsored by, and clearly and conspicuously identifies for the customer, the businesses that disclose and receive the disclosed personal information.

(iii) The written agreement provides that the third party that receives the personal information is required to maintain the confidentiality of the information and is prohibited from disclosing or using the information other than to carry out the joint offering or servicing of a product or service that is the subject of the written agreement.

(2) Disclosures to or from a consumer reporting agency of a customer's payment history or other information pertaining to transactions or experiences between the business and a customer if that information is to be reported in, or used to generate, a consumer report as defined in subdivision (d) of Section 1681a of Title 15 of the United

States Code, and use of that information is limited by the federal Fair Credit Reporting Act (15 U.S.C. Sec. 1681 et seq.).

(3) Disclosures of personal information by a business to a third party financial institution solely for the purpose of the business obtaining payment for a transaction in which the customer paid the business for goods or services with a check, credit card, charge card, or debit card, if the customer seeks the information required by subdivision (a) from the business obtaining payment, whether or not the business obtaining payment knows or reasonably should know that the third party financial institution has used the personal information for its direct marketing purposes.

(4) Disclosures of personal information between a licensed agent and its principal, if the personal information disclosed is necessary to complete, effectuate, administer, or enforce transactions between the principal and the agent, whether or not the licensed agent or principal also uses the personal information for direct marketing purposes, if that personal information is used by each of them solely to market products and services directly to customers with whom both have established business relationships as a result of the principal and agent relationship.

(5) Disclosures of personal information between a financial institution and a business that has a private label credit card, affinity card, retail installment contract, or cobranded card program with the financial institution, if the personal information disclosed is necessary for the financial institution to maintain or service accounts on behalf of the business with which it has a private label credit card, affinity card, retail installment contract, or cobranded card program, or to complete, effectuate, administer, or enforce customer transactions or transactions between the institution and the business, whether or not the institution or the business also uses the personal information for direct marketing purposes, if that personal information is used solely to market products and services directly to customers with whom both the business and the financial institution have established business relationships as a result of the private label credit card, affinity card, retail installment contract, or cobranded card program.

(e) For purposes of this section, the following terms have the following meanings:

(1) "Customer" means an individual who is a resident of California who provides personal information to a business during the creation of, or throughout the duration of, an established business relationship if the business relationship is primarily for personal, family, or household purposes.

(2) "Direct marketing purposes" means the use of personal information to solicit or induce a purchase, rental, lease, or exchange of products,

goods, property, or services directly to individuals by means of the mail, telephone, or electronic mail for their personal, family, or household purposes. The sale, rental, exchange, or lease of personal information for consideration to businesses is a direct marketing purpose of the business that sells, rents, exchanges, or obtains consideration for the personal information. “Direct marketing purposes” does not include the use of personal information (A) by bona fide tax exempt charitable or religious organizations to solicit charitable contributions, (B) to raise funds from and communicate with individuals regarding politics and government, (C) by a third party when the third party receives personal information solely as a consequence of having obtained for consideration permanent ownership of accounts that might contain personal information, or (D) by a third party when the third party receives personal information solely as a consequence of a single transaction where, as a part of the transaction, personal information had to be disclosed in order to effectuate the transaction.

(3) “Disclose” means to disclose, release, transfer, disseminate, or otherwise communicate orally, in writing, or by electronic or any other means to any third party.

(4) “Employees who regularly have contact with customers” means employees whose contact with customers is not incidental to their primary employment duties, and whose duties do not predominantly involve ensuring the safety or health of the business’s customers. It includes, but is not limited to, employees whose primary employment duties are as cashier, clerk, customer service, sales, or promotion. It does not, by way of example, include employees whose primary employment duties consist of food or beverage preparation or service, maintenance and repair of the business’s facilities or equipment, direct involvement in the operation of a motor vehicle, aircraft, watercraft, amusement ride, heavy machinery or similar equipment, security, or participation in a theatrical, literary, musical, artistic, or athletic performance or contest.

(5) “Established business relationship” means a relationship formed by a voluntary, two-way communication between a business and a customer, with or without an exchange of consideration, for the purpose of purchasing, renting, or leasing real or personal property, or any interest therein, or obtaining a product or service from the business, if the relationship is ongoing and has not been expressly terminated by the business or the customer, or if the relationship is not ongoing, but is solely established by the purchase, rental, or lease of real or personal property from a business, or the purchase of a product or service, and no more than 18 months have elapsed from the date of the purchase, rental, or lease.

(6) (A) The categories of personal information required to be disclosed pursuant to paragraph (1) of subdivision (a) are all of the following:

- (i) Name and address.
- (ii) Electronic mail address.
- (iii) Age or date of birth.
- (iv) Names of children.
- (v) Electronic mail or other addresses of children.
- (vi) Number of children.
- (vii) The age or gender of children.
- (viii) Height.
- (ix) Weight.
- (x) Race.
- (xi) Religion.
- (xii) Occupation.
- (xiii) Telephone number.
- (xiv) Education.
- (xv) Political party affiliation.
- (xvi) Medical condition.
- (xvii) Drugs, therapies, or medical products or equipment used.
- (xviii) The kind of product the customer purchased, leased, or rented.
- (xix) Real property purchased, leased, or rented.
- (xx) The kind of service provided.
- (xxi) Social security number.
- (xxii) Bank account number.
- (xxiii) Credit card number.
- (xxiv) Debit card number.
- (xxv) Bank or investment account, debit card, or credit card balance.
- (xxvi) Payment history.
- (xxvii) Information pertaining to the customer's creditworthiness, assets, income, or liabilities.

(B) If a list, description, or grouping of customer names or addresses is derived using any of these categories, and is disclosed to a third party for direct marketing purposes in a manner that permits the third party to identify, determine, or extrapolate any other personal information from which the list was derived, and that personal information when it was disclosed identified, described, or was associated with an individual, the categories set forth in this subdivision that correspond to the personal information used to derive the list, description, or grouping shall be considered personal information for purposes of this section.

(7) "Personal information" as used in this section means any information that when it was disclosed identified, described, or was able to be associated with an individual and includes all of the following:

- (A) An individual's name and address.
 - (B) Electronic mail address.
 - (C) Age or date of birth.
 - (D) Names of children.
 - (E) Electronic mail or other addresses of children.
 - (F) Number of children.
 - (G) The age or gender of children.
 - (H) Height.
 - (I) Weight.
 - (J) Race.
 - (K) Religion.
 - (L) Occupation.
 - (M) Telephone number.
 - (N) Education.
 - (O) Political party affiliation.
 - (P) Medical condition.
 - (Q) Drugs, therapies, or medical products or equipment used.
 - (R) The kind of product the customer purchased, leased, or rented.
 - (S) Real property purchased, leased, or rented.
 - (T) The kind of service provided.
 - (U) Social security number.
 - (V) Bank account number.
 - (W) Credit card number.
 - (X) Debit card number.
 - (Y) Bank or investment account, debit card, or credit card balance.
 - (Z) Payment history.
 - (AA) Information pertaining to creditworthiness, assets, income, or liabilities.
- (8) "Third party" or "third parties" means one or more of the following:
- (A) A business that is a separate legal entity from the business that has an established business relationship with a customer.
 - (B) A business that has access to a database that is shared among businesses, if the business is authorized to use the database for direct marketing purposes, unless the use of the database is exempt from being considered a disclosure for direct marketing purposes pursuant to subdivision (d).
 - (C) A business not affiliated by a common ownership or common corporate control with the business required to comply with subdivision (a).
- (f) (1) Disclosures of personal information for direct marketing purposes between affiliated third parties that share the same brand name are exempt from the requirements of paragraph (1) of subdivision (a)

unless the personal information disclosed corresponds to one of the following categories, in which case the customer shall be informed of those categories listed in this subdivision that correspond to the categories of personal information disclosed for direct marketing purposes and the third party recipients of personal information disclosed for direct marketing purposes pursuant to paragraph (2) of subdivision (a):

- (A) Number of children.
- (B) The age or gender of children.
- (C) Electronic mail or other addresses of children.
- (D) Height.
- (E) Weight.
- (F) Race.
- (G) Religion.
- (H) Telephone number.
- (I) Medical condition.
- (J) Drugs, therapies, or medical products or equipment used.
- (K) Social security number.
- (L) Bank account number.
- (M) Credit card number.
- (N) Debit card number.
- (O) Bank or investment account, debit card, or credit card balance.

(2) If a list, description, or grouping of customer names or addresses is derived using any of these categories, and is disclosed to a third party or third parties sharing the same brand name for direct marketing purposes in a manner that permits the third party to identify, determine, or extrapolate the personal information from which the list was derived, and that personal information when it was disclosed identified, described, or was associated with an individual, any other personal information that corresponds to the categories set forth in this subdivision used to derive the list, description, or grouping shall be considered personal information for purposes of this section.

(3) If a business discloses personal information for direct marketing purposes to affiliated third parties that share the same brand name, the business that discloses personal information for direct marketing purposes between affiliated third parties that share the same brand name may comply with the requirements of paragraph (2) of subdivision (a) by providing the overall number of affiliated companies that share the same brand name.

(g) The provisions of this section are severable. If any provision of this section or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

(h) This section does not apply to a financial institution that is subject to the California Financial Information Privacy Act (Division 1.2 (commencing with Section 4050) of the Financial Code) if the financial institution is in compliance with Sections 4052, 4052.5, 4053, 4053.5, and 4054.6 of the Financial Code, as those sections read when they were chaptered on August 28, 2003, and as subsequently amended by the Legislature or by initiative.

(i) This section shall become operative on January 1, 2005.

SEC. 17. Section 1936 of the Civil Code, as amended by Section 1 of Chapter 317 of the Statutes of 2004, 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 coworkers 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.

(4) (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 may 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.

(5) "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.

(6) "Electronic surveillance technology" means a technological method or system used to observe, monitor, or collect information, including telematics, Global Positioning System (GPS), wireless technology, or location-based technologies. "Electronic surveillance technology" does not include event data recorders (EDR), sensing and diagnostic modules (SDM), or other systems that are used either:

(A) For the purpose of identifying, diagnosing, or monitoring functions related to the potential need to repair, service, or perform maintenance on the rental vehicle.

(B) As part of the vehicle's airbag sensing and diagnostic system in order to capture safety systems-related data for retrieval after a crash has occurred or in the event that the collision sensors are activated to prepare the decisionmaking computer to make the determination to deploy or not to deploy the airbag.

(7) "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."

(8) "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.

(9) "Membership program" means a service offered by a rental company that permits customers to bypass the rental counter and go directly to the car previously reserved. A membership program shall meet all of the following requirements:

(A) The renter initiates enrollment by completing an application on which the renter can specify a preference for type of vehicle and acceptance or declination of optional services.

(B) The rental company fully discloses, prior to the enrollee's first rental as a participant in the program, all terms and conditions of the rental agreement as well as all required disclosures.

(C) The renter may terminate enrollment at any time.

(D) The rental company fully explains to the renter that designated preferences, as well as acceptance or declination of optional services, may be changed by the renter at any time for the next and future rentals.

(E) An employee designated to receive the form specified in subparagraph (C) of paragraph (1) of subdivision (r) is present at the lot where the renter takes possession of the car, to receive any change in the rental agreement from the renter.

(10) "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 may 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 may 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 may 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 that 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, and, for renters who are enrolled in the rental company's membership program, in a sign which shall be posted in a location clearly visible to those renters as they enter the location where their reserved rental cars are parked or near the exit of the bus or other conveyance that transports the enrollee to a reserved car: (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 a damage waiver shall, orally disclose to all renters, except those who are participants in the rental company's

membership program, that the damage waiver may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance. The renter's receipt of the oral disclosure shall be demonstrated through the renter acknowledging receipt of the oral disclosure near that part of the contract where the renter indicates, by the renter's own initials, his or her acceptance or declination of the damage waiver. Adjacent to that same part, the contract shall also state that 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 rental contract or holder in which the contract is placed, 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 are also either vehicles of next year’s model, or not older than the previous year’s model, the rate may not exceed fifteen dollars (\$15). For those rental vehicles older than the previous year’s model, 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 that disseminates in this state an advertisement containing a rental rate shall include in that advertisement a clearly readable statement of the charge for a damage waiver and a statement that a 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 the 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 the 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, are not 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, if 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 is not 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 may 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 rental company may not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using electronic surveillance technology, except in the following circumstances:

(1) (A) When the equipment is used by the rental company only for the purpose of locating a stolen, abandoned, or missing rental vehicle after one of the following:

(i) The renter or law enforcement has informed the rental company that the vehicle has been stolen, abandoned, or missing.

(ii) The rental vehicle has not been returned following one week after the contracted return date, or by one week following the end of an extension of that return date.

(iii) The rental company discovers the rental vehicle has been stolen or abandoned, and, if stolen, it has reported the vehicle stolen to law enforcement by filing a stolen vehicle report, unless law enforcement has already informed the rental company that the vehicle has been stolen, abandoned, or is missing.

(B) If electronic surveillance technology is activated pursuant to subparagraph (A) of paragraph (1), a rental company shall maintain a record, in either electronic or written form, of information relevant to the activation of that technology. That information shall include the rental agreement, including the return date, and the date and time the electronic surveillance technology was activated. The record shall also include, if relevant, a record of any written or other communication with the renter, including communications regarding extensions of the rental, police reports, or other written communication with law enforcement officials. The record shall be maintained for a period of at least 12 months

from the time the record is created and shall be made available upon the renter's request. The rental company shall maintain and furnish any explanatory codes necessary to read the record. A rental company shall not be required to maintain a record if electronic surveillance technology is activated to recover a rental vehicle that is stolen or missing at a time other than during a rental period.

(2) In response to a specific request from law enforcement pursuant to a subpoena or search warrant.

(3) Nothing in this subdivision prohibits a rental company from equipping rental vehicles with GPS-based technology that provides navigation assistance to the occupants of the rental vehicle, if the rental company does not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using that technology, except for the purposes of discovering or repairing a defect in the technology and the information may then be used only for that purpose.

(4) Nothing in this subdivision prohibits a rental company from equipping rental vehicles with electronic surveillance technology that allows for the remote locking or unlocking of the vehicle at the request of the renter, if the rental company does not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using that technology, except as necessary to lock or unlock the vehicle.

(5) Nothing in this subdivision prohibits a rental company from equipping rental vehicles with electronic surveillance technology that allows the company to provide roadside assistance, such as towing or flat tire or fuel services, at the request of the renter, if the rental company does not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using that technology except as necessary to provide the requested roadside assistance.

(6) Nothing in this subdivision prohibits a rental company from obtaining, accessing, or using information from electronic surveillance technology for the sole purpose of determining the date and time the vehicle is returned to the rental company, the total mileage driven, and the vehicle fuel level of the returned vehicle. This paragraph, however, shall apply only after the renter has returned the vehicle to the rental company, and the information shall only be used for the purpose described in this paragraph.

(p) A rental company may not use electronic surveillance technology to track a renter in order to impose fines or surcharges relating to the renter's use of the rental vehicle.

(q) 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.

(r) 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.

(s) Any waiver of any of the provisions of this section shall be void and unenforceable as contrary to public policy.

(t) (1) A rental company's disclosure requirements shall be satisfied for renters who are enrolled in the rental company's membership program if all of the following conditions are met:

(A) Prior to the enrollee's first rental as a participant in the program, the renter receives, in writing, the following:

(i) All of the disclosures required by paragraph (1) of subdivision (g), including the terms and conditions of the rental agreement then in effect.

(ii) A Web site address, as well as a contact number or address, where the enrollee can learn of any changes to the rental agreement or to the laws of this state governing rental agreements since the effective date of the rental company's most recent restatement of the rental agreement and distribution of that restatement to its members.

(B) At the commencement of each rental period, the renter is provided, on the rental record or the folder in which it is inserted, with a printed notice stating that he or she had either previously selected or declined an optional damage waiver and that the renter has the right to change preferences.

(C) At the commencement of each rental period, the rental company provides, on the rearview mirror, a hanger on which a statement is printed in a box, in at least 12-point boldface type, notifying the renter that the collision damage waiver offered by the rental company may be duplicative of coverage that the customer maintains under his or her own policy of motor vehicle insurance. If it is not feasible to hang the statement from the rearview mirror, the statement shall be hung from the steering wheel.

The hanger shall provide the renter a box to initial if the renter (not his or her employer) has previously accepted or declined the collision damage waiver and now wishes to change his or her decision to accept or decline the collision damage waiver, as follows:

"If I previously accepted the collision damage waiver, I now decline it.

"If I previously declined the collision damage waiver, I now accept it."

The hanger shall also provide a box for the enrollee to indicate whether this change applies to this rental transaction only or to all future rental

transactions. The hanger shall also notify the renter that he or she may make such a change, prior to leaving the lot, by returning the form to an employee designated to receive the form who is present at the lot where the renter takes possession of the car, to receive any change in the rental agreement from the renter.

(2) (A) This subdivision is not effective unless the employee designated pursuant to subparagraph (E) of paragraph (8) of subdivision (a) is actually present at the required location.

(B) This subdivision does not relieve the rental company from those disclosures that are required to be made within the text of a contract or holder in which the contract is placed; in or on an advertisement containing a rental rate; or in a telephonic, in-person, or computer-transmitted quotation or reservation.

(u) The amendments made to this section during the 2001-02 Regular Session of the Legislature do not affect litigation pending on or before January 1, 2003, alleging a violation of Section 22325 of the Business and Professions Code as it read at the time the action was commenced.

(v) 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 1936 of the Civil Code, as amended by Section 2 of Chapter 317 of the Statutes of 2004, is amended to read:

1936. (a) For the purpose of this section, the following terms have the following meanings:

(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 may 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) "Electronic surveillance technology" means a technological method or system used to observe, monitor, or collect information, including telematics, Global Positioning System (GPS), wireless technology, or location-based technologies. "Electronic surveillance technology" does not include event data recorders (EDR), sensing and diagnostic modules (SDM), or other systems that are used either:

(A) For the purpose of identifying, diagnosing, or monitoring functions related to the potential need to repair, service, or perform maintenance on the rental vehicle.

(B) As part of the vehicle's airbag sensing and diagnostic system in order to capture safety systems-related data for retrieval after a crash has occurred or in the event that the collision sensors are activated to prepare the decisionmaking computer to make the determination to deploy or not to deploy the airbag.

(6) "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."

(7) "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.

(8) "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 may 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 may 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 may 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 that 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 a 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 rental contract or holder in which the contract is placed, 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 are also either vehicles of next year’s model, or not older than the previous year’s model, the rate may not exceed fifteen dollars (\$15). For those rental vehicles older than the previous year’s model, 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 that disseminates in this state an advertisement containing a rental rate shall include in that advertisement a clearly readable statement of the charge for a damage waiver and a statement that a 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 the 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 the 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, are not 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, if 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 is not 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 may 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 rental company may not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using electronic surveillance technology, except in the following circumstances:

(1) (A) When the equipment is used by the rental company only for the purpose of locating a stolen, abandoned, or missing rental vehicle after one of the following:

(i) The renter or law enforcement has informed the rental company that the vehicle has been stolen, abandoned, or missing.

(ii) The rental vehicle has not been returned following one week after the contracted return date, or by one week following the end of an extension of that return date.

(iii) The rental company discovers the rental vehicle has been stolen or abandoned, and, if stolen, it shall report the vehicle stolen to law enforcement by filing a stolen vehicle report, unless law enforcement has already informed the rental company that the vehicle has been stolen, abandoned, or is missing.

(B) If electronic surveillance technology is activated pursuant to subparagraph (A) of paragraph (1), a rental company shall maintain a record, in either electronic or written form, of information relevant to the activation of that technology. That information shall include the rental agreement, including the return date, and the date and time the electronic surveillance technology was activated. The record shall also include, if relevant, a record of any written or other communication with the renter, including communications regarding extensions of the rental, police reports or other written communication with law enforcement officials. The record shall be maintained for a period of at least 12 months from the time the record is created and shall be made available upon the renter's request. The rental company shall maintain and furnish any explanatory codes necessary to read the record. A rental company shall not be required to maintain a record if electronic surveillance technology is activated to recover a rental vehicle that is stolen or missing at a time other than during a rental period.

(2) In response to a specific request from law enforcement pursuant to a subpoena or search warrant.

(3) Nothing in this subdivision prohibits a rental company from equipping rental vehicles with GPS-based technology that provides navigation assistance to the occupants of the rental vehicle, if the rental company does not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using that technology,

except for the purposes of discovering or repairing a defect in the technology and the information may then be used only for that purpose.

(4) Nothing in this subdivision prohibits a rental company from equipping rental vehicles with electronic surveillance technology that allows for the remote locking or unlocking of the vehicle at the request of the renter, if the rental company does not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using that technology except as necessary to lock or unlock the vehicle.

(5) Nothing in this subdivision prohibits a rental company from equipping rental vehicles with electronic surveillance technology that allows the company to provide roadside assistance, such as towing or flat tire or fuel services, at the request of the renter, if the rental company does not use, access, or obtain any information relating to the renter's use of the rental vehicle that was obtained using that technology, except as necessary to provide the requested roadside assistance.

(6) Nothing in this subdivision prohibits a rental company from obtaining, accessing, or using information from electronic surveillance technology for the sole purpose of determining the date and time the vehicle is returned to the rental company, and the total mileage driven and the vehicle fuel level of the returned vehicle. This paragraph, however, shall apply only after the renter has returned the vehicle to the rental company, and the information shall only be used for the purpose described in this paragraph.

(p) A rental company may not use electronic surveillance technology to track a renter in order to impose fines or surcharges relating to the renter's use of the rental vehicle.

(q) 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.

(r) 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.

(s) Any waiver of any of the provisions of this section is void and unenforceable as contrary to public policy.

SEC. 19. Section 995.640 of the Code of Civil Procedure is amended to read:

995.640. The county clerk of any county shall, upon request of any person, do any of the following:

(a) Issue a certificate stating whether the certificate of authority of an admitted surety insurer issued by the Insurance Commissioner

authorizing the insurer to transact surety insurance, has been surrendered, revoked, canceled, annulled, or suspended, and in the event that it has, whether renewed authority has been granted. The county clerk in issuing the certificate shall rely solely upon the information furnished by the Insurance Commissioner pursuant to Article 2 (commencing with Section 12070) of Chapter 1 of Part 4 of Division 2 of the Insurance Code.

(b) Issue a certificate stating whether a copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws, or other instrument, duly certified by the proper authority and attested by the seal of an admitted surety insurer entitling or authorizing the person who executed a bond to do so for and on behalf of the insurer, is filed in the office of the clerk.

SEC. 20. Section 1985.6 of the Code of Civil Procedure is amended to read:

1985.6. (a) For purposes of this section, the following terms have the following meanings:

(1) "Deposition officer" means a person who meets the qualifications specified in paragraph (3) of subdivision (d) of Section 2020.

(2) "Employee" means any individual who is or has been employed by a witness subject to a subpoena duces tecum. "Employee" also means any individual who is or has been represented by a labor organization that is a witness subject to a subpoena duces tecum.

(3) "Employment records" means the original or any copy of books, documents, other writings, or electronic data pertaining to the employment of any employee maintained by the current or former employer of the employee, or by any labor organization that has represented or currently represents the employee.

(4) "Labor organization" has the meaning set forth in Section 1117 of the Labor Code.

(5) "Subpoenaing party" means the person or persons causing a subpoena duces tecum to be issued or served in connection with any civil action or proceeding, but does not include the state or local agencies described in Section 7465 of the Government Code, or any entity provided for under Article VI of the California Constitution in any proceeding maintained before an adjudicative body of that entity pursuant to Chapter 4 (commencing with Section 6000) of Division 3 of the Business and Professions Code.

(b) Prior to the date called for in the subpoena duces tecum of the production of employment records, the subpoenaing party shall serve or cause to be served on the employee whose records are being sought a copy of: the subpoena duces tecum; the affidavit supporting the issuance of the subpoena, if any; the notice described in subdivision (e); and proof

of service as provided in paragraph (1) of subdivision (c). This service shall be made as follows:

(1) To the employee personally, or at his or her last known address, or in accordance with Chapter 5 (commencing with Section 1010) of Title 14 of Part 3, or, if he or she is a party, to his or her attorney of record. If the employee is a minor, service shall be made on the minor's parent, guardian, conservator, or similar fiduciary, or if one of them cannot be located with reasonable diligence, then service shall be made on any person having the care or control of the minor, or with whom the minor resides, and on the minor if the minor is at least 12 years of age.

(2) Not less than 10 days prior to the date for production specified in the subpoena duces tecum, plus the additional time provided by Section 1013 if service is by mail.

(3) At least five days prior to service upon the custodian of the employment records, plus the additional time provided by Section 1013 if service is by mail.

(c) Prior to the production of the records, the subpoenaing party shall either:

(1) Serve or cause to be served upon the witness a proof of personal service or of service by mail attesting to compliance with subdivision (b).

(2) Furnish the witness a written authorization to release the records signed by the employee or by his or her attorney of record. The witness may presume that the attorney purporting to sign the authorization on behalf of the employee acted with the consent of the employee, and that any objection to the release of records is waived.

(d) A subpoena duces tecum for the production of employment records shall be served in sufficient time to allow the witness a reasonable time, as provided in paragraph (1) of subdivision (d) of Section 2020, to locate and produce the records or copies thereof.

(e) Every copy of the subpoena duces tecum and affidavit served on an employee or his or her attorney in accordance with subdivision (b) shall be accompanied by a notice, in a typeface designed to call attention to the notice, indicating that (1) employment records about the employee are being sought from the witness named on the subpoena; (2) the employment records may be protected by a right of privacy; (3) if the employee objects to the witness furnishing the records to the party seeking the records, the employee shall file papers with the court prior to the date specified for production on the subpoena; and (4) if the subpoenaing party does not agree in writing to cancel or limit the subpoena, an attorney should be consulted about the employee's interest in protecting his or her rights of privacy. If a notice of taking of

deposition is also served, that other notice may be set forth in a single document with the notice required by this subdivision.

(f) Any employee whose employment records are sought by a subpoena duces tecum may, prior to the date for production, bring a motion under Section 1987.1 to quash or modify the subpoena duces tecum. Notice of the bringing of that motion shall be given to the witness and the deposition officer at least five days prior to production. The failure to provide notice to the deposition officer does not invalidate the motion to quash or modify the subpoena duces tecum but may be raised by the deposition officer as an affirmative defense in any action for liability for improper release of records.

Any nonparty employee whose employment records are sought by a subpoena duces tecum may, prior to the date of production, serve on the subpoenaing party, the deposition officer, and the witness a written objection that cites the specific grounds on which production of the employment records should be prohibited.

No witness or deposition officer shall be required to produce employment records after receipt of notice that the motion has been brought by an employee, or after receipt of a written objection from a nonparty employee, except upon order of the court in which the action is pending or by agreement of the parties, witnesses, and employees affected.

The party requesting an employee's employment records may bring a motion under subdivision (c) of Section 1987 to enforce the subpoena within 20 days of service of the written objection. The motion shall be accompanied by a declaration showing a reasonable and good faith attempt at informal resolution of the dispute between the party requesting the employment records and the employee or the employee's attorney.

(g) Upon good cause shown and provided that the rights of witnesses and employees are preserved, a subpoenaing party shall be entitled to obtain an order shortening the time for service of a subpoena duces tecum or waiving the requirements of subdivision (b) where due diligence by the subpoenaing party has been shown.

(h) This section may not be construed to apply to any subpoena duces tecum that does not request the records of any particular employee or employees and that requires a custodian of records to delete all information which would in any way identify any employee whose records are to be produced.

(i) This section does not apply to proceedings conducted under Division 1 (commencing with Section 50), Division 4 (commencing with Section 3200), Division 4.5 (commencing with Section 6100), or Division 4.7 (commencing with Section 6200) of the Labor Code.

(j) Failure to comply with this section shall be sufficient basis for the witness to refuse to produce the employment records sought by subpoena duces tecum.

SEC. 21. Section 2025.480 of the Code of Civil Procedure is amended to read:

2025.480. (a) If a deponent fails to answer any question or to produce any document or tangible thing under the deponent's control that is specified in the deposition notice or a deposition subpoena, the party seeking discovery may move the court for an order compelling that answer or production.

(b) This motion shall be made no later than 60 days after the completion of the record of the deposition, and shall be accompanied by a meet and confer declaration under Section 2016.040.

(c) Notice of this motion shall be given to all parties and to the deponent either orally at the examination, or by subsequent service in writing. If the notice of the motion is given orally, the deposition officer shall direct the deponent to attend a session of the court at the time specified in the notice.

(d) Not less than five days prior to the hearing on this motion, the moving party shall lodge with the court a certified copy of any parts of the stenographic transcript of the deposition that are relevant to the motion. If a deposition is recorded by audio or video technology, the moving party is required to lodge a certified copy of a transcript of any parts of the deposition that are relevant to the motion.

(e) If the court determines that the answer or production sought is subject to discovery, it shall order that the answer be given or the production be made on the resumption of the deposition.

(f) The court shall impose a monetary sanction under Chapter 7 (commencing with Section 2023.010) against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel an answer or production, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust.

(g) If a deponent fails to obey an order entered under this section, the failure may be considered a contempt of court. In addition, if the disobedient deponent is a party to the action or an officer, director, managing agent, or employee of a party, the court may make those orders that are just against the disobedient party, or against the party with whom the disobedient deponent is affiliated, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Chapter 7 (commencing with Section 2023.010). In lieu of or in addition to this sanction, the court may impose a monetary sanction under Chapter

7 (commencing with Section 2023.010) against that party deponent or against any party with whom the deponent is affiliated.

SEC. 22. Section 2030.050 of the Code of Civil Procedure is amended to read:

2030.050. Any party who is propounding or has propounded more than 35 specially prepared interrogatories to any other party shall attach to each set of those interrogatories a declaration containing substantially the following:

DECLARATION FOR ADDITIONAL DISCOVERY

I, _____, declare:

1. I am (a party to this action or proceeding appearing in propria persona) (presently the attorney for _____, a party to this action or proceeding).

2. I am propounding to _____ the attached set of interrogatories.

3. This set of interrogatories will cause the total number of specially prepared interrogatories propounded to the party to whom they are directed to exceed the number of specially prepared interrogatories permitted by Section 2030.030 of the Code of Civil Procedure.

4. I have previously propounded a total of _____ interrogatories to this party, of which _____ interrogatories were not official form interrogatories.

5. This set of interrogatories contains a total of _____ specially prepared interrogatories.

6. I am familiar with the issues and the previous discovery conducted by all of the parties in the case.

7. I have personally examined each of the questions in this set of interrogatories.

8. This number of questions is warranted under Section 2030.040 of the Code of Civil Procedure because _____. (Here state each factor described in Section 2030.040 that is relied on, as well as the reasons why any factor relied on is applicable to the instant lawsuit.)

9. None of the questions in this set of interrogatories is being propounded for any improper purpose, such as to harass the party, or the attorney for the party, to whom it is directed, or to cause unnecessary delay or needless increase in the cost of litigation.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct, and that this declaration was executed on _____.

(Signature)

Attorney for _____

SEC. 23. Section 2031.300 of the Code of Civil Procedure is amended to read:

2031.300. If a party to whom an inspection demand is directed fails to serve a timely response to it, the following rules apply:

(a) The party to whom the inspection demand is directed waives any objection to the demand, including one based on privilege or on the protection for work product under Chapter 4 (commencing with Section 2018.010). The court, on motion, may relieve that party from this waiver on its determination that both of the following conditions are satisfied:

(1) The party has subsequently served a response that is in substantial compliance with Sections 2031.210, 2031.220, 2031.230, 2031.240, and 2031.280.

(2) The party's failure to serve a timely response was the result of mistake, inadvertence, or excusable neglect.

(b) The party making the demand may move for an order compelling response to the inspection demand.

(c) The court shall impose a monetary sanction under Chapter 7 (commencing with Section 2023.010) against any party, person, or attorney who unsuccessfully makes or opposes a motion to compel a response to an inspection demand, unless it finds that the one subject to the sanction acted with substantial justification or that other circumstances make the imposition of the sanction unjust. If a party then fails to obey the order compelling a response, the court may make those orders that are just, including the imposition of an issue sanction, an evidence sanction, or a terminating sanction under Chapter 7 (commencing with Section 2023.010). In lieu of or in addition to this sanction, the court may impose a monetary sanction under Chapter 7 (commencing with Section 2023.010).

SEC. 24. Section 2033.220 of the Code of Civil Procedure is amended to read:

2033.220. (a) Each answer in a response to requests for admission shall be as complete and straightforward as the information reasonably available to the responding party permits.

(b) Each answer shall:

(1) Admit so much of the matter involved in the request as is true, either as expressed in the request itself or as reasonably and clearly qualified by the responding party.

(2) Deny so much of the matter involved in the request as is untrue.

(3) Specify so much of the matter involved in the request as to the truth of which the responding party lacks sufficient information or knowledge.

(c) If a responding party gives lack of information or knowledge as a reason for a failure to admit all or part of a request for admission, that party shall state in the answer that a reasonable inquiry concerning the matter in the particular request has been made, and that the information known or readily obtainable is insufficient to enable that party to admit the matter.

SEC. 25. Section 31109.1 of the Corporations Code is amended to read:

31109.1. (a) There shall be exempted from the provisions of Chapter 2 (commencing with Section 31110) the offer and sale of a franchise registered under Section 31111, 31121, or 31123 on terms different from the terms of the offer registered thereunder if all of the following requirements are met:

(1) The initial offer is the offer registered under Section 31111, 31121, or 31123.

(2) The prospective franchisee receives all of the following in a separate written appendix to the offering circular:

(A) A summary description of each material negotiated term that was negotiated by the franchisor for a California franchise during the 12-month period ending in the calendar month immediately preceding the month in which the negotiated offer or sale is made under this section.

(B) A statement indicating that copies of the negotiated terms are available upon written request.

(C) The name, telephone number, and address of the representative of the franchisor to whom requests for a copy of the negotiated terms may be obtained.

(3) The franchisor certifies or declares in an appendix to its application for renewal that it has complied with all of the requirements of this section, in the event this exemption is claimed.

(4) The negotiated terms, on the whole, confer additional benefits on the franchisee.

(b) The franchisor shall provide a copy of the negotiated terms described in subdivision (a) to the prospective franchisee within five business days following the request of the franchisee.

(c) The franchisor shall maintain copies of all material negotiated terms for which this exemption is claimed for a period of five years from the effective date of the first agreement containing the relevant negotiated term. Upon the request of the commissioner, the franchisor shall make the copies available to the commissioner for review. For purposes of this section, the commissioner may prescribe by rule or order the format and content of the summary description of the negotiated terms required by subparagraph (A) of paragraph (2) of subdivision (a).

(d) For purposes of this section, “material” means that a reasonable franchisee would view the terms as important in negotiating the franchise.

SEC. 26. Section 1240 of the Education Code is amended to read:

1240. The county superintendent of schools shall do all of the following:

(a) Superintend the schools of his or her county.

(b) Maintain responsibility for the fiscal oversight of each school district in his or her county pursuant to the authority granted by this code.

(c) (1) Visit and examine each school in his or her county at reasonable intervals to observe its operation and to learn of its problems. He or she may annually present a report of the state of the schools in his or her county, and of his or her office, including, but not limited to, his or her observations while visiting the schools, to the board of education and the board of supervisors of his or her county.

(2) (A) To the extent that funds are appropriated for purposes of this paragraph, the county superintendent, or his or her designee, shall annually present a report to the governing board of each school district under his or her jurisdiction, the county board of education of his or her county, and the board of supervisors of his or her county describing the state of the schools in the county or of his or her office that are ranked in deciles 1 to 3, inclusive, of the 2003 base Academic Performance Index, as defined in subdivision (b) of Section 17592.70, and shall include, among other things, his or her observations while visiting the schools.

(B) The county superintendent of the Counties of Alpine, Amador, Del Norte, Mariposa, Plumas, and Sierra, and the City and County of San Francisco shall contract with another county office of education or an independent auditor to conduct the required visits and make all reports required by this paragraph.

(C) The results of the visits shall be reported to the governing board of the school district on a quarterly basis at a regularly scheduled meeting held in accordance with public notification requirements.

(D) The visits made pursuant to this paragraph shall be conducted at least annually and shall meet the following criteria:

(i) Not disrupt the operation of the school.

(ii) Be performed by individuals who meet the requirements of Section 45125.1.

(iii) Consist of not less than 25 percent unannounced visits in each county. During unannounced visits in each county, the county superintendent shall not demand access to documents or specific school personnel. Unannounced visits shall only be used to observe the condition

of school repair and maintenance and the sufficiency of instructional materials, as defined by Section 60119.

(E) The priority objective of the visits made pursuant to this paragraph shall be to determine the status of all of the following circumstances:

(i) Sufficient textbooks, as defined in Section 60119 and as specified in subdivision (i).

(ii) The condition of a facility that poses an emergency or urgent threat to the health or safety of pupils or staff as defined in district policy, or as defined by paragraph (1) of subdivision (c) of Section 17592.72.

(iii) The accuracy of data reported on the school accountability report card with respect to the availability of sufficient textbooks and instructional materials as defined by Section 60119 and the safety, cleanliness, and adequacy of school facilities, including good repair as required by Sections 17014, 17032.5, 17070.75, and 17089.

(d) Distribute all laws, reports, circulars, instructions, and blanks that he or she may receive for the use of the school officers.

(e) Annually present a report to the governing board of the school district and the Superintendent of Public Instruction regarding the fiscal solvency of any school district with a disapproved budget, qualified interim certification, or a negative interim certification, or that is determined at any time to be in a position of fiscal uncertainty pursuant to Section 42127.6.

(f) Keep in his or her office the reports of the Superintendent of Public Instruction.

(g) Keep a record of his or her official acts, and of all the proceedings of the county board of education, including a record of the standing, in each study, of all applicants for certificates who have been examined, which shall be open to the inspection of any applicant or his or her authorized agent.

(h) Enforce the course of study.

(i) (1) Enforce the use of state textbooks and instructional materials and of high school textbooks and instructional materials regularly adopted by the proper authority.

(2) For purposes of this subdivision, "sufficient textbooks or instructional materials" has the same meaning as in subdivision (c) of Section 60119.

(3) If a school is ranked in any of deciles 1 to 3, inclusive, of the 2003 base Academic Performance Index, as defined in subdivision (b) of Section 17592.70, and is not currently under review through a state or federal intervention program, the county superintendent shall specifically review that school at least annually as a priority school. A review conducted for purposes of this paragraph shall be conducted within the first four weeks of the school year. For the 2004-05 fiscal year only, the

county superintendent shall make a diligent effort to conduct a visit to each school pursuant to this paragraph within 120 days of receipt of funds for this purpose.

(4) If the county superintendent determines that a school does not have sufficient textbooks or instructional materials in accordance with subparagraph (A) of paragraph (1) of subdivision (a) of Section 60119 and as defined by subdivision (c) of Section 60119, the county superintendent shall do all of the following:

(A) Prepare a report that specifically identifies and documents the areas or instances of noncompliance.

(B) Provide, within five business days of the review, a copy of the report to the school district, as provided in subdivision (c), and forward the report to the Superintendent of Public Instruction.

(C) Provide the school district with the opportunity to remedy the deficiency. The county superintendent shall ensure remediation of the deficiency no later than the second month of the school term.

(D) If the deficiency is not remedied as required pursuant to subparagraph (C), the county superintendent shall request the department, with approval by the State Board of Education, to purchase the textbooks or instructional materials necessary to comply with the sufficiency requirement of this subdivision. If the state board approves a recommendation from the department to purchase textbooks or instructional materials for the school district, the board shall issue a public statement at a regularly scheduled meeting indicating that the district superintendent and the governing board of the school district failed to provide pupils with sufficient textbooks or instructional materials as required by this subdivision. Before purchasing the textbooks or instructional materials, the department shall consult with the district to determine which textbooks or instructional materials to purchase. All purchases of textbooks or instructional materials shall comply with Chapter 3.25 (commencing with Section 60420) of Part 33. The amount of funds necessary to purchase the textbooks and materials is a loan to the school district receiving the textbooks or instructional materials. Unless the school district repays the amount owed based upon an agreed-upon repayment schedule with the Superintendent of Public Instruction, the Superintendent of Public Instruction shall notify the Controller and the Controller shall deduct an amount equal to the total amount used to purchase the textbooks and materials from the next principal apportionment of the district or from another apportionment of state funds.

(j) Preserve carefully all reports of school officers and teachers.

(k) Deliver to his or her successor, at the close of his or her official term, all records, books, documents, and papers belonging to the office, taking a receipt for them, which shall be filed with the department.

(l) (1) Submit two reports during the fiscal year to the county board of education in accordance with the following:

(A) The first report shall cover the financial and budgetary status of the county office of education for the period ending October 31. The second report shall cover the period ending January 31. Both reports shall be reviewed by the county board of education and approved by the county superintendent of schools no later than 45 days after the close of the period being reported.

(B) As part of each report, the county superintendent shall certify in writing whether or not the county office of education is able to meet its financial obligations for the remainder of the fiscal year and, based on current forecasts, for two subsequent fiscal years. The certifications shall be classified as positive, qualified, or negative, pursuant to standards prescribed by the Superintendent of Public Instruction, for the purposes of determining subsequent state agency actions pursuant to Section 1240.1. For purposes of this subdivision, a negative certification shall be assigned to any county office of education that, based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or for the subsequent fiscal year. A qualified certification shall be assigned to any county office of education that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A positive certification shall be assigned to any county office of education that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. In accordance with those standards, the Superintendent of Public Instruction may reclassify any certification. If a county office of education receives a negative certification, the Superintendent of Public Instruction, or his or her designee, may exercise the authority set forth in subdivision (c) of Section 1630. Copies of each certification, and of the report containing that certification, shall be sent to the Superintendent of Public Instruction at the time the certification is submitted to the county board of education. Copies of each qualified or negative certification and the report containing that certification shall be sent to the Controller at the time the certification is submitted to the county board of education.

(2) All reports and certifications required under this subdivision shall be in a format or on forms prescribed by the Superintendent of Public Instruction, and shall be based on standards and criteria for fiscal stability adopted by the State Board of Education pursuant to Section 33127. The reports and supporting data shall be made available by the county superintendent of schools to any interested party upon request.

(3) This subdivision does not preclude the submission of additional budgetary or financial reports by the county superintendent to the county board of education or to the Superintendent of Public Instruction.

(4) The county superintendent of schools is not responsible for the fiscal oversight of the community colleges in the county; however, he or she may perform financial services on behalf of those community colleges.

(m) If requested, act as agent for the purchase of supplies for the city and high school districts of his or her county.

(n) For purposes of Section 44421.5, report to the Commission on Teacher Credentialing the identity of any certificated person who knowingly and willingly reports false fiscal expenditure data relative to the conduct of any educational program. This requirement applies only if, in the course of his or her normal duties, the county superintendent of schools discovers information that gives him or her reasonable cause to believe that false fiscal expenditure data relative to the conduct of any educational program has been reported.

SEC. 27. Section 17212.2 of the Education Code is amended to read:

17212.2. (a) The governing board of a school district may make a written request upon a person, corporation, public utility, local publicly owned utility, or governmental agency for information necessary or useful to assess and determine the safety of a proposed schoolsite or an addition to an existing schoolsite, pursuant to Section 17251 and this chapter, including pipelines, electric transmission and distribution lines, railroads, and storage tanks. The written request shall identify the physical location of the schoolsite for which information is sought, describe the information sought, and contain a statement as to why the information is needed or useful. Information requested may include all of the following:

(1) Railroad operations involving hazardous or toxic materials, as reported to a governmental agency; frequency, speed, and schedule of railroad traffic; grade, curves, and condition of railroad tracks; and railroad accident occurrence.

(2) Whether there are existing pipelines, planned pipelines, or easements for pipelines on, or in proximity to, as specified pursuant to regulations adopted pursuant to Section 17251, the schoolsite, including the location of the pipeline, the age of the pipeline, the pipeline material, the class of pipeline, the diameter of the pipeline, the depth at which the pipeline is buried, the wall thickness of the pipeline, the product or products transported by the pipeline, the operating pressure of the pipeline, the history of spills or leaks of material being transported by the pipeline, as reported to a governmental agency, and the location of

the shutoff valves for the pipeline that are capable of preventing or halting the transport of product or products to the schoolsite.

(3) Whether there are easements for planned or existing lines for the transmission or distribution of electricity, electrical transformers, or electrical substations on or in proximity to, as specified pursuant to regulations adopted pursuant to Section 17251, the schoolsite, the location of easements for, planned, or existing lines, transformers, or substations, the voltages currently handled or planned to be handled by the line, transformer, or substation, the ground clearance, if applicable, of a line, transformer, or substation, and the depth of burial, if applicable, of the line, transformer, or substation as specified by the Public Utilities Commission.

(4) The location, age, construction type, safety record, and product stored in a storage tank.

(b) A person, corporation, public utility, local publicly owned utility, or governmental agency receiving a written request for information pursuant to this section shall provide a written response within 30 calendar days of receipt of the request, that provides the requested information, identifies available public information or an available report to a governmental agency, or provides written justification why the requested information is not being provided. A claim that the requested information is proprietary or confidential is a legitimate justification for the requested information to not be provided. The governing board of a school district may grant additional time to respond to a request for information pursuant to this section.

(c) A school district may file a complaint with the appropriate regulatory agency or legislative body for a violation of the requirements of this section. The regulatory agency or legislative body may appoint a representative to work toward informally resolving the complaint.

SEC. 28. Section 17463.6 of the Education Code, as added by Section 2 of Chapter 838 of the Statutes of 2004, is amended and renumbered to read:

17463.5. (a) Notwithstanding any other law, the Santa Clara Unified School District may use the proceeds from the sale of surplus real property, together with any personal property located thereon, if purchased entirely with local funds and may deposit the proceeds thereof into the general fund of the school district or county office of education for any one-time general fund purpose. If the purchase of the property was made using the proceeds of a general obligation bond act or revenue derived from developer fees, the amount of the proceeds of the transaction that may be deposited into the general fund of the school district or county office of education may not exceed the percentage computed by the difference between the purchase price of the property and the

proceeds from the transaction, divided by the amount of the proceeds of the transaction. For the purposes of this section, proceeds of the transaction means either of the following, as appropriate:

(1) The amount realized from the sale of property minus reasonable expenses related to the sale.

(2) For any transaction that did not result in a lump-sum payment of the proceeds of the transaction, the proceeds of the transaction shall be calculated as the net present value of the transaction.

(b) The State Allocation Board shall reduce an apportionment of hardship assistance awarded to the Santa Clara Unified School District pursuant to Article 8 (commencing with Section 17075.10) by an amount equal to the amount of the sale of surplus real property used for a one-time expenditure of the school district pursuant to this section.

(c) If the Santa Clara Unified School District exercises the authority granted pursuant to this section, the district is ineligible for hardship funding from the State School Deferred Maintenance Fund under Section 17587 for five years after the date of sale.

(d) Before the Santa Clara Unified School District exercises the authority granted pursuant to this section, the governing board of the school district shall first submit to the State Allocation Board documents certifying the following:

(1) The district has no major deferred maintenance requirements not covered by existing capital outlay resources.

(2) The sale of real property pursuant to this section does not violate any provisions of a local bond act.

(3) The real property is not suitable to meet any projected school construction need for the next 10 years.

(e) Before the Santa Clara Unified School District exercises the authority granted pursuant to this section, the governing board of the school district shall at a regularly scheduled meeting present a plan for expending one-time resources pursuant to this section. The plan shall identify the source and use of the funds and describe the reasons why the expenditure will not result in ongoing fiscal obligations for the district.

(f) This section is repealed on January 1, 2007, unless a later enacted statute that becomes operative on or before January 1, 2007, deletes or extends the date on which it is repealed.

SEC. 29. Section 17592.70 of the Education Code is amended to read:

17592.70. (a) There is hereby established the School Facilities Needs Assessment Grant Program to provide for a one-time comprehensive assessment of school facilities needs. The grant program shall be administered by the State Allocation Board.

(b) (1) The grants shall be awarded to school districts on behalf of schoolsites ranked in deciles 1 to 3, inclusive, on the Academic Performance Index, pursuant to Section 52056, based on the 2003 base Academic Performance Index score for each school newly constructed prior to January 1, 2000.

(2) For purposes of this section, schools ranked in deciles 1 to 3, inclusive, on the 2003 base Academic Performance Index (API) shall include any schools determined by the State Department of Education to meet either of the following:

(A) The school meets all of the following criteria:

(i) Does not have a valid base API score for 2003.

(ii) Is operating in the 2004-05 fiscal year and was operating in the 2003-04 fiscal year during the Standardized Testing and Reporting (STAR) Program testing period.

(iii) Has a valid base API score for 2002 that was ranked in deciles 1 to 3, inclusive, in that year.

(B) The school has an estimated base API score for 2003 that would be in deciles 1 to 3, inclusive.

(3) The State Department of Education shall estimate an API score for any school meeting the criteria of clauses (i) and (ii) of subparagraph (A) of paragraph (2) and not meeting the criteria of clause (iii) of subparagraph (A) of that paragraph, using available testing scores and any weighting or corrective factors it deems appropriate. The department shall provide those API scores to the Office of Public School Construction and post them on its Web site within 30 days of the enactment of this section.

(c) The State Allocation Board shall allocate funds pursuant to subdivision (b) to school districts with jurisdiction over eligible schoolsites, based on ten dollars (\$10) per pupil enrolled in the eligible school as of October 2003, with a minimum allocation of seven thousand five hundred dollars (\$7,500) for each schoolsite.

(d) As a condition of receiving funds pursuant to this section, school districts shall do all of the following:

(1) Use the funds to develop a comprehensive needs assessment of all schoolsites eligible for grants pursuant to subdivision (b). The assessment shall contain, at a minimum, all of the following information for each schoolsite:

(A) The year each building that is currently used for instructional purposes was constructed.

(B) The year, if any, each building that is currently used for instructional purposes was last modernized.

(C) The pupil capacity of the school.

(D) The number of pupils enrolled in the school.

- (E) The density of the school campus measured in pupils per acre.
 - (F) The total number of classrooms at the school.
 - (G) The age and number of portable classrooms at the school.
 - (H) Whether the school is operating on a multitrack, year-round calendar, and, if so, what type.
 - (I) Whether the school has a cafeteria, an auditorium, or other space used for pupil eating and not for class instruction.
 - (J) The useful life remaining of all major building systems for each structure housing instructional space, including, but not limited to, sewer, water, gas, electrical, roofing, and fire and life safety protection.
 - (K) The estimated costs for five years necessary to maintain functionality of each instructional space to maintain health, safety, and suitable learning environment, as applicable, including classrooms, counseling areas, administrative space, libraries, gymnasiums, multipurpose and dining space, and the accessibility to those spaces.
 - (L) A list of necessary repairs.
- (2) Use the data currently filed with the state as part of the process of applying for and obtaining modernization or construction funds for school facilities, or information that is available in the California Basic Education Data System for the element required in subparagraphs (D), (E), (F), and (G) of paragraph (1).
 - (3) Use the assessment as the baseline for the facilities inspection system required pursuant to subdivision (e) of Section 17070.75.
 - (4) Provide the results of the assessment to the Office of Public School Construction, including a report on the expenditures made in performing the assessment. It is the intent of the Legislature that the assessments be completed as soon as possible, but not later than January 1, 2006.
 - (5) If a school district does not need the full amount of the allocation it receives pursuant to this section, the school district shall expend the remaining funds for making facilities repairs identified in its needs assessment. The school district shall report to the Office of Public School Construction on the repairs completed pursuant to this paragraph and the cost of the repairs.
 - (6) Submit to the Office of Public School Construction an interim report regarding the progress made by the school district in completing the assessments of all eligible schools.

SEC. 30. Section 17592.72 of the Education Code is amended to read:

17592.72. (a) All moneys in the School Facilities Emergency Repair Account are available for reimbursement to schools ranked in deciles 1 to 3, inclusive, on the Academic Performance Index, pursuant to Section 52056, based on the 2003 base Academic Performance Index score for each school, as defined in subdivision (b) of Section 17592.70, to meet

the repair costs of the school district projects that meet the criteria specified in subdivisions (c) and (d) and as approved by the State Allocation Board.

(b) (1) It is the intent of the Legislature that each school district exercise due diligence in the administration of deferred maintenance and regular maintenance in order to avoid the occurrence of emergency repairs.

(2) Funds made available pursuant to this article shall supplement, not supplant, existing funds available for maintenance of school facilities.

(3) The board is authorized to deny future funding pursuant to this article to a school district if the board determines that there is a pattern of failure to exercise due diligence pursuant to paragraph (1) or supplantation. If the board finds a pattern of failure to exercise due diligence, the board shall notify the county superintendent of schools in which the school district is located.

(c) (1) For purposes of this article, “emergency facilities needs” means structures or systems that are in a condition that poses a threat to the health and safety of pupils or staff while at school. These projects may include, but are not limited to, the following types of facility repairs or replacements:

(A) Gas leaks.

(B) Nonfunctioning heating, ventilation, fire sprinklers, or air-conditioning systems.

(C) Electrical power failure.

(D) Major sewer line stoppage.

(E) Major pest or vermin infestation.

(F) Broken windows or exterior doors or gates that will not lock and that pose a security risk.

(G) Abatement of hazardous materials previously undiscovered that pose an immediate threat to pupil or staff.

(H) Structural damage creating a hazardous or uninhabitable condition.

(2) For purposes of this section, “emergency facilities needs” does not include any cosmetic or nonessential repairs.

(d) For the purpose of this section, structures or components shall only be replaced if it is more cost-effective than repair.

SEC. 31. Section 17592.73 of the Education Code is amended to read:

17592.73. The State Allocation Board shall do all of the following:

(a) Adopt regulations and review and amend its regulations, as necessary, pursuant to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code), for the administration of this article, including those regulations necessary to specify the

qualifications of the personnel performing the needs assessment and a method to ensure their independence. The initial regulations adopted pursuant to this article shall be adopted as emergency regulations, and the circumstances related to the initial adoption are hereby deemed to constitute an emergency for this purpose. The initial regulations adopted pursuant to this article shall be adopted by January 31, 2005.

(b) Establish and publish any procedures and policies in connection with the administration of this article as it deems necessary.

(c) Apportion funds to eligible school districts under this article.

(d) Provide technical assistance to school districts to implement this article.

(e) Submit an interim status report to the Legislature and the Governor by June 30, 2005, by compiling the reports submitted pursuant to paragraph (6) of subdivision (d) of Section 17592.70.

(f) By June 30, 2008, report to the Legislature and the Governor on expenditures pursuant to Section 17592.72 and projections of future expenditures pursuant to Section 17592.72.

SEC. 32. Section 22115 of the Education Code is amended to read: 22115. (a) "Compensation earnable" means the creditable compensation a person could earn in a school year for creditable service performed on a full-time basis, excluding service for which contributions are credited by the system to the Defined Benefit Supplement Program.

(b) The board may determine compensation earnable for persons employed on a part-time basis.

(c) When service credit for a school year is less than 1.000, compensation earnable shall be the quotient obtained when creditable compensation paid in that year is divided by the service credit for that year, except as provided in subdivision (d).

(d) When a member earns creditable compensation at multiple pay rates during a school year and service credit at the highest pay rate is at least 0.900 of a year, compensation earnable shall be determined as if all service credit for that year had been earned at the highest pay rate. This subdivision shall be applicable only for purposes of determining final compensation. When a member earns creditable compensation at multiple pay rates during a school year and service credit at the highest pay rate is less than 0.900 of a year, compensation earnable shall be determined pursuant to subdivision (c).

(e) For purposes of determining compensation earnable for a member employed by a community college prior to July 1, 1996, full time shall be defined pursuant to Section 22138.5 and pursuant to Section 20521 of Title 5 of the California Code of Regulations, as those provisions read on June 30, 1996, if application of that definition will increase the compensation earnable or otherwise enhance the benefits of the member.

(f) The amendments to this section made during the second year of the 1999-2000 Regular Session shall become operative on July 1, 2002, if the revenue limit cost-of-living adjustment computed by the Superintendent of Public Instruction for the 2001-02 fiscal year is equal to or greater than 3.5 percent. Otherwise the amendments to this section made during the second year of the 1999-2000 Regular Session shall become operative on July 1, 2003.

SEC. 33. Section 22200 of the Education Code is amended to read:

22200. (a) The plan and the system are administered by the Teachers' Retirement Board. On and after January 1, 2004, the members of the board are as follows:

- (1) The Superintendent of Public Instruction.
- (2) The Controller.
- (3) The Treasurer.
- (4) The Director of Finance.
- (5) Three persons who are either members of the Defined Benefit Program or participants in the Cash Balance Benefit Program, as follows:

(A) One person who, at the time of election, is an active member of the Defined Benefit Program or an active participant of the Cash Balance Benefit Program employed by a school district that provides instruction for kindergarten and grades 1 to 12, inclusive, or a county office of education, in a position other than a school administrator that requires a services credential with a specialization in administrative services. This member shall be elected by the active members of the Defined Benefit Program and active participants of the Cash Balance Benefit Program who are employed by a school district that provides instruction for kindergarten and grades 1 to 12, inclusive, or county office of education, pursuant to regulations adopted by the board, for a four-year term commencing on January 1, 2004.

(B) One person who, at the time of election, is an active member of the Defined Benefit Program or an active participant of the Cash Balance Benefit Program employed by a school district that provides instruction for kindergarten and grades 1 to 12, inclusive, or a county office of education. This member shall be elected by the active members of the Defined Benefit Program and active participants of the Cash Balance Benefit Program who are employed by a school district that provides instruction for kindergarten and grades 1 to 12, inclusive, or a county office of education, pursuant to regulations adopted by the board, for a four-year term commencing on January 1, 2004.

(C) One person who, at the time of election, is a community college instructor and an active member of the Defined Benefit Program or an active participant of the Cash Balance Benefit Program employed by a community college district, who shall be elected by the active community

college members of the Defined Benefit Program and the active community college participants of the Cash Balance Benefit Program, pursuant to regulations adopted by the board, for a four-year term commencing on January 1, 2004.

(6) Five persons appointed by the Governor for a term of four years, subject to confirmation by the Senate, as follows:

(A) One person who, at the time of appointment, is a member of the governing board of a school district or a community college district.

(B) One person who is either a retired member under this part or a retired participant under Part 14 (commencing with Section 26000).

(C) Three persons representing the public, whose terms shall be staggered by varying the first terms of these members, as follows:

(i) One person to a term expiring December 31, 2005.

(ii) One person to a term expiring December 31, 2006.

(iii) One person to a term expiring December 31, 2007.

(b) A person who is employed to perform creditable service by a community college district and either a school district that provides instruction for kindergarten and grades 1 to 12, inclusive, or a county office of education may only be elected to the position on the board that corresponds to the position in which he or she accrued the most service credit during the prior school year.

(c) The members of the board shall annually elect a chairperson and vice chairperson.

SEC. 34. Section 33126 of the Education Code is amended to read:

33126. (a) The school accountability report card shall provide data by which a parent can make meaningful comparisons between public schools that will enable him or her to make informed decisions on which school to enroll his or her children.

(b) The school accountability report card shall include, but is not limited to, assessment of the following school conditions:

(1) (A) Pupil achievement by grade level, as measured by the standardized testing and reporting programs pursuant to Article 4 (commencing with Section 60640) of Chapter 5 of Part 33.

(B) Pupil achievement in and progress toward meeting reading, writing, arithmetic, and other academic goals, including results by grade level from the assessment tool used by the school district using percentiles when available for the most recent three-year period.

(C) After the state develops a statewide assessment system pursuant to Chapter 5 (commencing with Section 60600) and Chapter 6 (commencing with Section 60800) of Part 33, pupil achievement by grade level, as measured by the results of the statewide assessment.

(D) Secondary schools with high school seniors shall list both the average verbal and math Scholastic Assessment Test scores to the extent

provided to the school and the percentage of seniors taking that exam for the most recent three-year period.

(2) Progress toward reducing dropout rates, including the one-year dropout rate listed in the California Basic Education Data System or any successor data system for the schoolsite over the most recent three-year period, and the graduation rate, as defined by the State Board of Education, over the most recent three-year period when available pursuant to Section 52052.

(3) Estimated expenditures per pupil and types of services funded.

(4) Progress toward reducing class sizes and teaching loads, including the distribution of class sizes at the schoolsite by grade level, the average class size, and, if applicable, the percentage of pupils in kindergarten and grades 1 to 3, inclusive, participating in the Class Size Reduction Program established pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28, using California Basic Education Data System or any successor data system information for the most recent three-year period.

(5) The total number of the school's fully credentialed teachers, the number of teachers relying upon emergency credentials, the number of teachers working without credentials, any assignment of teachers outside their subject areas of competence, misassignments, including misassignments of teachers of English learners, and the number of vacant teacher positions for the most recent three-year period.

(A) For purposes of this paragraph, "vacant teacher position" means a position to which a single designated certificated employee has not been assigned at the beginning of the year for an entire year or, if the position is for a one-semester course, a position to which a single designated certificated employee has not been assigned at the beginning of a semester for an entire semester.

(B) For purposes of this paragraph, "misassignment" means the placement of a certificated employee in a teaching or services position for which the employee does not hold a legally recognized certificate or credential or the placement of a certificated employee in a teaching or services position that the employee is not otherwise authorized by statute to hold.

(6) (A) Quality and currency of textbooks and other instructional materials, including whether textbooks and other materials meet state standards and are adopted by the State Board of Education for kindergarten and grades 1 to 8, inclusive, and adopted by the governing boards of school districts for grades 9 to 12, inclusive, and the ratio of textbooks per pupil and the year the textbooks were adopted.

(B) The availability of sufficient textbooks and other instructional materials, as defined in Section 60119, for each pupil, including English learners, in each of the following areas:

(i) The core curriculum areas of reading/language arts, mathematics, science, and history/social science.

(ii) Foreign language and health.

(iii) Science laboratory equipment for grades 9 to 12, inclusive, as appropriate.

(7) The availability of qualified personnel to provide counseling and other pupil support services, including the ratio of academic counselors per pupil.

(8) Availability of qualified substitute teachers.

(9) Safety, cleanliness, and adequacy of school facilities, including any needed maintenance to ensure good repair as specified in Section 17014, Section 17032.5, subdivision (a) of Section 17070.75, and subdivision (b) of Section 17089.

(10) Adequacy of teacher evaluations and opportunities for professional improvement, including the annual number of schooldays dedicated to staff development for the most recent three-year period.

(11) Classroom discipline and climate for learning, including suspension and expulsion rates for the most recent three-year period.

(12) Teacher and staff training, and curriculum improvement programs.

(13) Quality of school instruction and leadership.

(14) The degree to which pupils are prepared to enter the workforce.

(15) The total number of instructional minutes offered in the school year, separately stated for each grade level, as compared to the total number of the instructional minutes per school year required by state law, separately stated for each grade level.

(16) The total number of minimum days, as specified in Sections 46112, 46113, 46117, and 46141, in the school year.

(17) The number of advanced placement courses offered, by subject.

(18) The Academic Performance Index, including the disaggregation of subgroups as set forth in Section 52052 and the decile rankings and a comparison of schools.

(19) Whether a school qualified for the Immediate Intervention Underperforming Schools Program pursuant to Section 52053 and whether the school applied for, and received, a grant pursuant to that program.

(20) Whether the school qualifies for the Governor's Performance Award Program.

(21) When available, the percentage of pupils, including the disaggregation of subgroups as set forth in Section 52052, completing grade 12 who successfully complete the high school exit examination, as set forth in Sections 60850 and 60851, as compared to the percentage

of pupils in the district and statewide completing grade 12 who successfully complete the examination.

(22) Contact information pertaining to any organized opportunities for parental involvement.

(23) For secondary schools, the percentage of graduates who have passed course requirements for entrance to the University of California and the California State University pursuant to Section 51225.3 and the percentage of pupils enrolled in those courses, as reported by the California Basic Education Data System or any successor data system.

(24) Whether the school has a college admissions test preparation course program.

(c) If the Commission on State Mandates finds that a school district is eligible for a reimbursement of costs incurred in complying with this section, the school district shall be reimbursed only if the information provided in the school accountability report card is accurate, as determined by the annual audit performed pursuant to Section 41020. If the information is determined to be inaccurate, the school district is not ineligible for reimbursement if the information is corrected by May 15.

(d) It is the intent of the Legislature that schools make a concerted effort to notify parents of the purpose of the school accountability report cards, as described in this section, and ensure that all parents receive a copy of the report card; to ensure that the report cards are easy to read and understandable by parents; to ensure that local educational agencies with access to the Internet make available current copies of the report cards through the Internet; and to ensure that administrators and teachers are available to answer any questions regarding the report cards.

SEC. 35. Section 41020.5 of the Education Code is amended to read:

41020.5. (a) If the Controller determines by two consecutive quality control reviews pursuant to Section 14504.2, or if a county superintendent of schools determines, that audits performed by a certified public accountant or public accountant under Section 41020 were not performed in substantial conformity with provisions of the audit guide, or that the audit reports, including amended reports, submitted by February 15 following the close of the fiscal year audited, for two consecutive years do not conform to provisions of the audit guide as required by Section 14504, the Controller or the county superintendent of schools, as appropriate, shall notify in writing the certified public accountant or public accountant and the California Board of Accountancy.

If the certified public accountant or public accountant does not file an appeal in writing with the California Board of Accountancy within 30 calendar days after receipt of the notification from the Controller or county superintendent of schools, the determination of the Controller or county superintendent of schools pursuant to this section shall be final.

(b) If an appeal is filed with the California Board of Accountancy, the board shall complete an investigation of the appeal within 90 days of the filing date. On the basis of the investigation, the board may do either of the following:

(1) Find that the determination of the Controller or county superintendent of schools should not be upheld and has no effect.

(2) Schedule the appeal for a hearing, in which case, the final action on the appeal shall be completed by the board within one year from the date of filing the appeal.

(c) If the determination of the Controller or county superintendent of schools under subdivision (a) becomes final, the certified public accountant or public accountant shall be ineligible to conduct audits under Section 41020 for a period of three years, or, in the event of an appeal, for any period, and subject to the conditions, that may be ordered by the California Board of Accountancy. Not later than the first day of March of each year, the Controller shall notify each school district and county office of education of those certified public accountants or public accountants determined to be ineligible under this section. School districts and county offices of education shall not use the audit services of a certified public accountant or public accountant ineligible under this section.

(d) For the purposes of this section, "certified public accountant or public accountant" includes any person or firm entering into a contract to conduct an audit under Section 41020.

(e) This section shall not preclude the California Board of Accountancy from taking any disciplinary action it deems appropriate under other provisions of law.

SEC. 36. Section 41326.1 of the Education Code is amended to read:

41326.1. Within 30 days of assuming authority, an administrator who has control over a school district pursuant to Section 41326 shall discuss options for resolving the fiscal problems of the district with all of the following groups and 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 district administrative team.

(f) The County Office Fiscal Crisis and Management Assistance Team.

(g) Representatives of employee bargaining units.

(h) The county superintendent of schools.

SEC. 37. Section 41328 of the Education Code is amended to read:
41328. The qualifying district shall bear 100 percent of all costs associated with implementing this article, including the activities of the County Office Fiscal Crisis and Management Assistance Team or the regional team. The Superintendent of Public Instruction shall withhold from the apportionments to be made from the State School Fund to the district the amounts due pursuant to this section.

SEC. 38. Section 41530 of the Education Code is amended to read:
41530. (a) There is hereby established the professional development block grant. Commencing with the 2005–06 fiscal year, the Superintendent of Public Instruction shall apportion block grant funds to a school district based on the number of certificated teachers employed by the school district in the immediately prior fiscal year.

(b) A school district may expend funds received pursuant to this article for any purpose authorized by the programs listed in Section 41531, as the statutes governing those programs read on January 1, 2004, if the school district provides each teacher of kindergarten or grades 1 to 6, inclusive, with opportunities to participate in professional development activities in reading, language arts, or English language development. In providing teachers of kindergarten and grades 1 to 6, inclusive, with opportunities to participate in professional development activities in reading, language arts, or English language development, a school district shall expend at least an amount that is equal to the proportion that funding calculated pursuant to Article 3 (commencing with Section 99230) of Chapter 5 of Part 65 bears to the statewide total amount of block grant funds appropriated for purposes of this article. For purposes of this article, professional development in reading, language arts, or English language development shall be equivalent in rigor to the professional development provided pursuant to Article 3 (commencing with Section 99230) of Chapter 5 of Part 65, as that article read on January 1, 2004.

(c) For purposes of this article, “school district” includes a county office of education if county offices of education are eligible to receive funds for the programs that are listed in Section 41531. The block grant of a county office of education shall be based only on those programs for which it was eligible to receive funds in the 2003-04 fiscal year.

SEC. 39. 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, 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 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. These 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 matter or matters 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 education 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 of 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 of 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 required pursuant to subparagraph (A) or (B) of paragraph (3) of subdivision (b). The compensation shall be that which is normally provided by each district for staff development or in-service activity.

(d) Upon completion of service sufficient to meet program standards and performance assessments, 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. 40. Section 48853 of the Education Code is amended to read:

48853. (a) A pupil placed in a licensed children's institution or foster family home shall attend programs operated by the local educational agency, unless one of the following applies:

(1) The pupil has an individualized education program requiring placement in a nonpublic, nonsectarian school or agency, or in another local educational agency.

(2) The parent or guardian, or other person holding the right to make educational decisions for the pupil pursuant to Section 361 or 727 of the Welfare and Institutions Code or Section 56055, determines that it is in the best interest of the pupil to be placed in another educational program, or that the pupil continue in his or her school of origin pursuant to paragraph (1) of subdivision (d) of Section 48853.5.

(b) Before any decision is made to place a pupil in a juvenile court school as defined by Section 48645.1, the parent or guardian, or person holding the right to make educational decisions for the pupil pursuant to Section 361 or 726 of the Welfare and Institutions Code or Section 56055, shall first consider placement in the regular public school.

(c) If any dispute arises as to the school placement of a pupil subject to this section, the pupil has the right to remain in his or her school of origin, as defined in subdivision (e) of Section 48853.5, pending resolution of the dispute.

(d) This section does not supersede other laws that govern pupil expulsion.

(e) This section does not supersede any other law governing the educational placement in a juvenile court school, as defined by Section 48645.1, of a pupil detained in a county juvenile hall, or committed to a county juvenile ranch, camp, forestry camp, or regional facility.

(f) Foster children living in emergency shelters, as referenced in the McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.), may receive educational services at the emergency shelter as necessary for short periods of time for either of the following reasons:

(1) For health and safety emergencies.

(2) To provide temporary, special, and supplementary services to meet the child's unique needs if a decision regarding whether it is in the child's best interest to attend the school of origin cannot be made promptly, it is not practical to transport the child to the school of origin, and the child would otherwise not receive educational services.

The educational services may be provided at the shelter pending a determination by the person holding the right regarding the educational placement of the child.

(g) All educational and school placement decisions shall be made to ensure that the child is placed in the least restrictive educational programs and has access to academic resources, services, and extracurricular and enrichment activities that are available to all pupils. In all instances, educational and school placement decisions shall be based on the best interests of the child.

SEC. 41. Section 49341 of the Education Code is amended to read: 49341. The Legislature hereby finds and declares as follows:

(a) Because school science laboratories pose a potentially serious threat to the health and safety of school pupils and school personnel due to the use and storage of hazardous materials in these laboratories, educational efforts are needed to increase the awareness of persons dealing with these materials in these settings so that possible losses of life, injuries, losses of property, and social disruption, which could result from the improper and unsafe use of hazardous materials, will be minimized.

(b) Effective safety in school laboratories requires informed judgment, decisionmaking, and operating procedures by those responsible for laboratory and related instruction. It is desirable that each high school and junior high, middle, or elementary school offering laboratory work have a trained member of the professional staff who is designated as the building laboratory consultant and who is responsible for the review, updating, and carrying out of the school's adopted procedures for laboratory safety.

(c) Efforts by state and local agencies to implement training programs designed to provide qualified individuals with the necessary information, organizational skills, and materials to assist schools and teachers in the development of their laboratory safety policies and procedures are nonexistent or inadequate, and it is necessary that this situation be remedied. The state should assume leadership through the policy and guidance of the State Department of Education in the development, support, and implementation of a statewide training program.

(d) The Legislature requests that the State Department of Education consider making this program a part of the department's energy and environmental education program that is conducted pursuant to Chapter 4 (commencing with Section 8700) of Part 6.

SEC. 42. Section 49414.5 of the Education Code is amended to read:

49414.5. (a) In the absence of a credentialed school nurse or other licensed nurse onsite at the school, each school district may provide school personnel with voluntary emergency medical training to provide emergency medical assistance to pupils with diabetes suffering from severe hypoglycemia, and volunteer personnel shall provide this emergency care, in accordance with standards established pursuant to subdivision (b) and the performance instructions set forth by the licensed health care provider of the pupil. A school employee who does not volunteer or who has not been trained pursuant to subdivision (b) may not be required to provide emergency medical assistance pursuant to this subdivision.

(b) (1) The Legislature encourages the American Diabetes Association to develop performance standards for the training and supervision of school personnel in providing emergency medical assistance to pupils with diabetes suffering from severe hypoglycemia. The performance standards shall be developed in cooperation with the department, the California School Nurses Organization, the California Medical Association, and the American Academy of Pediatrics. Upon the development of the performance standards pursuant to this paragraph, the State Department of Health Services' Diabetes Prevention and Control Program shall approve the performance standards for distribution and make those standards available upon request.

(2) Training established pursuant to this subdivision shall include all of the following:

(A) Recognition and treatment of hypoglycemia.

(B) Administration of glucagon.

(C) Basic emergency followup procedures, including, but not limited to, calling the emergency 911 telephone number and contacting, if possible, the pupil's parent or guardian and licensed health care provider.

(3) Training by a physician, credentialed school nurse, registered nurse, or certificated public health nurse according to the standards established pursuant to this section shall be deemed adequate training for the purposes of this section.

(4) (A) A school employee shall notify the credentialed school nurse assigned to the school district if he or she administers glucagon pursuant to this section.

(B) If a credentialed school nurse is not assigned to the school district, the school employee shall notify the superintendent of the school district, or his or her designee, if he or she administers glucagon pursuant to this section.

(5) All materials necessary to administer the glucagon shall be provided by the parent or guardian of the pupil.

(c) In the case of a pupil who is able to self-test and monitor his or her blood glucose level, upon written request of the parent or guardian, and with authorization of the licensed health care provider of the pupil, a pupil with diabetes shall be permitted to test his or her blood glucose level and to otherwise provide diabetes self-care in the classroom, in any area of the school or school grounds, during any school-related activity, and, upon specific request by a parent or guardian, in a private location.

(d) For the purposes of this section, the following terms have the following meanings:

(1) "School personnel" means any one or more employees of a school district who volunteers to be trained to administer emergency medical assistance to a pupil with diabetes.

(2) "Emergency medical assistance" means the administration of glucagon to a pupil who is suffering from severe hypoglycemia.

SEC. 43. 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 is encouraged to seek representation broadly reflective of the state population.

(d) Costs incurred by the superintendent 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 shall consider developing frameworks for various career pathways that will prepare pupils for both career entry and matriculation into postsecondary education.

(f) Upon completion of the framework, the advisory group is encouraged to identify career technical education courses that meet state-adopted academic content standards and that satisfy high school graduation requirements and admissions requirements of the University

of California and the California State University, and to determine the extent to which local educational agencies accept credit earned for the completion of those courses, in lieu of other courses of study.

(g) The adoption of the framework developed and adopted pursuant to this section by a local educational agency shall be voluntary.

SEC. 44. Section 51430 of the Education Code is amended to read:

51430. (a) Notwithstanding any other provision of law, 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 meets either of the following conditions:

(1) The person 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 his or her education was interrupted due to his or her internment during World War II.

(2) The person is a veteran of World War II, the Korean War, or the Vietnam War, was honorably discharged from his or her military service, 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 military service in those wars, and did not receive a high school diploma because his or her education was interrupted due to his or her military service in those wars.

(b) A high school district, unified school district, or county office of education may retroactively grant a high school diploma to a deceased person who meets the conditions of paragraph (1) or (2) of subdivision (a), to be received by the next of kin of the deceased person.

SEC. 45. Section 52059 of the Education Code is amended to read:

52059. (a) For purposes of complying with the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), a Statewide System of School Support shall be established by the department to provide a statewide system of intensive and sustained support and technical assistance for school districts, county offices of education, and schools in need of improvement. The system shall consist of regional consortia, which may include county offices of education and school districts, that work collaboratively with school districts and county offices of education to meet the needs of school districts and schools in need of improvement.

(b) The system shall provide assistance to school districts and schools in need of improvement by:

(1) Reviewing and analyzing all facets of a school's operation, including the following:

(A) The design and operation of the instructional program offered by the school.

(B) The recruitment, hiring, and retention of principals, teachers, and other staff, including vacancy issues. The system may request the assistance of the Fiscal Crisis and Management Assistance Team to review school district or school recruitment, hiring, and retention practices.

(C) The roles and responsibilities of district and school management personnel.

(2) Assisting the school in developing recommendations for improving pupil performance and school operations.

(3) Assisting schools and school districts in efforts to eliminate misassignments of certificated personnel.

(c) In carrying out this article, the department shall ensure that support is provided in the following order of priority:

(1) To school districts or county offices of education with schools that are subject to corrective action under paragraph (7) of subsection (b) of Section 6316 of Title 20 of the United States Code.

(2) To school districts or county offices of education with schools that are identified as being in need of improvement pursuant to subsection (b) of Section 6316 of Title 20 of the United States Code.

(3) To provide support and assistance to school districts and county offices of education with schools participating under the No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.) that need support and assistance to achieve the purposes of that act.

(4) To provide support and assistance to other school districts and county offices of education with schools participating in a program carried out under this chapter.

(d) For purposes of this article, all references to schools shall include charter schools.

(e) Funds shall be distributed under this article based on the number of schools and enrollment of those schools in each region that have been identified as being in need of improvement pursuant to Section 6316 of Title 20 of the United States Code, or are participating in the programs conducted under this chapter.

SEC. 46. Section 52124 of the Education Code, as amended by Section 1 of Chapter 910 of the Statutes of 2004, is amended to read:

52124. (a) A school district that implements a class size reduction program pursuant to this chapter is subject to this section.

(b) A school district may establish a program to reduce class size in kindergarten and grades 1 to 3, inclusive, and that program shall be implemented at each schoolsite according to the following priorities:

(1) If only one grade level is reduced at a schoolsite, the grade level shall be grade 1.

(2) If only two grade levels are reduced at a schoolsite, the grade levels shall be grades 1 and 2.

(3) If three grade levels are reduced at a schoolsite, then those grade levels shall be kindergarten and grades 1 and 2 or grades 1 to 3, inclusive. Priority shall be given to the reduction of class sizes in grades 1 and 2 before the class sizes of kindergarten or grade 3 are reduced.

(4) If four grade levels are reduced at a schoolsite, then those grade levels shall be kindergarten and grades 1 to 3, inclusive. First priority shall be given to the reduction of class sizes in grades 1 and 2, and second priority shall be given to the reduction of class size in kindergarten and grade 3. This paragraph shall be operative only in those fiscal years for which funds are appropriated expressly for the purposes of this paragraph.

(c) It is the intent of the Legislature to continue to permit the use of combination classes of more than one grade level to the extent that school districts are otherwise permitted to use that instructional strategy. However, any school district that uses a combination class in any class for which funding is received pursuant to this chapter may not claim funding pursuant to this chapter if the total number of pupils in the combination class, regardless of grade level, exceeds 20 pupils per certificated teacher assigned to provide direct instructional services.

(d) The governing board of a school district shall certify to the Superintendent of Public Instruction that it has met the requirements of this section in implementing its class size reduction program. If a school district receives funding pursuant to this chapter but has not implemented its class size reduction program for all grades and classes for which it received funding pursuant to this chapter, the Superintendent of Public Instruction shall notify the Controller and the school district in writing and the Controller shall deduct an amount equal to the amount received by the school district under this chapter for each class that the school district failed to reduce to a class size of 20 or fewer pupils from the next principal apportionment or apportionments of state funds to the district, other than basic aid apportionments required by Section 6 of Article IX of the California Constitution.

(e) Except for a school district participating pursuant to subdivision (h) of Section 52122, the amount deducted pursuant to subdivision (d) shall be adjusted as follows:

(1) Twenty percent of the amount to which the district would otherwise be eligible for each class for which the annual enrollment determined pursuant to Section 52124.5 is greater than or equal to 20.5 but less than 21.0.

(2) Forty percent of the amount to which the district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 21.0 but less than 21.5.

(3) Eighty percent of the amount to which the district would otherwise be eligible for each class for which the annual average enrollment determined pursuant to Section 52124.5 is greater than or equal to 21.5 but less than 21.9.

(4) The amount deducted pursuant to subdivision (d) for each class for which the annual average enrollment determined pursuant to Section 52141.5 is greater than or equal to 21.9 shall be the amount of funding the district received for the class pursuant to this chapter.

(f) Notwithstanding any other provision of this chapter, a school district located in the County of Los Angeles, Riverside, San Bernardino, San Diego, or Ventura may claim funding pursuant to this chapter for the 2003-04 school year based on enrollment counts before the October 2003 fires, in classes for which the class size reduction program is implemented, if the following criteria are met:

(1) The school district submits to the Superintendent of Public Instruction a "Request for Allowance of Attendance because of Emergency Conditions" pursuant to Section 46392 and the emergency conditions were caused by the October 2003 fires.

(2) The school district certifies that it suffered a loss of enrollment in classes in which the class size reduction program is implemented and this loss of enrollment is due to the October 2003 fires and would result in a decrease in funding that the district receives pursuant to this chapter.

(g) This section shall be operative until July 1, 2009, and as of January 1, 2010, is repealed, unless a later enacted statute deletes or extends that date.

SEC. 47. Section 56366 of the Education Code is amended to read:
56366. It is the intent of the Legislature that the role of a nonpublic, nonsectarian school or agency shall be maintained and continued as an alternative special education service available to a local educational agency and parents.

(a) The master contract for nonpublic, nonsectarian school or agency services shall be developed in accordance with the following provisions:

(1) The master contract shall specify the general administrative and financial agreements, including teacher-to-pupil ratios, between the nonpublic, nonsectarian school or agency and the local educational agency to provide the special education and designated instruction and services, as well as transportation specified in each pupil's individualized education program. The administrative provisions of the contract also shall include procedures for recordkeeping and documentation, and the

maintenance of school records by the contracting local educational agency to ensure that appropriate high school graduation credit is received by each pupil. The contract may allow for partial or full-time attendance at the nonpublic, nonsectarian school.

(2) (A) The master contract shall include an individual services agreement for each pupil placed by a local educational agency that will be negotiated for the length of time for which nonpublic, nonsectarian school or agency special education and designated instruction and services are specified in the pupil's individualized education program.

(B) The master contract shall include a description of the process being utilized by the local educational agency to oversee and evaluate placements in nonpublic, nonsectarian schools, as required by federal law. This description shall include a method for evaluating whether each pupil is making appropriate educational progress. At least once every year, the local educational agency shall do all of the following and, to the extent possible, the following shall be conducted as part of the development and provision of an individualized education program:

(i) Evaluate the educational progress of each pupil placed in a nonpublic, nonsectarian school, including all state assessment results pursuant to the requirements of Section 52052.

(ii) Consider whether or not the needs of the pupil continue to be best met at the nonpublic, nonsectarian school and whether changes to the individualized education program of the pupil are necessary, including whether the pupil may be transitioned to a public school setting. This consideration shall be made at the meeting required by subdivision (d) of Section 56343.

(C) In the case of a nonpublic, nonsectarian school that is owned, operated by, or associated with a licensed children's institution, the master contract shall include a method for evaluating whether the nonpublic, nonsectarian school is in compliance with the mandate set forth in Section 56366.9 of this code and subdivision (b) of Section 1501.1 of the Health and Safety Code.

(3) Changes in educational instruction, services, or placement provided under contract may only be made on the basis of revisions to a pupil's individualized education program.

At any time during the term of the contract or individual services agreement, the parent, the nonpublic, nonsectarian school or agency, or the local educational agency may request a review of a pupil's individualized education program by the individualized education program team. Changes in the administrative or financial agreements of the master contract that do not alter the individual services agreement that outlines each pupil's educational instruction, services, or placement may be made at any time during the term of the contract as mutually

agreed by the nonpublic, nonsectarian school or agency and the local educational agency.

(4) The master contract or individual services agreement may be terminated for cause. The cause shall not be the availability of a public class initiated during the period of the contract unless the parent agrees to the transfer of the pupil to a public school program. To terminate the contract either party shall give 20 days' notice.

(5) The nonpublic, nonsectarian school or agency shall provide all services specified in an individualized education program, unless the nonpublic, nonsectarian school or agency and the local educational agency agree otherwise in the contract or individual services agreement.

(6) Related services provided pursuant to a nonpublic, nonsectarian agency master contract shall only be provided during the period of a pupil's regular or extended school year program, or both, unless otherwise specified by the pupil's individualized education program.

(7) The nonpublic, nonsectarian school or agency shall report attendance of pupils receiving special education and designated instruction and services, as defined by Section 46307, for purposes of submitting a warrant for tuition to each contracting local educational agency.

(8) (A) A nonpublic, nonsectarian school is subject to the alternative accountability system developed pursuant to Section 52052 in the same manner as public schools and each pupil placed in the nonpublic, nonsectarian school by a local educational agency shall be tested by qualified staff of the nonpublic, nonsectarian school in accordance with that accountability program. The test results shall be reported by the nonpublic, nonsectarian school to the department.

(B) Beginning with the 2006-07 school year testing cycle, each nonpublic, nonsectarian school shall determine its STAR testing period subject to subdivisions (b) and (c) of Section 60640. The nonpublic, nonsectarian school shall determine this period based on completion of 85 percent of the instructional year at that nonpublic, nonsectarian school, plus and minus 10 days, resulting in a 21-day period. Each nonpublic, nonsectarian school shall notify the district of residence of a pupil enrolled in the school of its testing period. Staff at the nonpublic, nonsectarian school who administer the assessments shall attend the regular testing training sessions provided by the district of residence. If staff from a nonpublic, nonsectarian school have received training from one local educational agency, that training will be sufficient for all local educational agencies that send pupils to the nonpublic, nonsectarian school. The district of residence shall order testing materials for its pupils that have been placed in the nonpublic, nonsectarian school. The board

shall adopt regulations to facilitate the distribution of and collection of testing materials.

(9) With respect to a nonpublic, nonsectarian school, the school shall prepare a school accountability report card in accordance with Section 33126.

(b) The master contract or individual services agreement shall not include special education transportation provided through the use of services or equipment owned, leased, or contracted by a local educational agency for pupils enrolled in the nonpublic, nonsectarian school or agency unless provided directly or subcontracted by that nonpublic, nonsectarian school or agency.

The superintendent shall withhold 20 percent of the amount apportioned to a local educational agency for costs related to the provision of nonpublic, nonsectarian school or agency placements if the superintendent finds that the local educational agency is in noncompliance with this subdivision. This amount shall be withheld from the apportionments in the fiscal year following the superintendent's finding of noncompliance. The superintendent shall take other appropriate actions to prevent noncompliant practices from occurring and report to the Legislature on those actions.

(c) (1) If a pupil is enrolled in a nonpublic, nonsectarian school or agency with the approval of the local educational agency prior to agreement to a contract or individual services agreement, the local educational agency shall issue a warrant, upon submission of an attendance report and claim, for an amount equal to the number of creditable days of attendance at the per diem tuition rate agreed upon prior to the enrollment of the pupil. This provision shall be allowed for 90 days during which time the contract shall be consummated.

(2) If after 60 days the master contract or individual services agreement has not been finalized as prescribed in paragraph (1) of subdivision (a), either party may appeal to the county superintendent of schools, if the county superintendent is not participating in the local plan involved in the nonpublic, nonsectarian school or agency contract, or the superintendent, if the county superintendent is participating in the local plan involved in the contract, to negotiate the contract. Within 30 days of receipt of this appeal, the county superintendent or the superintendent, or his or her designee, shall mediate the formulation of a contract, which shall be binding upon both parties.

(d) A master contract for special education and related services provided by a nonpublic, nonsectarian school or agency may not be authorized under this part, unless the school or agency has been certified as meeting those standards relating to the required special education and specified related services and facilities for individuals with exceptional

needs. The certification shall result in the school or agency receiving approval to educate pupils under this part for a period no longer than 18 months from the date of the initial approval.

(e) By September 30, 1998, the procedures, methods, and regulations for the purposes of contracting for nonpublic, nonsectarian school and agency services pursuant to this section and for reimbursement pursuant to Sections 56836.16 and 56836.20 shall be developed by the superintendent in consultation with statewide organizations representing providers of special education and designated instruction and services. The regulations shall be established by rules and regulations issued by the board.

SEC. 48. Section 56366.1 of the Education Code is amended to read:

56366.1. (a) A nonpublic, nonsectarian school or agency that seeks certification shall file an application with the superintendent on forms provided by the department, and include the following information on the application:

(1) A description of the special education and designated instruction and services provided to individuals with exceptional needs if the application is for nonpublic, nonsectarian school certification.

(2) A description of the designated instruction and services provided to individuals with exceptional needs if the application is for nonpublic, nonsectarian agency certification.

(3) A list of appropriately qualified staff, a description of the credential, license, or registration that qualifies each staff member rendering special education or designated instruction and services to do so, and copies of their credentials, licenses, or certificates of registration with the appropriate state or national organization that has established standards for the service rendered.

(4) An annual operating budget.

(5) Affidavits and assurances necessary to comply with all applicable federal, state, and local laws and regulations which include criminal record summaries required of all nonpublic school or agency personnel having contact with minor children under Section 44237.

(b) (1) The applicant shall provide the special education local plan area in which the applicant is located with the written notification of its intent to seek certification or renewal of its certification. The applicant shall submit on a form, developed by the department, a signed verification by local educational agency representatives that they have been notified of the intent to certify or renew certification. The verification shall include a statement that representatives of the local educational agency for the area in which the applicant is located have had the opportunity to review the application at least 60 calendar days prior to submission of an initial application to the superintendent, or at least 30 calendar

days prior to submission of a renewal application to the superintendent. The signed verification shall provide assurances that local educational agency representatives have had the opportunity to provide input on all required components of the application.

(2) If the applicant has not received a response from the local educational agency 30 days from the date of the return receipt, the applicant may file the application with the superintendent. A copy of the return receipt shall be included with the application as verification of notification efforts to the local educational agency.

(3) The department shall mail renewal application materials to certified nonpublic, nonsectarian schools and agencies at least 120 days prior to the date their current certification expires.

(c) If the applicant operates a facility or program on more than one site, each site shall be certified.

(d) If the applicant is part of a larger program or facility on the same site, the superintendent shall consider the effect of the total program on the applicant. A copy of the policies and standards for the nonpublic, nonsectarian school or agency and the larger program shall be available to the superintendent.

(e) Prior to certification, the superintendent shall conduct an onsite review of the facility and program for which the applicant seeks certification. The superintendent may be assisted by representatives of the special education local plan area in which the applicant is located and a nonpublic, nonsectarian school or agency representative who does not have a conflict of interest with the applicant. The superintendent shall conduct an additional onsite review of the facility and program within four years of the effective date of the certification, unless the superintendent conditionally certifies the school or agency or unless the superintendent receives a formal complaint against the school or agency. In the latter two cases, the superintendent shall conduct an onsite review at least annually.

(f) The superintendent shall make a determination on an application within 120 days of receipt of the application and shall certify, conditionally certify, or deny certification to the applicant. If the superintendent fails to take one of these actions within 120 days, the applicant is automatically granted conditional certification for a period terminating on August 31 of the current school year. If certification is denied, the superintendent shall provide reasons for the denial. The superintendent may certify the school or agency for a period of not longer than one year.

(g) Certification becomes effective on the date the nonpublic, nonsectarian school or agency meets all the application requirements and is approved by the superintendent. Certification may be retroactive

if the school or agency met all the requirements of this section on the date the retroactive certification is effective. Certification expires on December 31 of the terminating year.

(h) The superintendent shall annually review the certification of each nonpublic, nonsectarian school and agency. For this purpose, a certified school or agency shall annually update its application between August 1 and October 31, unless the board grants a waiver pursuant to Section 56101. The superintendent may conduct an onsite review as part of the annual review.

(i) (1) The superintendent shall conduct an investigation of a nonpublic, nonsectarian school or agency onsite at any time without prior notice if there is substantial reason to believe that there is an immediate danger to the health, safety, or welfare of a child. The superintendent shall document the concern and submit it to the nonpublic, nonsectarian school or agency at the time of the onsite investigation. The superintendent shall require a written response to any noncompliance or deficiency found.

(2) With respect to a nonpublic, nonsectarian school, the superintendent shall conduct an investigation, which may include an unannounced onsite visit, if the superintendent receives evidence of a significant deficiency in the quality of educational services provided, a violation of Section 56366.9, or noncompliance with the policies expressed by subdivision (b) of Section 1501 of the Health and Safety Code by the nonpublic, nonsectarian school. The superintendent shall document the complaint and the results of the investigation and shall provide copies of the documentation to the complainant, the nonpublic, nonsectarian school, and the contracting local educational agency.

(3) Violations or noncompliance documented pursuant to paragraph (1) or (2) shall be reflected in the status of the certification of the school, at the discretion of the superintendent, pending an approved plan of correction by the nonpublic, nonsectarian school. The department shall retain, for a period of 10 years, all violations pertaining to certification of the nonpublic, nonsectarian school or agency.

(j) The superintendent shall monitor the facilities, the educational environment, and the quality of the educational program, including the teaching staff, the credentials authorizing service, the standards-based core curriculum being employed, and the standard focused instructional materials used, of an existing certified nonpublic, nonsectarian school or agency on a three-year cycle, as follows:

(1) The nonpublic, nonsectarian school or agency shall complete a self-review in year one.

(2) The superintendent shall conduct an onsite review of the nonpublic, nonsectarian school or agency in year two.

(3) The superintendent shall conduct a followup visit to the nonpublic, nonsectarian school or agency in year three.

(k) (1) Notwithstanding any other provision of law, the superintendent may not certify a nonpublic, nonsectarian school or agency that proposes to initiate or expand services to pupils currently educated in the immediate prior fiscal year in a juvenile court program, community school pursuant to Section 56150, or other nonspecial education program, including independent study or adult school, or both, unless the nonpublic, nonsectarian school or agency notifies the county superintendent of schools and the special education local plan area in which the proposed new or expanded nonpublic, nonsectarian school or agency is located of its intent to seek certification.

(2) The notification shall occur no later than the December 1 prior to the new fiscal year in which the proposed or expanding school or agency intends to initiate services. The notice shall include the following:

(A) The specific date upon which the proposed nonpublic, nonsectarian school or agency is to be established.

(B) The location of the proposed program or facility.

(C) The number of pupils proposed for services, the number of pupils currently served in the juvenile court, community school, or other nonspecial education program, the current school services including special education and related services provided for these pupils, and the specific program of special education and related services to be provided under the proposed program.

(D) The reason for the proposed change in services.

(E) The number of staff that will provide special education and designated instruction and services and hold a current valid California credential or license in the service rendered or certificate of registration to provide occupational therapy.

(3) In addition to the requirements in subdivisions (a) to (f), inclusive, the superintendent shall require and consider the following in determining whether to certify a nonpublic, nonsectarian school or agency as described in this subdivision:

(A) A complete statement of the information required as part of the notice under paragraph (1).

(B) Documentation of the steps taken in preparation for the conversion to a nonpublic, nonsectarian school or agency, including information related to changes in the population to be served and the services to be provided pursuant to each pupil's individualized education program.

(4) Notwithstanding any other provision of law, the certification becomes effective no earlier than July 1 if the school or agency provided the notification required pursuant to paragraph (1).

(l) (1) Commencing July 1, 2006, notwithstanding any other provision of law, the superintendent may not certify or renew the certification of a nonpublic, nonsectarian school or agency, unless all of the following conditions are met:

(A) The entity operating the nonpublic, nonsectarian school or agency maintains separate financial records for each entity that it operates, with each nonpublic, nonsectarian school or agency identified separately from any licensed children’s institution that it operates.

(B) The entity submits an annual budget that identifies the projected costs and revenues for each entity and demonstrates that the rates to be charged are reasonable to support the operation of the entity.

(C) The entity submits an entity-wide annual audit that identifies its costs and revenues, by entity, in accordance with generally accepted accounting and auditing principles. The audit shall clearly document the amount of moneys received and expended on the education program provided by the nonpublic, nonsectarian school.

(D) The relationship between various entities operated by the same entity are documented, defining the responsibilities of the entities. The documentation shall clearly identify the services to be provided as part of each program, for example, the residential or medical program, the mental health program, or the educational program. The entity shall not seek funding from a public agency for a service, either separately or as part of a package of services, if the service is funded by another public agency, either separately or as part of a package of services.

(2) For purposes of this section, the term “licensed children’s institution” has the same meaning as it is defined by Section 56155.5.

(m) The school or agency shall be charged a reasonable fee for certification. The superintendent may adjust the fee annually commensurate with the statewide average percentage inflation adjustment computed for revenue limits of unified school districts with greater than 1,500 units of average daily attendance if the percentage increase is reflected in the district revenue limit for inflation purposes. For purposes of this section, the base fee shall be the following:

(1) 1-5 pupils	\$ 300
(2) 6-10 pupils	500
(3) 11-24 pupils	1,000
(4) 25-75 pupils	1,500
(5) 76 pupils and over	2,000

The school or agency shall pay this fee when it applies for certification and when it updates its application for annual review by the superintendent. The superintendent shall use these fees to conduct onsite

reviews, which may include field experts. No fee shall be refunded if the application is withdrawn or is denied by the superintendent.

(n) (1) Notwithstanding any other provision of law, only those nonpublic, nonsectarian schools and agencies that provide special education and designated instruction and services utilizing staff who hold a certificate, permit, or other document equivalent to that which staff in a public school are required to hold in the service rendered are eligible to receive certification. Only those nonpublic, nonsectarian schools or agencies located outside of California that employ staff who hold a current valid credential or license to render special education and related services as required by that state shall be eligible to be certified.

(2) The board shall develop regulations to implement this subdivision.

(o) In addition to meeting the standards adopted by the board, a nonpublic, nonsectarian school or agency shall provide written assurances that it meets all applicable standards relating to fire, health, sanitation, and building safety.

SEC. 49. Section 56366.11 of the Education Code is amended to read:

56366.11. (a) The department shall implement a program to integrate individuals with exceptional needs placed in nonpublic, nonsectarian schools into public schools, as appropriate. Under the program, a pupil placed in a nonpublic, nonsectarian school and each individual who has the right to make educational decisions for the pupil shall be informed of all his or her rights relating to the educational placement of the pupil. Existing dispute resolution procedures involving public school enrollment or attendance shall be explained to a pupil placed in a nonpublic, nonsectarian school in an age- and developmentally appropriate manner. The Foster Child Ombudsman shall disseminate the information on education rights to every foster child residing in a licensed children's institution or foster family home.

(b) Following the development of the next statewide assessment contract, the department shall submit to the Legislature a report on the academic progress of pupils attending nonpublic, nonsectarian schools serving individuals with exceptional needs. Using the results of the two most recent years of the Standardized Testing and Reporting (STAR) Program and the California Alternative Performance Assessment, the report shall summarize by district the achievement of all pupils attending a nonpublic, nonsectarian school. The department shall ensure that the report does not violate the confidentiality of individual pupil scores. In addition, the report shall include an academic performance index score for pupils attending nonpublic, nonsectarian schools for each district using the same procedures as under Section 52052.

SEC. 50. Section 56505 of the Education Code is amended to read:

56505. (a) The state hearing shall be conducted in accordance with regulations adopted by the board.

(b) The hearing shall be held at a time and place reasonably convenient to the parent or guardian and the pupil.

(c) The hearing shall be conducted by a person knowledgeable in the laws and regulations governing special education and administrative hearings pursuant to Section 56504.5, and who has satisfactorily completed training pursuant to this subdivision. The Superintendent shall establish standards for the training of hearing officers, the degree of specialization of the hearing officers, and the quality control mechanisms to be used to ensure that the hearings are fair and the decisions are accurate. A due process hearing may not be conducted by any individual listed in subsection (a) of Section 300.508 of Title 34 of the Code of Federal Regulations. Pursuant to subsection (b) of Section 300.508 of Title 34 of the Code of Federal Regulations, a person who is qualified to conduct a hearing is not an employee of the agency solely because he or she is paid by the agency to serve as a hearing officer. The hearing officer shall encourage the parties to a hearing to consider the option of mediation as an alternative to a hearing.

(d) Pursuant to subsection (a) of Section 300.514 of Title 34 of the Code of Federal Regulations, during the pendency of the hearing proceedings, including the actual state-level hearing, or judicial proceeding regarding a due process hearing, the pupil shall remain in his or her present placement, except as provided in Section 300.526 of Title 34 of the Code of Federal Regulations, unless the public agency and the parent or guardian agree otherwise. A pupil applying for initial admission to a public school shall, with the consent of his or her parent or guardian, be placed in the public school program until all proceedings have been completed. As provided in subsection (c) of Section 300.514 of Title 34 of the Code of Federal Regulations, if the decision of a hearing officer in a due process hearing or a state review official in an administrative appeal agrees with the parent or guardian of the pupil that a change of placement is appropriate, that placement shall be treated as an agreement between the state or local agency and the parent or guardian.

(e) Any party to the hearing held pursuant to this section shall be afforded the following rights consistent with state and federal statutes and regulations:

(1) The right to be accompanied and advised by counsel and by individuals with special knowledge or training relating to the problems of individuals with exceptional needs.

(2) The right to present evidence, written arguments, and oral arguments.

(3) The right to confront, cross-examine, and compel the attendance of witnesses.

(4) The right to a written, or, at the option of the parents or guardians, electronic verbatim record of the hearing.

(5) The right to written, or, at the option of the parent or guardian, electronic findings of fact and decisions. The record of the hearing and the findings of fact and decisions shall be provided at no cost to parents or guardians in accordance with paragraph (2) of subsection (c) of Section 300.509 of Title 34 of the Code of Federal Regulations. The findings and decisions shall be made available to the public after any personally identifiable information has been deleted consistent with the confidentiality requirements of subsection (c) of Section 1417 of Title 20 of the United States Code and shall also be transmitted to the Advisory Commission on Special Education pursuant to paragraph (4) of subsection (h) of Section 1415 of Title 20 of the United States Code.

(6) The right to be informed by the other parties to the hearing, at least 10 days prior to the hearing, as to what those parties believe are the issues to be decided at the hearing and their proposed resolution of those issues. Upon the request of a parent who is not represented by an attorney, the agency responsible for conducting hearings shall provide a mediator to assist the parent in identifying the issues and the proposed resolution of the issues.

(7) The right to receive from other parties to the hearing, at least five business days prior to the hearing, a copy of all documents and a list of all witnesses and their general area of testimony that the parties intend to present at the hearing. Included in the material to be disclosed to all parties at least five business days prior to a hearing shall be all assessments completed by that date and recommendations based on the assessments that the parties intend to use at the hearing.

(8) The right, pursuant to paragraph (3) of subsection (a) of Section 300.509 of Title 34 of the Code of Federal Regulations, to prohibit the introduction of any evidence at the hearing that has not been disclosed to that party at least five business days before the hearing.

(f) The hearing conducted pursuant to this section shall be completed and a written, reasoned decision, including the reasons for any nonpublic, nonsectarian school placement, the provision of nonpublic, nonsectarian agency services, or the reimbursement for such placement or services, taking into account the requirements of subdivision (a) of Section 56365, shall be mailed to all parties to the hearing within 45 days from the receipt by the Superintendent of the request for a hearing. Either party to the hearing may request the hearing officer to grant an extension. The extension shall be granted upon a showing of good cause. Any extension

shall extend the time for rendering a final administrative decision for a period only equal to the length of the extension.

(g) Subdivision (f) does not alter the burden of proof required in a due process hearing, or prevent a hearing officer from ordering a compensatory remedy for an individual with exceptional needs.

(h) The hearing conducted pursuant to this section shall be the final administrative determination and binding on all parties.

(i) In decisions relating to the placement of individuals with exceptional needs, the person conducting the state hearing shall consider cost, in addition to all other factors that are considered.

(j) In a hearing conducted pursuant to this section, the hearing officer may not base a decision solely on nonsubstantive procedural errors, unless the hearing officer finds that the nonsubstantive procedural errors resulted in the loss of an educational opportunity to the pupil or interfered with the opportunity of the parent or guardian of the pupil to participate in the formulation process of the individualized education program.

(k) This chapter does not preclude a party aggrieved by the findings and decisions in a hearing under this section from exercising the right to appeal the decision to a state court of competent jurisdiction. An aggrieved party may also exercise the right to bring a civil action in a district court of the United States without regard to the amount in controversy, pursuant to Section 300.512 of Title 34 of the Code of Federal Regulations. An appeal shall be made within 90 days of receipt of the hearing decision. During the pendency of any administrative or judicial proceeding conducted pursuant to Chapter 5 (commencing with Section 56500), the child involved in the hearing shall remain in his or her present educational placement, unless the public education agency and the parent or guardian of the child agree otherwise. Any action brought under this subdivision shall adhere to the provisions of subsection (b) of Section 300.512 of Title 34 of the Code of Federal Regulations.

(l) Any request for a due process hearing arising under subdivision (a) of Section 56501 shall be filed within three years from the date the party initiating the request knew or had reason to know of the facts underlying the basis for the request.

(m) Pursuant to subsection (c) of Section 300.508 of Title 34 of the Code of Federal Regulations, each public education agency shall keep a list of the persons who serve as due process hearing officers, in accordance with Section 56504.5, and the list shall include a statement of the qualifications of each of those persons. The list of hearing officers shall be provided to the public education agencies by the organization or entity under contract with the department to conduct due process hearings.

SEC. 51. Section 59052 of the Education Code is amended to read:

59052. (a) Commencing with the 2004-05 school year, an individual may not be hired as a certificated employee to instruct deaf pupils unless the individual achieves a minimum score of 2.5 on the American Sign Language Proficiency Interview (ASLPI) or an equivalent score on an alternate test selected by the American Sign Language Competency Evaluation Committee of the California School for the Deaf that assesses American Sign Language linguistic competency.

(b) Commencing with the 2005-06 school year, an individual may not be hired as a certificated employee to instruct deaf pupils unless the individual achieves a minimum score of 3 on the ASLPI or an equivalent score on an alternate test, as described in subdivision (a).

(c) Commencing with the 2006-07 school year, an individual may not be hired as a certificated employee to instruct deaf pupils unless the individual achieves a minimum score of 3.5 on the ASLPI or an equivalent score on an alternate test, as described in subdivision (a).

(d) The minimum score requirements specified in subdivisions (a) to (c), inclusive, may be waived by the superintendent of the school if he or she certifies that no candidate who meets those requirements and all other selection criteria has applied to instruct deaf pupils and open positions remain.

SEC. 52. Section 66739.5 of the Education Code is amended to read: 66739.5. (a) The Legislature finds and declares all of the following:

(1) The California Master Plan and supporting statutes place utmost importance on the effective transfer of community college students to the University of California (UC) and the California State University (CSU) as a means of providing access to the baccalaureate degree.

(2) In 2002, CSU enrolled 55,000 transfer students from community colleges.

(3) Two out of three students who earn CSU baccalaureate degrees begin in a community college.

(4) Effective use of state and student time and resources would be maximized by students accruing fewer unrequired units in earning their degrees.

(5) Additional access to community colleges and CSU will be created by higher graduation rates and fewer nonessential units taken.

(6) The state budget situation makes it urgent to streamline the path of the transfer student to the baccalaureate degree.

(b) It is, therefore, the intent of the Legislature to ensure that community college students who wish to earn the baccalaureate degree at CSU are provided with a clear and effective path to this degree.

(c) This section shall not be construed to limit in any way the ability of students to gain admission through alternative paths to transfer, such as the Intersegmental General Education Transfer Curriculum (IGETC)

or the California State University General Education-Breadth Requirements.

(d) On or before February 1, 2005, the Chancellor of CSU shall establish transfer student admissions requirements that give highest priority to transfer students who are qualified in accordance with subdivision (f) and paragraph (3) of subdivision (g).

(e) (1) CSU campuses admitting students qualified in accordance with subdivision (f) and paragraph (3) of subdivision (g) will make it possible for these students to complete their baccalaureate degree in the minimum number of remaining units required for that degree major.

(2) For purposes of this subdivision, the "minimum number of remaining units" is the minimum number of units required for a degree major after subtracting the number of fully degree-transferable units earned at the community college.

(f) The Chancellor of CSU, in consultation with the Academic Senate of CSU, shall establish the following components necessary for a clear degree path for transfer students:

(1) On or before June 1, 2005, the Chancellor of CSU, in consultation with the Academic Senate of CSU and with the faculty responsible for each high-demand baccalaureate degree major program, shall specify for each high-demand baccalaureate program major a systemwide lower division transfer curriculum composed of at least 45 semester course units, or the quarter-unit equivalent, that will be common across all CSU campuses offering specific major programs.

(2) (A) The systemwide lower division transfer curriculum for each high-demand baccalaureate degree major program shall be composed of at least 45 semester units, or the quarter-unit equivalent, and shall include all of the following:

- (i) General education courses.
- (ii) Any other lower division courses required for graduation.
- (iii) Lower division components of the student's declared major.
- (iv) Elective units, as appropriate.

(B) The coursework described in subparagraph (A) shall be designated by the CSU faculty responsible for the student's major degree program.

(3) The systemwide lower division transfer curriculum shall be specified in sufficient manner and detail so that existing and future community college lower division courses may be articulated, according to the usual procedures, to the corresponding CSU courses or course descriptions.

(g) (1) On or before June 1, 2006, the Chancellor of CSU and the Chancellor of the California Community Colleges, in consultation with the Academic Senate of the California Community Colleges, shall articulate those lower division, baccalaureate-level courses at each

campus of the California Community Colleges that meet for each degree major the systemwide lower division transfer curriculum requirements specified in paragraph (1) of subdivision (f).

(2) To the extent that the goals of efficiency and urgency are advanced, existing articulation procedures such as the California Articulation Number (CAN) program shall be employed.

(3) On or before June 1, 2006, each CSU campus shall have identified any additional specific, nonelective course requirements beyond the systemwide lower division transfer curriculum requirements for each major, up to a maximum of 60 semester units or the quarter-unit equivalent, for the systemwide and campus-specific requirements combined. To the extent these additional course requirements are identified, each CSU campus shall provide that information to all community colleges.

(4) The Chancellor of CSU shall amend CSU's transfer admissions procedures to encourage prospective community college transfer students to identify and, to the extent possible, commit to, a specific CSU transfer destination campus before earning more than 45 semester units, or the quarter-unit equivalent, of lower division, baccalaureate-level courses, as described in subdivision (f).

(h) As allowed by enrollment demand and available space, each CSU campus shall develop a transfer admission agreement with each student who intends to meet the requirements of this section, including the declaration of a major and identification of a choice of a destination campus, before earning more than 45 systemwide semester units, or the quarter-unit equivalent. The transfer admission agreement shall guarantee admission to the campus and major identified in that agreement and transfer of all 60 semester units, or the quarter-unit equivalent, as creditable to the baccalaureate degree, subject to the student's meeting the following conditions:

(1) Completion of the 60 semester units of college-level coursework, or the quarter-unit equivalent, specified for the student's major degree program.

(2) Declaration of a major.

(3) Satisfactory completion of the systemwide lower division transfer curriculum requirements for the student's declared major.

(4) Satisfactory completion of any requirements beyond the systemwide lower division transfer curriculum that are specified by the CSU destination campus.

(5) Any impaction criteria for that campus or major.

(i) A CSU campus shall guarantee that the transfer students admitted under this section will be able to complete the baccalaureate degree in the minimum number of course units required for that degree.

SEC. 53. Section 71093 of the Education Code is amended to read: 71093. Notwithstanding any other provision of law:

(a) The board of governors may authorize the chancellor to suspend, for a period of up to one year, the authority of the Board of Trustees of the Compton Community College District, or of any of the members of that board, to exercise any powers or responsibilities or to take any official actions with respect to the management of the district, including any of the district's assets, contracts, expenditures, facilities, funds, personnel, or property. With the prior approval of the board of governors, the chancellor may renew a suspension under this section as many times, and as often, as he or she finds it necessary during the period of operation of this section.

(b) A suspension authorized by this section becomes effective immediately upon the delivery of a document to the administrative offices of the Compton Community College District that sets forth the finding of the chancellor that a suspension pursuant to this section is necessary for the establishment of fiscal integrity and security in that district.

(c) If and when the chancellor suspends the authority of the Board of Trustees of the Compton Community College District or any of its members pursuant to this section, the chancellor may appoint a special trustee as provided in paragraph (3) of subdivision (c) of Section 84040, at district expense, to manage the district. The chancellor is authorized to assume, and delegate to the special trustee, those powers and duties of the Board of Trustees of the Compton Community College District that the chancellor determines, with the approval of the board of governors, are necessary for the management of that district. The Board of Trustees of the Compton Community College District may not exercise any of the duties or powers assumed by the chancellor under this section. The chancellor may appoint as a special trustee under this section a person who has served in a similar capacity prior to the enactment of the act that adds this section. A special trustee appointed under this section shall serve at the pleasure of the chancellor.

(d) 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. 54. Section 89539.2 of the Education Code is amended to read:

89539.2. (a) Any party claiming that his or her request for discovery pursuant to Section 89539.1 has not been complied with may serve and file a petition to compel discovery with the Hearing Office of the State Personnel Board, naming as the respondent the party refusing or failing to comply with Section 89539.1. The petition shall state facts showing that the respondent failed or refused to comply with Section 89539.1, a description of the matters sought to be discovered, the reason or reasons

why the matter is discoverable under Section 89539.1, and the ground or grounds for the respondent's refusal so far as known to the petitioner.

(b) (1) The petition shall be served upon the respondent, and filed within 14 days after the respondent first evidenced his or her failure or refusal to comply with Section 89539.1, or within 30 days after the request was made and the party has failed to reply to the request, whichever period is longer. However, no petition may be filed within 15 days of the date set for commencement of the administrative hearing, except upon a petition and a determination by the administrative law judge of good cause. In determining good cause, the administrative law judge shall consider the necessity and reasons for the discovery, the diligence or lack of diligence of the moving party, whether the granting of the petition will delay the commencement of the administrative hearing on the date set, and the possible prejudice of the action to any party.

(2) The respondent shall have a right to file a written answer to the petition. Any answer shall be filed with the Hearing Office of the State Personnel Board and the petitioner within 15 days of service of the petition.

(3) Unless otherwise stipulated by the parties and as provided by this section, the administrative law judge shall review the petition and any response filed by the respondent, and issue a decision granting or denying the petition within 20 days after the filing of the petition. Nothing in this section shall preclude the administrative law judge from determining that an evidentiary hearing shall be conducted prior to the issuance of a decision on the petition. In the event that a hearing is ordered, the decision of the administrative law judge shall be issued within 20 days of the closing of the hearing.

(4) A party aggrieved by the decision of the administrative law judge may, within 30 days of service of the decision, file a petition to compel discovery in the superior court for the county in which the administrative hearing will be held or in the county in which the headquarters of the trustees is located. The petition shall be served on the respondent.

(c) If, from a reading of the petition, the court is satisfied that the petition sets forth good cause for relief, the court shall issue an order to show cause directed to the respondent; otherwise the court shall enter an order denying the petition. The order to show cause shall be served upon the respondent and his or her attorney of record in the administrative proceeding by personal delivery or certified mail, and shall be returnable no earlier than 10 days from its issuance nor later than 30 days after the filing of the petition. The respondent shall have the right to serve and file a written answer or other response to the petition and order to show cause.

(d) The court may, in its discretion, order the administrative proceeding stayed during the pendency of the proceeding, and, if necessary, for a reasonable time thereafter to afford the parties time to comply with the court order.

(e) If the matter sought to be discovered is under the custody or control of the respondent and the respondent asserts that the matter is not a discoverable matter under Section 89539.1, or is privileged against disclosure under Section 89539.1, the court may order lodged with it matters that are provided in subdivision (b) of Section 915 of the Evidence Code, and shall examine the matters in accordance with the provisions thereof.

(f) The court shall decide the case on the matters examined by the court in camera, the papers filed by the parties, and any oral argument and additional evidence as the court may allow.

(g) Unless otherwise stipulated by the parties, the court shall, no later than 45 days after the filing of the petition, file its order denying or granting the petition. However, the court may, on its own motion, for good cause, extend the time an additional 45 days. The order of the court shall be in writing, setting forth the matters or parts the petitioner is entitled to discover under Section 89539.1. A copy of the order shall forthwith be served by mail by the clerk upon the parties. If the order grants the petition in whole or in part, the order shall not become effective until 10 days after the date the order is served by the clerk. If the order denies relief to the petitioning party, the order shall be effective on the date it is served by the clerk.

(h) (1) The order of the superior court shall be final and, except for this subdivision, shall not be subject to review by appeal. A party aggrieved by the order, or any part thereof, may, within 30 days after the service of the superior court's order, serve and file in the district court of appeal for the district in which the superior court is located, a petition for a writ of mandamus to compel the superior court to set aside, or otherwise modify, its order.

(2) If a review is sought from an order granting discovery, the order of the trial court and the administrative proceeding shall be stayed upon the filing of the petition for writ of mandamus. However, the court of appeal may dissolve or modify the stay thereafter, if it is in the public interest to do so. If the review is sought from a denial of discovery, neither the trial court's order nor the administrative proceeding shall be stayed by the court of appeal except upon a clear showing of probable error.

(i) If the superior court finds that a party or his or her attorney, without substantial justification, failed or refused to comply with Section 89539.1, or, without substantial justification, filed a petition to compel discovery

pursuant to this section, or, without substantial justification, failed to comply with any order of court made pursuant to this section, the court may award court costs and reasonable attorney's fees to the opposing party. Nothing in this subdivision shall limit the power of the superior court to compel obedience to its orders by contempt proceedings.

SEC. 55. Section 94742.3 of the Education Code is amended to read:

94742.3. "Short-term education program" means an educational service meeting all of the following criteria:

(a) The total charge to the student is more than five hundred dollars (\$500) and not more than two thousand dollars (\$2,000).

(b) The length of training is 250 hours or less.

(c) The service is not any of the following:

(1) Instruction leading to a degree.

(2) Instruction financed by a federal or state loan or grant.

(3) Any educational service that was originally longer than 250 hours or cost more than two thousand dollars (\$2,000), but has been structured into segments to meet the requirement of subdivision (a).

(d) The service is offered by approved institutions or institutions registered pursuant to Article 9.5 (commencing with Section 94931).

SEC. 56. Section 94931 of the Education Code is amended to read:

94931. (a) No private postsecondary educational institution, except those offering degrees and approved under Article 8 (commencing with Section 94900) or offering vocational and nondegree granting programs and approved under Article 9 (commencing with Section 94915), or those that are exempt from this chapter, may offer educational services or programs or short-term educational programs unless the institution has been registered by the bureau as meeting the requirements of this article.

(b) An institution approved to offer degrees under Article 8 (commencing with Section 94900) or approved to offer vocational and nondegree granting programs under Article 9 (commencing with Section 94915) may offer registered short-term education programs without affecting its status under either of those articles so long as the registered short-term education program is disclosed in its approval to operate application or the institution completes a registration application and receives specific authorization for the program, maintains compliance for all registered programs in conformity with this article, and maintains a set of student records for registered programs separate from its approved programs. Any registered institution that offers an educational program not specified in subdivision (c) or not otherwise exempt from this chapter shall be approved under Article 8 (commencing with Section 94900) or Article 9 (commencing with Section 94915) and shall comply with this chapter.

(c) Except as otherwise provided in this article, this chapter does not apply to an educational service that qualifies for registration status and that complies with this article. The educational services that qualify for registration status are limited to:

(1) An educational service, as described in Section 94733, that is offered to provide an intensive English language program.

(2) An educational service, as described in Section 94742.1, that is offered to provide short-term career training.

(3) An educational service, as described in Section 94742.3, that is offered to provide short-term seminar training.

(4) An educational service that is offered to assist students to prepare for an examination for licensure, except as provided in Section 94787.

(5) An educational service that consists of continuing education not otherwise exempt from this chapter.

(d) An institution that qualifies under any of paragraphs (1) to (4), inclusive, of subdivision (c) shall complete a registration form provided by the bureau, including a signed declaration by the chief executive officer of the institution under penalty of perjury, and provide all of the following information for public disclosure:

(1) The owner's legal name, headquarters address, and the name of an agent for the service of process within California.

(2) All names, whether real or fictitious, under which the owner is doing and will do business.

(3) The names and addresses of the principal officers of the institution.

(4) A list of all California locations at which the institution operates, its offerings, and, if previously registered, the number of students enrolled in California during the preceding year.

(5) A copy of the registration form or agreement that enrolls the student in the educational service that contains all of the following:

(A) The name and address of the location where instruction will be provided.

(B) The title of the educational program.

(C) The total amount the student is obligated to pay for the educational service.

(D) A clear and conspicuous statement that the enrollment form or agreement is a legally binding instrument when signed by the student and accepted by the institution.

(E) The refund policy developed by the institution unless this article specifies a different refund policy.

(F) Unless this article specifies that the institution is required to participate in the Student Tuition Recovery Fund, a statement that the institution does not participate in that fund.

(G) In 10-point boldface type or larger, the following statement: “Any questions or problems concerning this school that have not been satisfactorily answered or resolved by the school should be directed to the Bureau for Private Postsecondary and Vocational Education in the Department of Consumer Affairs (insert city, address, CA ZIP Code number, and telephone number).”

(H) Schools approved under paragraph (1) of subdivision (c) of Section 94931 shall also include with the statement required by subparagraph (G) information referring the student to a consulate of his or her country and the United States Immigration and Naturalization Service.

(6) A brochure or catalog and a sample advertisement used to promote the educational service.

(7) A copy of its certificate of completion.

(8) If the educational service offers short-term career training, the institution shall comply with the requirements of Sections 94804 and 94806.

(9) If the institution assists students in obtaining financing from a third party for the cost of the educational services at the institution, a copy of the contract or finance agreement reflecting that financing.

(e) The bureau shall establish the initial registration fee and the annual fee to be paid by institutions registered under this article. No institution shall be registered pursuant to this article unless it has paid the appropriate fees required by the bureau. Upon receipt of an institution’s initial application for registration for a program, the bureau may conduct a site visit pursuant to subdivision (c) of Section 94915.

(f) For the purposes of communication with other state agencies, any organization or individual registered to offer short-term seminar training may state that he, she, or it is “authorized” by the State of California.

(g) (1) Except as provided by subdivision (f), any institution registered pursuant to this article shall be restricted to stating that its training is “registered” with the State of California and is prohibited from using the words “approval,” “approved,” “approval to operate,” “approved to operate,” “authorized,” “licensed,” or “licensed to operate.”

(2) The institution shall place the following statement in all brochures, catalogues, enrollment agreements, and registration forms, in a conspicuous location in at least 12-point boldfaced type:

“We are registered with the State of California. Registration means we have met certain minimum standards imposed by the state for registered schools on the basis of our written application to the state. Registration does not mean we have met all of the more extensive standards required by the state for schools that are approved to operate

or licensed or that the state has verified the information we submitted with our registration form.”

(h) The bureau may require, at least every three years following the initial registration date, that a registered institution verify all or part of the information required to be provided with the registration form under subdivision (d).

(i) Sections 94812 and 94818, Sections 94822 to 94825, inclusive, Sections 94829 to 94838, inclusive, and Sections 94841 and 94846 apply to any institution registered pursuant to this article.

(j) Article 1 (commencing with Section 94700), Article 2 (commencing with Section 94710), Article 3 (commencing with Section 94750), Article 3.5 (commencing with Section 94760), Article 4 (commencing with Section 94770), and Article 13 (commencing with Section 94950) apply to any institution registered pursuant to this article.

SEC. 57. 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 the percentage calculated in accordance with provisions of an item of appropriation in the annual Budget Act for its instructional aides and paraprofessionals. 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 not use more than five hundred dollars (\$500) of the amount per instructional aide and paraprofessional who directly assists with classroom instruction in mathematics and reading to provide an individual instructional aide stipend.

SEC. 58. Section 9042 of the Elections Code is amended to read:

9042. If a measure submitted to the voters by the Legislature was not adopted unanimously, one Member of the Senate who voted against it shall be appointed by the President pro Tempore of the Senate and one Member of the Assembly who voted against it shall be appointed by the Speaker of the Assembly, at the same time as appointments to draft an argument in its favor are made, to write an argument against the measure. An argument shall not exceed 500 words.

If those members appointed to write an argument against the measure choose, each may write a separate argument opposing it, but the combined length of the two arguments shall not exceed 500 words.

SEC. 59. Section 299.3 of the Family Code is amended to read:

299.3. (a) On or before June 30, 2004, and again on or before December 1, 2004, and again on or before January 31, 2005, the Secretary of State shall send the following letter to the mailing address on file of each registered domestic partner who registered more than one month prior to each of those dates:

“Dear Registered Domestic Partner:

This letter is being sent to all persons who have registered with the Secretary of State as a domestic partner.

Effective January 1, 2005, California’s law related to the rights and responsibilities of registered domestic partners will change (or, if you are receiving this letter after that date, the law has changed, as of January 1, 2005). With this new legislation, for purposes of California law, domestic partners will have a great many new rights and responsibilities, including laws governing community property, those governing property transfer, those regarding duties of mutual financial support and mutual responsibilities for certain debts to third parties, and many others. The way domestic partnerships are terminated is also changing. After January 1, 2005, under certain circumstances, it will be necessary to participate in a dissolution proceeding in court to end a domestic partnership.

Domestic partners who do not wish to be subject to these new rights and responsibilities MUST terminate their domestic partnership before January 1, 2005. Under the law in effect until January 1, 2005, your domestic partnership is automatically terminated if you or your partner marry or die while you are registered as domestic partners. It is also terminated if you send to your partner or your partner sends to you, by certified mail, a notice terminating the domestic partnership, or if you and your partner no longer share a common residence. In all cases, you are required to file a Notice of Termination of Domestic Partnership.

If you do not terminate your domestic partnership before January 1, 2005, as provided above, you will be subject to these new rights and responsibilities and, under certain circumstances, you will only be able to terminate your domestic partnership, other than as a result of your domestic partner’s death, by the filing of a court action.

Further, if you registered your domestic partnership with the state prior to January 1, 2005, you have until June 30, 2005, to enter into a written agreement with your domestic partner that will be enforceable in the same manner as a premarital agreement under California law, if you intend to be so governed.

If you have any questions about any of these changes, please consult an attorney. If you cannot find an attorney in your locale, please contact your county bar association for a referral.

Sincerely,

The Secretary of State”

(b) From January 1, 2004, to December 31, 2004, inclusive, the Secretary of State shall provide the following notice with all requests for the Declaration of Domestic Partnership form. The Secretary of State also shall attach the Notice to the Declaration of Domestic Partnership form that is provided to the general public on the Secretary of State’s Web site:

“NOTICE TO POTENTIAL DOMESTIC PARTNER REGISTRANTS

As of January 1, 2005, California’s law of domestic partnership will change.

Beginning at that time, for purposes of California law, domestic partners will have a great many new rights and responsibilities, including laws governing community property, those governing property transfer, those regarding duties of mutual financial support and mutual responsibilities for certain debts to third parties, and many others. The way domestic partnerships are terminated will also change. Unlike current law, which allows partners to end their partnership simply by filing a “Termination of Domestic Partnership” form with the Secretary of State, after January 1, 2005, it will be necessary under certain circumstances to participate in a dissolution proceeding in court to end a domestic partnership.

If you have questions about these changes, please consult an attorney. If you cannot find an attorney in your area, please contact your county bar association for a referral.”

SEC. 60. Section 420 of the Family Code is amended to read:

420. (a) No particular form for the ceremony of marriage is required for solemnization of the marriage, but the parties shall declare, in the presence of the person solemnizing the marriage and necessary witnesses, that they take each other as husband and wife.

(b) Notwithstanding subdivision (a), a member of the Armed Forces of the United States who is stationed overseas and serving in a conflict or a war and is unable to appear for the licensure and solemnization of the marriage may enter into that marriage by the appearance of an attorney-in-fact, commissioned and empowered in writing for that purpose through a power of attorney. The attorney-in-fact must personally appear at the county clerk’s office with the party who is not stationed overseas, and present the original power of attorney duly signed by the

party stationed overseas and acknowledged by a notary or witnessed by two officers of the United States Armed Forces. The power of attorney shall state the true legal names of the parties to be married, and that the power of attorney is solely for the purpose of authorizing the attorney-in-fact to obtain a marriage license on the person's behalf and participate in the solemnization of the marriage. The original power of attorney shall be a part of the marriage certificate upon registration.

(c) No contract of marriage, if otherwise duly made, shall be invalidated for want of conformity to the requirements of any religious sect.

SEC. 61. Section 2024.6 of the Family Code is amended to read:

2024.6. (a) Upon request by a party to a petition for dissolution of marriage, nullity of marriage, or legal separation, the court shall order a pleading that lists the parties' financial assets and liabilities and provides the location or identifying information about those assets and liabilities sealed. The request may be made by ex parte application. Nothing sealed pursuant to this section may be unsealed except upon petition to the court and good cause shown.

(b) Commencing not later than July 1, 2005, the Judicial Council form used to declare assets and liabilities of the parties in a proceeding for dissolution of marriage, nullity of marriage, or legal separation of the parties shall require the party filing the form to state whether the declaration contains identifying information on the assets and liabilities listed therein. If the party making the request uses a pleading other than the Judicial Council form, the pleading shall exhibit a notice on the front page, in bold capital letters, that the pleading lists and identifies financial information and is therefore subject to this section.

(c) For purposes of this section, "pleading" means a document that sets forth or declares the parties' assets and liabilities, income and expenses, a marital settlement agreement that lists and identifies the parties' assets and liabilities, or any document filed with the court incidental to the declaration or agreement that lists and identifies financial information.

(d) The party making the request to seal a pleading pursuant to subdivision (a) shall serve a copy of the pleading on the other party to the proceeding and file a proof of service with the request to seal the pleading.

(e) Nothing in this section precludes a party to a proceeding described in this section from using any document or information contained in a sealed pleading in any manner that is not otherwise prohibited by law.

SEC. 62. Section 3111 of the Family Code is amended to read:

3111. (a) In any contested proceeding involving child custody or visitation rights, the court may appoint a child custody evaluator to

conduct a child custody evaluation in cases where the court determines it is in the best interests of the child. The child custody evaluation shall be conducted in accordance with the standards adopted by the Judicial Council pursuant to Section 3117, and all other standards adopted by the Judicial Council regarding child custody evaluations. If directed by the court, the court-appointed child custody evaluator shall file a written confidential report on his or her evaluation. At least 10 days before any hearing regarding custody of the child, the report shall be filed with the clerk of the court in which the custody hearing will be conducted and served on the parties or their attorneys, and any other counsel appointed for the child pursuant to Section 3150. The report may be considered by the court.

(b) The report shall not be made available other than as provided in subdivision (a), or as described in Section 204 of the Welfare and Institutions Code or Section 1514.5 of the Probate Code. Any information obtained from access to a juvenile court case file, as defined in subdivision (e) of Section 827 of the Welfare and Institutions Code, is confidential and shall only be disseminated as provided by paragraph (4) of subdivision (a) of Section 827 of the Welfare and Institutions Code.

(c) The report may be received in evidence on stipulation of all interested parties and is competent evidence as to all matters contained in the report.

SEC. 63. Section 6341 of the Family Code is amended to read:

6341. (a) If the parties are married to each other and no other child support order exists or if there is a presumption under Section 7611 that the respondent is the natural father of a minor child and the child is in the custody of the petitioner, after notice and a hearing, the court may, if requested by the petitioner, order a party to pay an amount necessary for the support and maintenance of the child if the order would otherwise be authorized in an action brought pursuant to Division 9 (commencing with Section 3500) or the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12). When determining whether to make any orders under this subdivision, the court shall consider whether failure to make any of these orders may jeopardize the safety of the petitioner and the children for whom child support is requested, including safety concerns related to the financial needs of the petitioner and the children. The Judicial Council shall provide notice of this provision on any Judicial Council forms related to this subdivision.

(b) An order issued pursuant to subdivision (a) of this section shall be without prejudice in an action brought pursuant to the Uniform Parentage Act (Part 3 (commencing with Section 7600) of Division 12).

(c) If the parties are married to each other and no spousal support order exists, after notice and a hearing, the court may order the respondent to pay spousal support in an amount, if any, that would otherwise be authorized in an action pursuant to Part 1 (commencing with Section 3500) or Part 3 (commencing with Section 4300) of Division 9. When determining whether to make any orders under this subdivision, the court shall consider whether failure to make any of these orders may jeopardize the safety of the petitioner, including safety concerns related to the financial needs of the petitioner. The Judicial Council shall provide notice of this provision on any Judicial Council forms related to this subdivision.

(d) An order issued pursuant to subdivision (c) shall be without prejudice in a proceeding for dissolution of marriage, nullity of marriage, or legal separation of the parties.

SEC. 64. Section 14252 of the Financial Code is amended to read:

14252. (a) A credit union with total assets equal to or greater than ten million dollars (\$10,000,000) shall, within 105 days after the end of each fiscal year or within any extended time that the commissioner may specify, file with the commissioner an audit report for the fiscal year.

(b) The audit report called for in subdivision (a) shall comply with all of the following provisions:

(1) The audit report shall contain the audited financial statements of the credit union for, or as of the end of, the fiscal year, prepared in accordance with generally accepted accounting principles that the commissioner may specify, and any other information that the commissioner may specify.

(2) The audit report shall be based upon an audit of the credit union, conducted in accordance with generally accepted auditing standards, and any other requirements that the commissioner may specify.

(3) The audit report shall be prepared by an independent certified public accountant or independent public accountant who is acceptable to the commissioner.

(4) The audit report shall include, or be accompanied by, a certificate or opinion of the independent certified public accountant or independent public accountant that is satisfactory in form and content to the commissioner. If the certificate or opinion is qualified, the commissioner may order the credit union to take any action that the commissioner may find necessary or advisable to enable the independent certified public accountant or independent public accountant to remove the qualification.

(c) A credit union with total assets of less than ten million dollars (\$10,000,000) shall, within 105 days after the end of each fiscal year or within any extended time that the commissioner may specify, file with the commissioner an audit report for the fiscal year.

(d) The audit report called for in subdivision (c) may comply with all the provisions of subdivision (b), or may consist of alternative procedures acceptable to the commissioner. An alternative procedures audit may be performed by any of the following:

- (1) An independent certified public accountant.
- (2) An independent public accountant.
- (3) The credit union's supervisory committee, provided that the audit complies with the requirements of Section 14253.

(e) Notwithstanding subdivision (d), the commissioner may reject an alternative procedures audit that he or she determines is not satisfactory. If the commissioner rejects an alternative procedures audit for any reason, he or she may order a credit union to obtain an audit that is satisfactory to the commissioner.

(f) The commissioner may, by order or regulation, either unconditionally or upon specified terms and conditions, grant an exemption from this section in any case where the commissioner finds that the requirements of this section are not necessary or advisable.

SEC. 65. Section 1053 of the Fish and Game Code is amended to read:

1053. No person shall obtain more than one license, permit, reservation, or other entitlement of the same class, or more than the number of tags authorized by statute or regulation for the same license year, except under one of the following conditions:

(a) Licenses issued pursuant to paragraphs (3), (4), and (5) of subdivision (a) of Section 7149, paragraphs (3), (4), and (5) of subdivision (a) of Section 7149.05, and paragraphs (4) and (5) of subdivision (a) of Section 3031.

(b) The loss or destruction of an unexpired license, tag, permit, reservation, or other entitlement as certified by the applicant's signed affidavit and proof, as determined by the department, that the original license, tag, permit, reservation, or other entitlement was issued, and payment of a base fee of five dollars (\$5), adjusted pursuant to Section 713, not to exceed the fee for the original entitlement.

(c) The adjustment of the base fee pursuant to Section 713 applies to the hunting license years commencing on or after July 1, 1996, and the fishing license years commencing on or after January 1, 1996.

SEC. 66. Section 1363.5 of the Fish and Game Code is amended to read:

1363.5. (a) Commencing on June 30, 2003, and every two years thereafter, the board shall report to the Legislature and the Governor concerning the activities and expenditures of the fund.

(b) (1) In the first report to the Legislature, the board shall provide its best estimate of the total amount, in terms of acreage, species, and

coverage, of oak woodlands habitat purchased with funds from the Habitat Conservation Fund and other funds pursuant to the California Wildlife Protection Act of 1990 (Chapter 9 (commencing with Section 2780) of Division 3).

(2) In each subsequent report, the board shall update the information required by paragraph (1) to reflect additional oak woodlands habitat purchased with funds from the Habitat Conservation Fund pursuant to Chapter 9 (commencing with Section 2780) of Division 3, and any purchases made with moneys deposited in the Oak Woodlands Conservation Fund.

(c) The board shall provide its best estimate in each report of the acreage, cover, and species of oak woodlands habitat purchased with all moneys from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund.

(d) The board shall make all information available online at its Web site.

(e) This section shall become inoperative on July 1, 2020, and, as of January 1, 2021, is repealed, unless a later enacted statute that is enacted before January 1, 2021, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 67. Section 8494 of the Fish and Game Code is amended to read:

8494. (a) Commencing April 1, 2006, any vessel using bottom trawl gear in state-managed halibut fisheries, as described in subdivision (a) of Section 8841, shall possess a halibut bottom trawl permit issued by the department that authorizes the use of trawl gear by that vessel for the take of California halibut. An application for a California halibut bottom trawl vessel permit for the 2006-07 season shall be received by the department not later than January 1, 2006.

(b) A halibut bottom trawl vessel permit shall be issued annually, commencing with the 2006 permit year. Commencing with the 2007-08 season, in order to be eligible for that permit, an applicant shall have previously held a valid California halibut bottom trawl vessel permit.

(c) The department shall not issue a bottom trawl vessel permit pursuant to this section for use in the halibut fishery unless that vessel has landed a minimum of 200 pounds of California halibut and reported that landing on fish tickets as being caught with bottom trawl gear in at least one of the following:

- (1) At least two of the calendar years 1995 to 2003, inclusive.
- (2) At least one of the calendar years 1995 to 2003, inclusive, and from January 1, 2004, to February 19, 2004, inclusive.

(d) Permits issued pursuant to this section may be transferred only if at least one of the following occurs:

(1) The commission adopts a restricted access program for the fishery, including, but not limited to, if necessary, a plan for reducing capacity in this fishery in a manner that is consistent with the commission's policies regarding restricted access to commercial fisheries.

(2) Prior to the implementation of a restricted access program, the permit is transferred to another vessel owned by the same permit holder of equal or less capacity, as determined by the department based on the United States Coast Guard documentation papers, and if the originally permitted vessel was lost, stolen, destroyed, or suffered a major irreparable mechanical breakdown. The department may not issue a permit for a replacement vessel if the department determines that the originally permitted vessel was fraudulently reported as lost, stolen, destroyed, or damaged. Only the permit holder at the time of the loss, theft, destruction, or irreparable mechanical breakdown of a vessel may apply to transfer the vessel permit. Evidence that a vessel is lost, stolen, or destroyed shall be in the form of a copy of the report filed with the United States Coast Guard, or any other law enforcement agency or fire department that conducted an investigation of the loss.

(3) Prior to the implementation of a halibut trawl restricted access program, a vessel permit holder, or his or her heirs or assigns, requests to transfer the permit because of the death or permanent disability of the permit holder or the decision by the permit holder to retire from fishing upon reaching or exceeding the age of 65 years, and halibut landings contributed significantly to the catch record and economic income derived from the vessel, and the permit is authorized by the department to be transferred with the vessel. The department may request information that it determines is reasonably necessary from the permit holder or his or her heirs and assigns for the purpose of verifying statements in the request prior to authorizing the transfer of the permit.

(e) The commission shall establish California halibut bottom trawl vessel permit fees based on the recommendations of the department and utilizing the guidelines outlined in subdivision (b) of Section 711 to cover the costs of administering this section. Prior to the adoption of a restricted access program pursuant to subdivision (d), fees may not exceed one thousand dollars (\$1,000) per permit.

(f) Individuals holding a federal groundfish trawl permit may retain and land up to 150 pounds of California halibut per trip without a California halibut trawl permit in accordance with federal and state regulations, including, but not limited to, regulations developed under a halibut fishery management plan.

(g) This section shall become inoperative upon the adoption by the commission of a halibut fishery management plan in accordance with the requirements of Part 1.7 (commencing with Section 7050).

SEC. 68. Section 77253 of the Food and Agricultural Code is amended to read:

77253. The commission or the secretary may bring an action for judicial relief from the secretary's written notice, or from noncompliance by the commission with the written notice, as the case may be, in a court of competent jurisdiction, which may issue a temporary restraining order, permanent injunction, or other applicable relief.

SEC. 69. Section 77265 of the Food and Agricultural Code is amended to read:

77265. The secretary or his or her representative shall be notified and may attend each meeting of the commission and any committee meeting of the commission.

SEC. 70. 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) Nothing in subdivision (h) of Section 11181 shall be construed to affect the rights and protections afforded to state public safety officers under this chapter or under Section 832.5 of the Penal Code.

(c) 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.

(d) (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 injunction, 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.

(e) 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. 71. Section 6254 of the Government Code is amended to read:

6254. Except as provided in Sections 6254.7 and 6254.13, nothing in this chapter shall be construed to require disclosure of records that are any of the following:

(a) Preliminary drafts, notes, or interagency or intra-agency memoranda that are not retained by the public agency in the ordinary course of business, provided that the public interest in withholding those records clearly outweighs the public interest in disclosure.

(b) Records pertaining to pending litigation to which the public agency is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810), until the pending litigation or claim has been finally adjudicated or otherwise settled.

(c) Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.

(d) Contained in or related to any of the following:

(1) Applications filed with any state agency responsible for the regulation or supervision of the issuance of securities or of financial institutions, including, but not limited to, banks, savings and loan associations, industrial loan companies, credit unions, and insurance companies.

(2) Examination, operating, or condition reports prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(3) Preliminary drafts, notes, or interagency or intra-agency communications prepared by, on behalf of, or for the use of, any state agency referred to in paragraph (1).

(4) Information received in confidence by any state agency referred to in paragraph (1).

(e) Geological and geophysical data, plant production data, and similar information relating to utility systems development, or market or crop reports, that are obtained in confidence from any person.

(f) Records of complaints to, or investigations conducted by, or records of intelligence information or security procedures of, the office of the Attorney General and the Department of Justice, and any state or local police agency, or any investigatory or security files compiled by any other state or local police agency, or any investigatory or security files compiled by any other state or local agency for correctional, law enforcement, or licensing purposes, except that state and local law enforcement agencies shall disclose the names and addresses of persons involved in, or witnesses other than confidential informants to, the incident, the description of any property involved, the date, time, and location of the incident, all diagrams, statements of the parties involved in the incident, the statements of all witnesses, other than confidential informants, to the victims of an incident, or an authorized representative thereof, an insurance carrier against which a claim has been or might be made, and any person suffering bodily injury or property damage or loss, as the result of the incident caused by arson, burglary, fire, explosion, larceny, robbery, carjacking, vandalism, vehicle theft, or a crime as defined by subdivision (b) of Section 13951, unless the disclosure would endanger the safety of a witness or other person involved in the investigation, or unless disclosure would endanger the successful completion of the investigation or a related investigation. However, nothing in this division shall require the disclosure of that portion of those investigative files that reflect the analysis or conclusions of the investigating officer.

Customer lists provided to a state or local police agency by an alarm or security company at the request of the agency shall be construed to be records subject to this subdivision.

Notwithstanding any other provision of this subdivision, state and local law enforcement agencies shall make public the following information, except to the extent that disclosure of a particular item of information would endanger the safety of a person involved in an investigation or would endanger the successful completion of the investigation or a related investigation:

(1) The full name and occupation of every individual arrested by the agency, the individual's physical description including date of birth,

color of eyes and hair, sex, height and weight, the time and date of arrest, the time and date of booking, the location of the arrest, the factual circumstances surrounding the arrest, the amount of bail set, the time and manner of release or the location where the individual is currently being held, and all charges the individual is being held upon, including any outstanding warrants from other jurisdictions and parole or probation holds.

(2) Subject to the restrictions imposed by Section 841.5 of the Penal Code, the time, substance, and location of all complaints or requests for assistance received by the agency and the time and nature of the response thereto, including, to the extent the information regarding crimes alleged or committed or any other incident investigated is recorded, the time, date, and location of occurrence, the time and date of the report, the name and age of the victim, the factual circumstances surrounding the crime or incident, and a general description of any injuries, property, or weapons involved. The name of a victim of any crime defined by Section 220, 261, 261.5, 262, 264, 264.1, 273a, 273d, 273.5, 286, 288, 288a, 289, 422.6, 422.7, 422.75, or 646.9 of the Penal Code may be withheld at the victim's request, or at the request of the victim's parent or guardian if the victim is a minor. When a person is the victim of more than one crime, information disclosing that the person is a victim of a crime defined by Section 220, 261, 261.5, 262, 264, 264.1, 273a, 273d, 286, 288, 288a, 289, 422.6, 422.7, 422.75, or 646.9 of the Penal Code may be deleted at the request of the victim, or the victim's parent or guardian if the victim is a minor, in making the report of the crime, or of any crime or incident accompanying the crime, available to the public in compliance with the requirements of this paragraph.

(3) Subject to the restrictions of Section 841.5 of the Penal Code and this subdivision, the current address of every individual arrested by the agency and the current address of the victim of a crime, where the requester declares under penalty of perjury that the request is made for a scholarly, journalistic, political, or governmental purpose, or that the request is made for investigation purposes by a licensed private investigator as described in Chapter 11.3 (commencing with Section 7512) of Division 3 of the Business and Professions Code, except that the address of the victim of any crime defined by Section 220, 261, 261.5, 262, 264, 264.1, 273a, 273d, 273.5, 286, 288, 288a, 289, 422.6, 422.7, 422.75, or 646.9 of the Penal Code shall remain confidential. Address information obtained pursuant to this paragraph may not be used directly or indirectly, or furnished to another, to sell a product or service to any individual or group of individuals, and the requester shall execute a declaration to that effect under penalty of perjury. Nothing in this paragraph shall be construed to prohibit or limit a scholarly,

journalistic, political, or government use of address information obtained pursuant to this paragraph.

(g) Test questions, scoring keys, and other examination data used to administer a licensing examination, examination for employment, or academic examination, except as provided for in Chapter 3 (commencing with Section 99150) of Part 65 of the Education Code.

(h) The contents of real estate appraisals or engineering or feasibility estimates and evaluations made for or by the state or local agency relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained. However, the law of eminent domain shall not be affected by this provision.

(i) Information required from any taxpayer in connection with the collection of local taxes that is received in confidence and the disclosure of the information to other persons would result in unfair competitive disadvantage to the person supplying the information.

(j) Library circulation records kept for the purpose of identifying the borrower of items available in libraries, and library and museum materials made or acquired and presented solely for reference or exhibition purposes. The exemption in this subdivision shall not apply to records of fines imposed on the borrowers.

(k) Records, the disclosure of which is exempted or prohibited pursuant to federal or state law, including, but not limited to, provisions of the Evidence Code relating to privilege.

(l) Correspondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's Legal Affairs Secretary, provided that public records shall not be transferred to the custody of the Governor's Legal Affairs Secretary to evade the disclosure provisions of this chapter.

(m) In the custody of or maintained by the Legislative Counsel, except those records in the public database maintained by the Legislative Counsel that are described in Section 10248.

(n) Statements of personal worth or personal financial data required by a licensing agency and filed by an applicant with the licensing agency to establish his or her personal qualification for the license, certificate, or permit applied for.

(o) Financial data contained in applications for financing under Division 27 (commencing with Section 44500) of the Health and Safety Code, where an authorized officer of the California Pollution Control Financing Authority determines that disclosure of the financial data would be competitively injurious to the applicant and the data is required in order to obtain guarantees from the United States Small Business Administration. The California Pollution Control Financing Authority

shall adopt rules for review of individual requests for confidentiality under this section and for making available to the public those portions of an application that are subject to disclosure under this chapter.

(p) Records of state agencies related to activities governed by Chapter 10.3 (commencing with Section 3512), Chapter 10.5 (commencing with Section 3525), and Chapter 12 (commencing with Section 3560) of Division 4 of Title 1, that reveal a state agency's deliberative processes, impressions, evaluations, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or that provide instruction, advice, or training to employees who do not have full collective bargaining and representation rights under these chapters. Nothing in this subdivision shall be construed to limit the disclosure duties of a state agency with respect to any other records relating to the activities governed by the employee relations acts referred to in this subdivision.

(q) Records of state agencies related to activities governed by Article 2.6 (commencing with Section 14081), Article 2.8 (commencing with Section 14087.5), and Article 2.91 (commencing with Section 14089) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, that reveal the special negotiator's deliberative processes, discussions, communications, or any other portion of the negotiations with providers of health care services, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy, or that provide instruction, advice, or training to employees.

Except for the portion of a contract containing the rates of payment, contracts for inpatient services entered into pursuant to these articles, on or after April 1, 1984, shall be open to inspection one year after they are fully executed. In the event that a contract for inpatient services that is entered into prior to April 1, 1984, is amended on or after April 1, 1984, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after it is fully executed. If the California Medical Assistance Commission enters into contracts with health care providers for other than inpatient hospital services, those contracts shall be open to inspection one year after they are fully executed.

Three years after a contract or amendment is open to inspection under this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

Notwithstanding any other provision of law, the entire contract or amendment shall be open to inspection by the Joint Legislative Audit Committee and the Legislative Analyst's Office. The committee and that office shall maintain the confidentiality of the contracts and amendments until the time a contract or amendment is fully open to inspection by the public.

(r) Records of Native American graves, cemeteries, and sacred places maintained by the Native American Heritage Commission.

(s) A final accreditation report of the Joint Commission on Accreditation of Hospitals that has been transmitted to the State Department of Health Services pursuant to subdivision (b) of Section 1282 of the Health and Safety Code.

(t) Records of a local hospital district, formed pursuant to Division 23 (commencing with Section 32000) of the Health and Safety Code, or the records of a municipal hospital, formed pursuant to Article 7 (commencing with Section 37600) or Article 8 (commencing with Section 37650) of Chapter 5 of Division 3 of Title 4 of this code, that relate to any contract with an insurer or nonprofit hospital service plan for inpatient or outpatient services for alternative rates pursuant to Section 10133 or 11512 of the Insurance Code. However, the record shall be open to inspection within one year after the contract is fully executed.

(u) (1) Information contained in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department that indicates when or where the applicant is vulnerable to attack or that concerns the applicant's medical or psychological history or that of members of his or her family.

(2) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in applications for licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(3) The home address and telephone number of peace officers, judges, court commissioners, and magistrates that are set forth in licenses to carry firearms issued pursuant to Section 12050 of the Penal Code by the sheriff of a county or the chief or other head of a municipal police department.

(v) (1) Records of the Major Risk Medical Insurance Program related to activities governed by Part 6.3 (commencing with Section 12695) and Part 6.5 (commencing with Section 12700) of Division 2 of the Insurance Code, and that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Part 6.3 (commencing with Section 12695) or Part 6.5 (commencing with Section

12700) of Division 2 of the Insurance Code, on or after July 1, 1991, shall be open to inspection one year after they have been fully executed.

(B) In the event that a contract for health coverage that is entered into prior to July 1, 1991, is amended on or after July 1, 1991, the amendment, except for any portion containing the rates of payment, shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contract or amendments to a contract is open to inspection pursuant to paragraph (3).

(w) (1) Records of the Major Risk Medical Insurance Program that are related to activities governed by Chapter 14 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, and that reveal for agreement the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) Except for the portion of a contract that contains the rates of payment, contracts for health coverage entered into pursuant to Chapter 14 (commencing with Section 10700) of Part 2 of Division 2 of the Insurance Code, on or after January 1, 1993, shall be open to inspection one year after they have been fully executed.

(3) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto, until the contract or amendments to a contract are open to inspection pursuant to paragraph (2).

(x) Financial data contained in applications for registration, or registration renewal, as a service contractor filed with the Director of the Department of Consumer Affairs pursuant to Chapter 20 (commencing with Section 9800) of Division 3 of the Business and Professions Code, for the purpose of establishing the service contractor's net worth, or financial data regarding the funded accounts held in escrow for service contracts held in force in this state by a service contractor.

(y) (1) Records of the Managed Risk Medical Insurance Board related to activities governed by Part 6.2 (commencing with Section 12693) or

Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code that reveal the deliberative processes, discussions, communications, or any other portion of the negotiations with health plans, or the impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff, or records that provide instructions, advice, or training to employees.

(2) (A) Except for the portion of a contract that contains the rates of payment, contracts entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code, on or after January 1, 1998, shall be open to inspection one year after they have been fully executed.

(B) In the event that a contract entered into pursuant to Part 6.2 (commencing with Section 12693) or Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code is amended, the amendment shall be open to inspection one year after the amendment has been fully executed.

(3) Three years after a contract or amendment is open to inspection pursuant to this subdivision, the portion of the contract or amendment containing the rates of payment shall be open to inspection.

(4) Notwithstanding any other provision of law, the entire contract or amendments to a contract shall be open to inspection by the Joint Legislative Audit Committee. The committee shall maintain the confidentiality of the contracts and amendments thereto until the contract or amendments to a contract are open to inspection pursuant to paragraph (2) or (3).

(5) The exemption from disclosure provided pursuant to this subdivision for the contracts, deliberative processes, discussions, communications, negotiations with health plans, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of the board or its staff shall also apply to the contracts, deliberative processes, discussions, communications, negotiations with health plans, impressions, opinions, recommendations, meeting minutes, research, work product, theories, or strategy of applicants pursuant to Part 6.4 (commencing with Section 12699.50) of Division 2 of the Insurance Code.

(z) Records obtained pursuant to paragraph (2) of subdivision (c) of Section 2891.1 of the Public Utilities Code.

(aa) A document prepared by or for a state or local agency that assesses its vulnerability to terrorist attack or other criminal acts intended to disrupt the public agency's operations and that is for distribution or consideration in a closed session.

(bb) All information provided to the Secretary of State by a person for the purpose of registration in the Advance Health Care Directive

Registry, except that those records shall be released at the request of a health care provider, a public guardian, or the registrant's legal representative.

Nothing in this section prevents any agency from opening its records concerning the administration of the agency to public inspection, unless disclosure is otherwise prohibited by law.

Nothing in this section prevents any health facility from disclosing to a certified bargaining agent relevant financing information pursuant to Section 8 of the National Labor Relations Act.

SEC. 72. Section 7072 of the Government Code is amended to read:

7072. For purposes of this chapter, the following definitions shall apply:

(a) "Department" means the Department of Housing and Community Development.

(b) "Date of original designation" means the earlier of the following:

(1) The date the eligible area receives designation as an enterprise zone by the department pursuant to this chapter.

(2) In the case of an enterprise zone deemed designated pursuant to subdivision (e) of Section 7073, the date the enterprise zone or program area received original designation by the former Trade and Commerce Agency pursuant to Chapter 12.8 (commencing with Section 7070) or Chapter 12.9 (commencing with Section 7080), as those chapters read prior to January 1, 1997.

(c) "Eligible area" means any of the following:

(1) An area designated as an enterprise zone pursuant to Chapter 12.8 (commencing with Section 7070), as it read prior to January 1, 1997, or as a targeted economic development area, neighborhood development area, or program area pursuant to Chapter 12.9 (commencing with Section 7080), as it read prior to January 1, 1997.

(2) A geographic area that, based upon the determination of the department, fulfills at least one of the following criteria:

(A) The proposed geographic area meets the Urban Development Action Grant criteria of the United States Department of Housing and Urban Development.

(B) The area within the proposed zone has experienced plant closures within the past two years affecting more than 100 workers.

(C) The city or county has submitted material to the department for a finding that the proposed geographic area meets criteria of economic distress related to those used in determining eligibility under the Urban Development Action Grant Program and is therefore an eligible area.

(D) The area within the proposed zone has a history of gang-related activity, whether or not crimes of violence have been committed.

(3) A geographic area that meets at least two of the following criteria:

(A) The census tracts within the proposed zone have an unemployment rate not less than 3 percentage points above the statewide average for the most recent calendar year as determined by the Employment Development Department.

(B) The county of the proposed zone has more than 70 percent of the children enrolled in public school participating in the federal free lunch program.

(C) The median household income for a family of four within the census tracts of the proposed zone does not exceed 80 percent of the statewide median income for the most recently available calendar year.

(d) "Enterprise zone" means any area within a city, county, or city and county that is designated as such by the department in accordance with Section 7073.

(e) "Governing body" means a county board of supervisors or a city council, as appropriate.

(f) "High technology industries" includes, but is not limited to, the computer, biological engineering, electronics, and telecommunications industries.

(g) "Resident," unless otherwise defined, means a person whose principal place of residence is within a targeted employment area.

(h) "Targeted employment area" means an area within a city, county, or city and county that is composed solely of those census tracts designated by the United States Department of Housing and Urban Development as having at least 51 percent of its residents of low- or moderate-income levels, using either the most recent United States Department of Census data available at the time of the original enterprise zone application or the most recent census data available at the time the targeted employment area is designated to determine that eligibility. The purpose of a "targeted employment area" is to encourage businesses in an enterprise zone to hire eligible residents of certain geographic areas within a city, county, or city and county. A targeted employment area may be, but is not required to be, the same as all or part of an enterprise zone. A targeted employment area's boundaries need not be contiguous. A targeted employment area does not need to encompass each eligible census tract within a city, county, or city and county. The governing body of each city, county, or city and county that has jurisdiction of the enterprise zone shall identify those census tracts whose residents are in the most need of this employment targeting. Only those census tracts within the jurisdiction of the city, county, or city and county that has jurisdiction of the enterprise zone may be included in a targeted employment area.

At least a part of each eligible census tract within a targeted employment area shall be within the territorial jurisdiction of the city,

county, or city and county that has jurisdiction for an enterprise zone. If an eligible census tract encompasses the territorial jurisdiction of two or more local governmental entities, all of those entities shall be a party to the designation of a targeted employment area. However, any one or more of those entities, by resolution or ordinance, may specify that it shall not participate in the application as an applicant, but shall agree to complete all actions stated within the application that apply to its jurisdiction, if the area is designated.

Each local governmental entity of each city, county, or city and county that has jurisdiction of an enterprise zone shall approve, by resolution or ordinance, the boundaries of its targeted employment area, regardless of whether a census tract within the proposed targeted employment area is outside the jurisdiction of the local governmental entity.

SEC. 73. Section 7076.2 of the Government Code is amended to read:

7076.2. (a) The department shall dedesignate a zone on the first day of the month immediately following the date upon which the department has received from each jurisdiction comprising the zone a resolution, adopted by the governing body of that jurisdiction, requesting the dedesignation of the zone. Upon the dedesignation of a zone pursuant to this subdivision, the department shall initiate an application process for a new designation as provided in Section 7073.

(b) The department shall exclude from a zone that portion of that zone that is located within a jurisdiction on the first day of the month immediately following the date upon which the department receives from that jurisdiction a resolution, adopted by the governing body of that jurisdiction, requesting that exclusion. Any jurisdiction that provides notice to the department pursuant to this subdivision shall concurrently provide a copy of that notice to all other jurisdictions that comprise the affected zone.

(c) Any business, located within any jurisdiction that comprises a zone that has been dedesignated or within a jurisdiction that has excluded itself from a zone, that has elected to avail itself of any state tax incentive specifically applicable to a zone for any taxable or income year beginning prior to the dedesignation of the zone or the exclusion of a jurisdiction comprising the zone may, to the extent the business is still otherwise eligible for those incentives, continue to avail itself of those incentives for a period equal to the remaining life of the zone. However, any business, located within any jurisdiction that comprises a zone that has been dedesignated or within a jurisdiction that has excluded itself from a zone, that has not availed itself of any state tax incentive in the manner described in the preceding sentence may not, after dedesignation of the zone, avail itself of any state incentive specifically applicable to a zone.

(d) For purposes of this section, “dedesignation” is defined as set forth in paragraph (1) of subdivision (d) of Section 7076.1.

SEC. 74. Section 7099 of the Government Code is amended to read:

7099. (a) The Department of Housing and Community Development may approve a proposed expansion of a targeted tax area subject to the following conditions:

(1) The governing body of each city and county in which the targeted tax area is located approves an ordinance or resolution approving the proposed expansion of the area.

(2) The department determines that the proposed additional territory meets the criteria specified in subdivision (a) of Section 7097 to the same extent as the existing territory of the targeted tax area.

(3) The proposed expansion, in combination with any previous expansions of the targeted tax area, does not exceed 15 percent of the size of the area on the date of its original designation.

(4) The expansion area is contiguous to the targeted tax area.

(5) The expansion meets the criteria established in paragraphs (1), (2), and (3) of subdivision (b) of Section 7074.

(b) The department shall respond in writing to any application for a proposed expansion of the targeted tax area within 90 days of the date on which the application is deemed complete.

SEC. 75. Section 7110 of the Government Code is amended to read:

7110. (a) The governing body may, either by ordinance or resolution, propose an eligible area within its respective jurisdiction as the geographic area for a local agency military base recovery area. A county may propose an area within the unincorporated area as the geographic area for a local agency military base recovery area, but shall not propose an area within an incorporated area. A city may propose an area within the incorporated area as the geographic area for a local agency military base recovery area, but may not propose an area within an unincorporated area. A city and county may propose an area within the city and county for designation as a local agency military base recovery area. This proposed geographic area shall be based upon findings by the governing body that the area meets the criteria in Section 7111 and that the designation as a local agency military base recovery area is necessary in order to assist in attracting private sector investment in the area. The governing body shall establish definitive boundaries, not to exceed former base property, for the area to be included in the application for designation and, if designated by the department, the designation shall be binding for the period described in Section 7110.5.

(b) Following the application for designation of a local agency military base recovery area, the governing body shall apply to the department

for designation. The department shall adopt regulations and guidelines concerning the necessary contents of each application for designation.

(c) Any governing body with an eligible area within its jurisdiction may complete a preliminary application.

(d) In designating a local agency military base recovery area, the department shall select from the applications submitted those proposed local agency military base recovery areas which, based on a comparison of those applications, propose the most effective, innovative, and comprehensive regulatory, tax, program, and other incentives to attract private sector investment in the proposed local agency military base recovery area. For purposes of this subdivision, the following terms have the following meanings:

(1) "Regulatory incentives" includes, but is not limited to, the elimination or reduction of fees for applications, permits, and local government facilities and services; and the establishment of a streamlined permit process.

(2) "Tax incentives" includes, but is not limited to, the elimination or reduction of business license taxes and utility user taxes.

(3) "Program" and "other incentives" may include, but are not limited to, the provision or expansion of infrastructure; the targeting of federal block grant moneys, including small cities, education, and health and welfare block grants; the targeting of economic development grants and loan moneys, including grant and loan moneys provided by the federal Urban Development Action Grant program and the federal Economic Development Administration; the targeting of state and federal job disadvantaged and vocational education grant moneys, including moneys provided by the federal Job Partnership Training Act of 1982; the targeting of federal or state transportation grant moneys; and the targeting of federal or state low-income housing and rental assistance moneys.

(e) The department shall also consider the following:

(1) The unemployment rate for the area under the jurisdiction of the local governing body.

(2) The number of civilian and military jobs lost as a result of the base closure when compared to the number of jobs available in the area.

(3) Whether the local agency has a comprehensive economic development plan that is consistent with the reuse plan.

(4) Whether the local agency has a prepared plan for appropriate hazardous waste management facilities as an integral part of the base and shall give extra consideration for any plan that includes provisions for critically needed hazardous waste facilities.

(5) Whether the governing body has resolved, as part of the reuse plan approval, to prepare a program environmental impact report that is

in compliance with the California Environmental Quality Control Act and associated guidelines.

(f) In evaluating applications for designation, the department shall ensure that applications are not disqualified solely because of technical deficiencies and shall provide applicants with an opportunity to correct the deficiencies. Applications shall be disqualified if the deficiencies are not corrected within two weeks. The department shall provide technical assistance to applicants that request it.

SEC. 76. Section 7113.5 of the Government Code is amended to read:

7113.5. When selecting successful applicants for a local agency military base recovery area, the department shall limit the number of local agency military base recovery areas to eight, which shall be awarded by the following criteria, in addition to the criteria set forth in Section 7111:

(a) The department shall designate at least one local agency military base recovery area in each region.

(b) If the department finds that none of the applications in a competition is satisfactory in meeting the selection criteria, the department shall inform all applicants on the deficiencies in their application and shall reopen competition for a period not to exceed six months. Local governing bodies who originally applied may reapply in the new competition.

(c) If, after following the procedures specified in subdivision (b), the department determines that no applications are satisfactory, the department may not designate a local agency military base recovery area.

(d) Eligible bases shall compete for approval of a local agency military base recovery area against other eligible bases. In any event, not less than one area shall be designated from each region.

SEC. 77. Section 8592.4 of the Government Code is amended to read:

8592.4. (a) The committee shall determine which state public safety departments listed in subdivision (b) of Section 8592.1 need new or upgraded communication equipment and shall establish a program for equipment purchase. In establishing this program, the committee shall recommend the purchase of equipment that will enable state agencies to commence conforming to accepted industry standards for interoperability specified in subdivision (a) of Section 8592.5.

(b) This section may not be construed to mandate that a state or local governmental agency affected thereby is required to compromise its immediate mission or ability to function and carry out its existing responsibilities.

SEC. 78. Section 8875.10 of the Government Code is amended to read:

8875.10. (a) Notwithstanding any other provision of law, a city or county may not impose any additional building or site conditions, including, but not limited to, parking or other onsite or offsite requirements, fees, or exactions, on or before the issuance of a building permit that is necessary for the owner of a potentially hazardous building to conduct seismic-related improvements to that building in order for that building to meet the requirements of a mitigation program established pursuant to Section 8875.1 and adopted pursuant to Section 8875.2, if the building or site conditions do not relate to, or further the purpose of, seismic improvements to the building and the improvements comply with applicable building codes and meet or exceed the requirements of state and federal law and regulations that would otherwise apply.

(b) This section shall not apply to any changes in use, design, or other building features that are unrelated to the seismic improvements. This section shall also not apply to a request for other entitlements for the project, including, but not limited to, a general plan amendment, zone change, or approval pursuant to the Subdivision Map Act (Division 2 (commencing with Section 66410) of Title 7.

(c) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.

SEC. 79. Section 12599 of the Government Code is amended to read:

12599. (a) "Commercial fundraiser for charitable purposes" means any individual, corporation, unincorporated association, or other legal entity who for compensation does any of the following:

(1) Solicits funds, assets, or property in this state for charitable purposes.

(2) As a result of a solicitation of funds, assets, or property in this state for charitable purposes, receives or controls the funds, assets, or property solicited for charitable purposes.

(3) Employs, procures, or engages any compensated person to solicit, receive, or control funds, assets, or property for charitable purposes.

A commercial fundraiser for charitable purposes shall include any person, association of persons, corporation, or other entity that obtains a majority of its inventory for sale by the purchase, receipt, or control for resale to the general public, of salvageable personal property solicited by an organization qualified to solicit donations pursuant to Section 148.3 of the Welfare and Institutions Code.

A commercial fundraiser for charitable purposes shall not include a "trustee" as defined in Section 12582 or 12583, a "charitable corporation" as defined in Section 12582.1, or any employee thereof. A commercial

fundraiser for charitable purposes shall not include an individual who is employed by or under the control of a commercial fundraiser for charitable purposes registered with the Attorney General. A commercial fundraiser for charitable purposes shall not include any federally insured financial institution that holds as a depository funds received as a result of a solicitation for charitable purposes.

As used in this section, "charitable purposes" includes any solicitation in which the name of any organization of law enforcement personnel, firefighters, or other persons who protect the public safety is used or referred to as an inducement for transferring any funds, assets, or property, unless the only expressed or implied purpose of the solicitation is for the sole benefit of the actual active membership of the organization.

(b) A commercial fundraiser for charitable purposes shall, prior to soliciting any funds, assets, or property, including salvageable personal property, in California for charitable purposes, or prior to receiving and controlling any funds, assets, or property, including salvageable personal property, as a result of a solicitation in this state for charitable purposes, register with the Attorney General's Registry of Charitable Trusts on a registration form provided by the Attorney General. Renewals of registration shall be filed with the Registry of Charitable Trusts by January 15 of each calendar year in which the commercial fundraiser for charitable purposes does business and shall be effective for one year. A registration or renewal fee of two hundred dollars (\$200) shall be required for registration of a commercial fundraiser for charitable purposes, and shall be payable by certified or cashier's check to the Attorney General's Registry of Charitable Trusts at the time of registration or renewal. The Attorney General may adjust the annual registration or renewal fee as needed pursuant to this section. The Attorney General's Registry of Charitable Trusts may grant extensions of time to file annual registration as required, pursuant to subdivision (b) of Section 12586.

(c) A commercial fundraiser for charitable purposes shall file with the Attorney General's Registry of Charitable Trusts an annual financial report on a form provided by the Attorney General, accounting for all funds collected pursuant to any solicitation for charitable purposes during the preceding calendar year. The annual financial report shall be filed with the Attorney General's Registry of Charitable Trusts no later than 30 days after the close of the preceding calendar year.

(d) The contents of the forms for annual registration and annual financial reporting by commercial fundraisers for charitable purposes shall be established by the Attorney General in a manner consistent with the procedures set forth in subdivisions (a) and (b) of Section 12586. The annual financial report shall require a detailed, itemized accounting

of funds, assets, or property, solicited for charitable purposes on behalf of each charitable organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code or for each charitable purpose during the accounting period, and shall include, among other data, the following information for funds, assets, or property, solicited by the commercial fundraiser for charitable purposes:

- (1) Total revenue.
- (2) The fee or commission charged by the commercial fundraiser for charitable purposes.
- (3) Salaries paid by the commercial fundraiser for charitable purposes to its officers and employees.
- (4) Fundraising expenses.
- (5) Distributions to the identified charitable organization or purpose.
- (6) The names and addresses of any director, officer, or employee of the commercial fundraiser for charitable purposes who is a director, officer, or employee of any charitable organization listed in the annual financial report.

(e) A commercial fundraiser for charitable purposes that obtains a majority of its inventory for sale by the purchase, receipt, or control for resale to the general public, of salvageable personal property solicited by an organization qualified to solicit donations pursuant to Section 148.3 of the Welfare and Institutions Code shall file with the Attorney General's Registry of Charitable Trusts, and not with the sheriff of any county, an annual financial report on a form provided by the Attorney General that is separate and distinct from forms filed by other commercial fundraisers for charitable purposes pursuant to subdivisions (c) and (d).

(f) It shall be unlawful for any commercial fundraiser for charitable purposes to solicit funds in this state for charitable purposes unless the commercial fundraiser for charitable purposes has complied with the registration or annual renewal and financial reporting requirements of this article. Failure to comply with these registration or annual renewal and financial reporting requirements shall be grounds for injunction against solicitation in this state for charitable purposes and other civil remedies provided by law.

(g) A commercial fundraiser for charitable purposes is a constructive trustee for charitable purposes as to all funds collected pursuant to solicitation for charitable purposes and shall account to the Attorney General for all funds. A commercial fundraiser for charitable purposes is subject to the Attorney General's supervision and enforcement over charitable funds and assets to the same extent as a trustee for charitable purposes under this article.

(h) Not less than 10 working days prior to the commencement of each solicitation campaign, event, or service, or not later than commencement

of solicitation for solicitations to aid victims of emergency hardship or disasters, a commercial fundraiser for charitable purposes shall file with the Attorney General's Registry of Charitable Trusts a notice on a form prescribed by the Attorney General that sets forth all of the following:

(1) The name, address, and telephone number of the commercial fundraiser for charitable purposes.

(2) The name, address, and telephone number of the charitable organization with whom the commercial fundraiser has contracted.

(3) The fundraising methods to be used.

(4) The projected dates when performance under the contract will commence and terminate.

(5) The name, address, and telephone number of the person responsible for directing and supervising the work of the commercial fundraiser under the contract.

(i) There shall be a written contract between a commercial fundraiser for charitable purposes and a charitable organization for each solicitation campaign, event, or service, that shall be signed by the authorized contracting officer for the commercial fundraiser and by an official of the charitable organization who is authorized to sign by the organization's governing body. The contract shall be available for inspection by the Attorney General and shall contain all of the following provisions:

(1) The legal name and address of the charitable organization as registered with the Registry of Charitable Trusts, unless the charitable organization is exempt from registration.

(2) A statement of the charitable purpose for which the solicitation campaign, event, or service is being conducted.

(3) A statement of the respective obligations of the commercial fundraiser and the charitable organization.

(4) If the commercial fundraiser is to be paid a fixed fee, a statement of the fee to be paid to the commercial fundraiser and a good faith estimate of what percentage the fee will constitute of the total contributions received. The contract shall clearly disclose the assumptions upon which the estimate is based, and the stated assumptions shall be based upon all of the relevant facts known to the commercial fundraiser regarding the solicitation to be conducted by the commercial fundraiser.

(5) If a percentage fee is to be paid to the commercial fundraiser, a statement of the percentage of the total contributions received that will be remitted to or retained by the charitable organization, or, if the solicitation involves the sale of goods or services or the sale of admissions to a fundraising event, the percentage of the purchase price that will be remitted to the charitable organization. The stated percentage shall be calculated by subtracting from contributions received and sales receipts

not only the commercial fundraiser's fee, but also any additional amounts that the charitable organization is obligated to pay as fundraising costs.

(6) The effective and termination dates of the contract and the date solicitation activity is to commence within the state.

(7) A provision that requires that each contribution in the control or custody of the commercial fundraiser shall in its entirety and within five working days of its receipt comply with either of the following:

(A) Be deposited in an account at a bank or other federally insured financial institution that is solely in the name of the charitable organization and over which the charitable organization has sole control of withdrawals.

(B) Be delivered to the charitable organization in person, by United States express mail, or by another method of delivery providing for overnight delivery.

(8) A statement that the charitable organization exercises control and approval over the content and frequency of any solicitation.

(9) If the commercial fundraiser proposes to make any payment in cash or in kind to any person or legal entity to secure any person's attendance at, or sponsorship, approval, or endorsement of, a charity fundraising event, the maximum dollar amount of those payments shall be set forth in the contract. "Charity fundraising event" means any gathering of persons, including, but not limited to, a party, banquet, concert, or show, that is held for the purpose or claimed purpose of raising funds for any charitable purpose or organization.

(10) A provision that the charitable organization has the right to cancel the contract without cost, penalty, or liability for a period of 10 days following the date on which the contract is executed; that the charitable organization may cancel the contract by serving a written notice of cancellation on the commercial fundraiser; that, if mailed, service shall be by certified mail, return receipt requested, and cancellation shall be deemed effective upon the expiration of five calendar days from the date of mailing; that any funds collected after effective notice that the contract has been canceled shall be deemed to be held in trust for the benefit of the charitable organization without deduction for costs or expenses of any nature; and that the charitable organization shall be entitled to recover all funds collected after the date of cancellation.

(11) A provision that, following the initial 10-day cancellation period, the charitable organization may terminate the contract by giving 30 days' written notice; that, if mailed, service of the notice shall be by certified mail, return receipt requested, and shall be deemed effective upon the expiration of five calendar days from the date of mailing; and that, in the event of termination under this subdivision, the charitable

organization shall be liable for services provided by the commercial fundraiser up to 30 days after the effective service of the notice.

(12) A provision that, following the initial 10-day cancellation period, the charitable organization may terminate the contract at any time upon written notice, without payment or compensation of any kind to the commercial fundraiser, if the commercial fundraiser or its agents, employees, or representatives (A) make any material misrepresentations in the course of solicitations or with respect to the charitable organization, (B) are found by the charitable organization to have been convicted of a crime arising from the conduct of a solicitation for a charitable organization or purpose punishable as a misdemeanor or a felony, or (C) otherwise conduct fundraising activities in a manner that causes or could cause public disparagement of the charitable organization's good name or good will.

(13) Any other information required by the regulations of the Attorney General.

(j) It shall be unlawful for a commercial fundraiser for charitable purposes to not disclose the percentage of total fundraising expenses of the fundraiser upon receiving a written or oral request from a person solicited for a contribution for a charitable purpose. "Percentage of total fundraising expenses," as used in this section, means the ratio of the total expenses of the fundraiser to the total revenue received by the fundraiser for the charitable purpose for which funds are being solicited, as reported on the most recent financial report filed with the Attorney General's Registry of Charitable Trusts. A commercial fundraiser shall disclose this information in writing within five working days from receipt of a request by mail or facsimile. A commercial fundraiser shall orally disclose this information immediately upon a request made in person or in a telephone conversation and shall follow this response with a written disclosure within five working days. Failure to comply with the requirements of this subdivision shall be grounds for an injunction against solicitation in this state for charitable purposes and other civil remedies provided by law.

(k) If the Attorney General issues a report to the public containing information obtained from registration forms or financial report forms filed by commercial fundraisers for charitable purposes, there shall be a separate section concerning commercial fundraisers for charitable purposes that obtain a majority of their inventory for sale by the purchase, receipt, or control for resale to the general public, of salvageable personal property solicited by an organization qualified to solicit donations pursuant to Section 148.3 of the Welfare and Institutions Code. The report shall include an explanation of the distinctions between these thrift store operations and other types of commercial fundraising.

(l) No person may act as a commercial fundraiser for charitable purposes if that person, any officer or director of that person's business, any person with a controlling interest in the business, or any person the commercial fundraiser employs, engages, or procures to solicit for compensation, has been convicted by a court of any state or the United States of a crime arising from the conduct of a solicitation for a charitable organization or purpose punishable as a misdemeanor or felony.

(m) A commercial fundraiser for charitable purposes shall not solicit in the state on behalf of a charitable organization unless that charitable organization is registered or is exempt from registration with the Attorney General's Registry of Charitable Trusts.

(n) If any provision of this section or the application thereof to any person or circumstances is held invalid, that invalidity shall not affect any other provision or application of this section that can be given effect without the invalid provision or application, and to this end the provisions of this section are severable.

SEC. 80. Section 12715 of the Government Code is amended to read:

12715. (a) The Controller, acting in consultation with the California Gambling Control Commission, shall divide the County Tribal Casino Account for each county that has gaming devices that are subject to an obligation to make contributions to the Indian Gaming Special Distribution Fund into a separate account for each tribe that operates a casino within the county. These accounts shall be known as Individual Tribal Casino Accounts, and funds may be released from these accounts to make grants selected by an Indian Gaming Local Community Benefit Committee pursuant to the method established by this section to local jurisdictions impacted by tribal casinos. Each Individual Tribal Casino Account shall be funded in proportion to the amount that each individual tribe paid in the prior fiscal year to the Indian Gaming Special Distribution Fund.

(b) (1) There is hereby created in each county in which Indian gaming is conducted an Indian Gaming Local Community Benefit Committee. The selection of all grants from each Individual Tribal Casino Account or County Tribal Casino Account shall be made by each county's Indian Gaming Local Community Benefit Committee. In selecting grants, the Indian Gaming Local Community Benefit Committee shall follow the priorities established in subdivision (g). This committee has the following additional responsibilities:

(A) Establishing all application policies and procedures for grants from the Individual Tribal Casino Account or County Tribal Casino Account.

(B) Assessing the eligibility of applications for grants from local jurisdictions impacted by tribal gaming operations.

(C) Determining the appropriate amount for reimbursement from the aggregate county tribal account of the demonstrated costs incurred by the county for administering the grant programs. The reimbursement for county administrative costs may not exceed 2 percent of the aggregate county tribal account in any given fiscal year.

(2) Except as provided in Section 12715.5, the Indian Gaming Local Community Benefit Committee shall be composed of seven representatives, consisting of the following:

(A) Two representatives from the county, selected by the county board of supervisors.

(B) Three elected representatives from cities located within four miles of a tribal casino in the county, selected by the county board of supervisors. In the event that there are no cities located within four miles of a tribal casino in the county, other local representatives may be selected upon mutual agreement by the county board of supervisors and a majority of the tribes paying into the Indian Gaming Special Distribution Fund in the county. When there are no cities within four miles of a tribal casino in the county, and when the Indian Gaming Local Community Benefit Committee acts on behalf of a county where no tribes pay into the Indian Gaming Special Distribution Fund, other local representatives may be selected upon mutual agreement by the county board of supervisors and a majority of the tribes operating casinos in the county.

(C) Two representatives selected upon the recommendation of a majority of the tribes paying into the Indian Gaming Special Distribution Fund in each county. When an Indian Gaming Local Community Benefit Committee acts on behalf of a county where no tribes pay into the Indian Gaming Special Distribution Fund, the two representatives may be selected upon the recommendation of the tribes operating casinos in the county.

(c) Sixty percent of each individual tribal casino account shall be available for nexus grants on a yearly basis to cities and counties impacted by tribes that are paying into the Indian Gaming Special Distribution Fund, according to the four-part nexus test described in paragraph (1). Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(1) A nexus test based on the geographical proximity of a local government jurisdiction to an individual Indian land upon which a tribal casino is located shall be used by each county's Indian Gaming Local

Community Benefit Committee to determine the relative priority for grants, using the following criteria:

(A) Whether the local government jurisdiction borders the Indian lands on all sides.

(B) Whether the local government jurisdiction partially borders Indian lands.

(C) Whether the local government jurisdiction maintains a highway, road, or other thoroughfare that is the predominant access route to a casino that is located within four miles.

(D) Whether all or a portion of the local government jurisdiction is located within four miles of a casino.

(2) Fifty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet all four of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (3) or (4).

(3) Thirty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet three of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (2) or (4).

(4) Twenty percent of the amount specified in subdivision (c) shall be awarded in equal proportions to local government jurisdictions that meet two of the nexus test criteria in paragraph (1). If no eligible local government jurisdiction satisfies this requirement, the amount specified in this paragraph shall be made available for nexus grants in equal proportions to local government jurisdictions meeting the requirements of paragraph (2) or (3).

(d) Twenty percent of each Individual Tribal Casino Account shall be available for discretionary grants to local jurisdictions impacted by tribes that are paying into the Indian Gaming Special Distribution Fund. These discretionary grants shall be made available to all local jurisdictions in the county irrespective of any nexus to impacts from any particular tribal casino, as described in paragraph (1) of subdivision (c). Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(e) (1) Twenty percent of each Individual Tribal Casino Account shall be available for discretionary grants to local jurisdictions impacted by tribes that are not paying into the Indian Gaming Special Distribution Fund. These grants shall be made available to local jurisdictions in the county irrespective of any nexus to impacts from any particular tribal casino, as described in paragraph (1) of subdivision (c), and irrespective of whether the impacts presented are from a tribal casino that is not paying into the Indian Gaming Special Distribution Fund. Grant awards shall be selected by each county's Indian Gaming Local Community Benefit Committee and shall be administered by the county. Grants may be awarded on a multiyear basis, and these multiyear grants shall be accounted for in the grant process for each year.

(A) Grants awarded pursuant to this subdivision are limited to addressing service-oriented impacts and providing assistance with one-time large capital projects related to Indian gaming impacts.

(B) Grants shall be subject to the sole sponsorship of the tribe that pays into the Indian Gaming Special Distribution Fund and the recommendations of the Indian Gaming Local Community Benefit Committee for that county.

(2) If an eligible county does not have a tribal casino operated by a tribe that does not pay into the Indian Gaming Special Distribution Fund, the money available for discretionary grants under this subdivision shall be available for distribution pursuant to subdivision (d).

(f) (1) For each county that does not have gaming devices subject to an obligation to make payments to the Indian Gaming Special Distribution Fund, funds may be released from the county's County Tribal Casino Account to make grants selected by the county's Indian Gaming Local Community Benefit Committee pursuant to the method established by this section to local jurisdictions impacted by tribal casinos. These grants shall be made available to local jurisdictions in the county irrespective of any nexus to any particular tribal casino. These grants shall follow the priorities specified in subdivision (g).

(2) Funds not allocated from a county tribal casino account by the end of each fiscal year shall revert back to the Indian Gaming Special Distribution Fund. Moneys allocated for the 2003-04 fiscal year shall be eligible for expenditure through December 31, 2004.

(g) The following uses shall be the priorities for the receipt of grant money from Individual Tribal Casino Accounts: law enforcement, fire services, emergency medical services, environmental impacts, water supplies, waste disposal, behavioral, health, planning and adjacent land uses, public health, roads, recreation and youth programs, and child care programs.

(h) All grants from Individual Tribal Casino Accounts shall be made only upon the affirmative sponsorship of the tribe paying into the Indian Gaming Special Distribution Fund from whose Individual Tribal Casino Account the grant moneys are available for distribution. Tribal sponsorship shall confirm that the grant application has a reasonable relationship to a casino impact and satisfies at least one of the priorities listed in subdivision (g). A grant may not be made for any purpose that would support or fund, directly or indirectly, any effort related to the opposition or challenge to Indian gaming in the state, and, to the extent any awarded grant is utilized for any prohibited purpose by any local government, upon notice given to the county by any tribe from whose Individual Tribal Casino Account the awarded grant went toward that prohibited use, the grant shall terminate immediately and any moneys not yet used shall again be made available for qualified nexus grants.

(i) A local government jurisdiction that is a recipient of a grant from an Individual County Tribal Casino Account or a County Tribal Casino Account shall provide notice to the public, either through a slogan, signage, or other mechanism, stating that the local government project has received funding from the Indian Gaming Special Distribution Fund and further identifying the particular Individual Tribal Casino Account from which the grant derives.

(j) (1) Each county's Indian Gaming Local Community Benefit Committee shall submit to the Controller a list of approved projects for funding from Individual Tribal Casino Accounts. Upon receipt of this list, the Controller shall release the funds directly to the local government entities for which a grant has been approved by the committee.

(2) Funds not allocated from an Individual Tribal Casino Account by the end of each fiscal year shall revert back to the Indian Gaming Special Distribution Fund. Moneys allocated for the 2003-04 fiscal year shall be eligible for expenditure through December 31, 2004.

SEC. 81. The heading of Chapter 5 (commencing with Section 14557) is added to Part 5.3 of Division 3 of Title 2 of the Government Code, to read:

CHAPTER 5. SUSPENSION OF ARTICLE XIX B TRANSFERS

SEC. 82. Section 17555 of the Government Code is amended to read:
17555. (a) Not later than 30 days after hearing and deciding upon a test claim pursuant to subdivision (a) of Section 17551, the commission shall notify the appropriate Senate and Assembly policy and fiscal committees, the Legislative Analyst, the Department of Finance, and the Controller of that decision.

(b) For purposes of this section, the “appropriate policy committee” means the policy committee that has jurisdiction over the subject matter of the statute, regulation, or executive order, and in which bills relating to that subject matter would have been heard.

SEC. 83. Section 20281.5 of the Government Code is amended to read:

20281.5. (a) Notwithstanding Section 20281, a person who becomes a state miscellaneous or state industrial member of the system on or after the effective date of this section because the person is first employed by the state and qualifies for membership shall be subject to the provisions of this section.

(b) Members subject to this section shall not accrue credit for service in the system and shall not make employee contributions to the system, including the contributions set forth in Section 20677.4, for employment with the state until the first day of the first pay period commencing 24 months after becoming a member of the system.

(c) Notwithstanding subdivision (a), this section shall not apply to any of the following:

(1) Persons who are already members or annuitants of the system at the time they are first employed by the state.

(2) Employees of the California State University, or the legislative or judicial branch of state government.

(3) Members of the Judges’ Retirement System, the Judges’ Retirement System II, the Legislators’ Retirement System, the State Teachers’ Retirement System, or the University of California Retirement Plan.

(4) Persons who are members of a reciprocal retirement system and whose employment was subject to a reciprocal retirement system within the six months prior to membership in this system.

(5) Persons whose service is not included in the federal system.

(6) Persons who are employed by the Department of the California Highway Patrol as students at the department’s training school established pursuant to Section 2262 of the Vehicle Code.

(7) Persons who have ceased to be members pursuant to Section 20340 or 21075.

(d) Any regulations adopted by the board to implement the requirements of this section shall not be subject to the review and approval of the Office of Administrative Law, pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3. The regulations shall become effective immediately upon filing with the Secretary of State.

SEC. 84. Section 20610 of the Government Code is amended to read:

20610. (a) Every county superintendent of schools shall enter into a contract with the board for the inclusion in this system of (1) 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 (2) 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, with 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 not be later than July 1, 1949. For the purposes of this part, those school district employees shall be considered 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 service to the county superintendent of schools.

(b) If a charter school chooses to participate in the system, all employees of the charter school who qualify for membership in the system shall be covered under the system and all provisions of this part shall apply in the same manner as if the charter school were a public school in the school district that granted the charter.

SEC. 85. Section 21224 of the Government Code is amended to read:

21224. (a) A retired person may serve without reinstatement from retirement or loss or interruption of benefits provided by this system upon appointment by the appointing power of a state agency or any other employer either during an emergency to prevent stoppage of public business or because the retired employee has skills needed in performing work of limited duration. These appointments shall not exceed a total for all employers of 960 hours in any calendar year, and the rate of pay for the employment shall not be less than the minimum, nor exceed that paid by the employer to other employees performing comparable duties.

(b) (1) This section does not apply to any retired person otherwise eligible if during the 12-month period prior to an appointment described in this section the retired person received any unemployment insurance compensation arising out of prior employment subject to this section with the same employer.

(2) A retired person who accepts an appointment after receiving unemployment insurance compensation as described in this subdivision shall terminate that employment on the last day of the current pay period and shall not be eligible for reappointment subject to this section for a period of 12 months following the last day of employment. The retired

person shall not be subject to Section 21202 or subdivision (b) of Section 21220.

SEC. 86. Section 22860 of the Government Code is amended to read:

22860. It is the policy of the Legislature that benefits provided by a health benefit plan be integrated with the benefits provided by federal or state plans for health care services for the aged in which there is federal or state financial participation. The board shall adopt rules and regulations necessary to implement this section. Notwithstanding any other provision of this part, those rules and regulations may establish exclusions and limitations with respect to benefits, different rates within health benefit plans for employees or annuitants eligible for benefits under other plans, or enrollment of those employees or annuitants in separate plans.

SEC. 87. Section 27393 of the Government Code is amended to read:

27393. (a) The Attorney General shall, in consultation with interested parties, adopt regulations for the review, approval, and oversight of electronic recording delivery systems. Regulations shall be adopted pursuant to the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3). The regulations shall comply with Section 12168.7.

(b) The regulations adopted pursuant to subdivision (a) may include, but need not be limited to, all of the following:

(1) Establishment of baseline technological and procedural specifications for electronic recording delivery systems.

(2) Requirements for security, capacity, reliability, and uniformity.

(3) Requirements as to the nature and frequency of computer security audits.

(4) A statement of a detailed and uniform definition of the term "source code" consistent with paragraph (7) of subdivision (b) of Section 27390, and as used in this article, and applicable to each county's electronic recording delivery system.

(5) Requirements for placement of a copy of the operating system, source code, compilers, and all related software associated with each county's electronic recording delivery system in an approved escrow facility prior to that system's first use.

(6) Requirements to ensure that substantive modifications to an operating system, compilers, related software, or source code are approved by the Attorney General.

(7) Procedures for initial certification of vendors offering software and other services to counties for electronic recording delivery systems.

(8) Requirements for system certification and for oversight of approved systems.

(9) Requirements for fingerprinting and criminal records checks required by Section 27395, including a list of employment positions or

classifications subject to criminal records checks under subdivision (f) of that section.

(10) Requirements for uniform index information that shall be included in every digitized or digital electronic record.

(11) Requirements for protecting proprietary information accessed pursuant to subdivision (e) of Section 27394 from public disclosure.

(12) Requirements for certification under Section 27397.5.

(c) The Attorney General may promulgate any other regulations necessary to fulfill his or her obligations under this article.

(d) An electronic recording delivery system shall be subject to local inspection and review by the Attorney General. The Attorney General shall furnish a statement of any relevant findings associated with a local inspection of an electronic recording delivery system, to the county recorder and the district attorney of the affected county, and to all technology vendors associated with that system.

SEC. 88. 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 moneys to be expended for the implementation of this chapter, the county auditor shall allocate the 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. The moneys shall be allocated as follows:

(1) Five and fifteen-hundredths percent 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-hundredths percent to the district attorney for criminal prosecution.

(3) Thirty-nine and seven-tenths percent 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 that 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 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 contain 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 at a time determined by the board in each year that the Legislature appropriates funds for purposes of this chapter, or within 30 days after a request by a recipient agency for a hearing if the funds have been received by the county from the state prior to that request, 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) If 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. 89. Section 31492.1 of the Government Code is amended to read:

31492.1. (a) Notwithstanding Section 31492, each monthly survivor allowance paid pursuant to subdivision (a) of Section 31492 on account of a member who retires on or after the operative date of this section shall be equal to 55 percent of the retirement pension, if not modified in accordance with the optional survivor allowance in subdivision (c) or (d) of that section.

(b) This section is only applicable to Los Angeles County and is not operative until the board of supervisors of that county elects, by resolution adopted by a majority vote, to make this section operative in the county.

SEC. 90. Section 31725.65 of the Government Code is amended to read:

31725.65. (a) When the board finds, based on medical advice, that a member in county service is incapacitated for the performance of the member's duties, the board shall determine, based upon that medical advice, whether the member may be capable of performing other duties. If the board determines that a member, although incapacitated for the performance of the member's duties, is capable of performing other duties, the board shall notify the appropriate agency in county service of its findings.

(b) When the appropriate agency in county service receives that notification from the board, the agency shall immediately inform the member of any vacant county positions that may be suitable for the member, consistent with his or her disability, and shall consult with the member in an effort to develop a reemployment plan that shall identify what position, if any, in county service would be compatible with the member's aptitudes, interests, and abilities.

(c) Upon approval by the member of the reemployment plan, the appropriate agency in county service shall notify the board that the agency is proceeding to implement the approved reemployment plan.

(d) Upon commencement of service by the member in the position specified in the approved reemployment plan, the member shall not be paid the disability retirement allowance to which the member would otherwise be entitled during the entire period that the member remains in county service. However, if the compensation rate of the position specified in the approved reemployment plan is less than the compensation rate of the position for which the member was incapacitated, the board shall, in lieu of the disability retirement allowance, pay to the member a supplemental disability allowance in an amount equal to the difference between the compensation rate of the position for which the member was incapacitated, applicable on the date of the commencement of service by the member in the position specified in the approved reemployment plan, and the compensation rate of the position specified in the plan, applicable on the same date. The supplemental disability allowance shall be adjusted annually to equal the difference between the current compensation rate of the position for which the member was incapacitated and the current compensation of the position specified in the approved reemployment plan. The supplemental disability allowance payments shall commence upon suspension of the disability retirement allowance and the amount of the payments shall not be greater than the disability retirement allowance to which the member would otherwise be entitled. Supplemental disability allowance payments made pursuant to this section shall be considered as a charge against the county advance reserve for current service, and all of these payments received by a member shall be considered as a part of the member's compensation within the meaning of Section 31460.

(e) From the time that the member is eligible to receive a disability retirement allowance until the appropriate agency is able to provide the position in county service specified in the approved reemployment plan, and the member has commenced service in that position, the disability retirement allowance to which the member is entitled under this article shall be paid. Upon commencement of service by the member in the position specified in the approved reemployment plan, the period during which the member was receiving disability retirement payments shall not be considered as breaking the continuity of the member's service, and the rate of the member's contributions shall continue to be based on the same age at entrance into the retirement system on which the member's rates were based prior to the date of the member's disability. The member's accumulated contributions shall not be reduced as a result of the member receiving the disability retirement payments, but shall be increased by the amount of interest that would have accrued had the member not been retired.

(f) Notwithstanding Section 31560, a member whose principal duties, while serving in the position for which the member was incapacitated, consisted of activities defined in Section 31469.3 shall, upon commencement of service by the member in the position specified in the approved reemployment plan, continue to be considered as satisfying the requirements of Section 31560, notwithstanding the actual duties performed during the entire period that the member remains in county service.

(g) This section shall apply only to members who are incapacitated for the performance of the member's duties on or after January 1, 2004, and who are eligible to retire for service-connected disability.

SEC. 91. Section 31755 of the Government Code is amended to read:

31755. (a) (1) The Board of Supervisors of Contra Costa County may make this section, Tier Three, applicable to officers and employees for whom it is the governing body, by adopting an ordinance specifying the future operative date of its application.

(2) As used in this section, "Tier One" refers to the retirement plan covering general members not covered by Section 31751.

(3) After the board of supervisors has adopted an ordinance, the governing body of a district not governed by the board of supervisors may make this section applicable as Tier Three to its officers and employees on and after the future operative date it specifies.

(b) Except as otherwise provided in this section, this section shall cover all officers and employees who are members or return to membership in the county's Tier Two retirement system established by Section 31751 on or after the operative date specified in the ordinance adopted pursuant to subdivision (a), and in a district on or after the date of its applicability thereto.

(c) (1) This section shall not cover any employee who is in, or eligible for, Tier One or safety membership under this chapter.

(2) This section shall not cover any person who is a member of the retirement system in the county or district on or after the operative date of its application thereto unless and until the person voluntarily in writing irrevocably elects coverage.

(3) This section shall not be applicable to any eligible member who does not elect coverage, is then laid off or terminates employment, regardless of whether voluntarily or involuntarily, and later returns to membership employment.

(4) This section shall not be applicable to any eligible member who does not elect coverage, then retires or becomes a deferred member, and later returns to active membership.

(5) This section shall not be applicable to any person referred to in subparagraph (D) of paragraph (2) of subdivision (d) who does not elect coverage.

(d) Upon adoption of this section by the board of supervisors, the following provisions shall become applicable:

(1) Subject to the provisions of paragraph (2) of subdivision (d), any qualified individual county or district employee may irrevocably elect coverage under Tier Three.

(2) (A) County or district employees who are members of the county's Tier Two retirement system and who have attained five years' credited service with the county or district on the applicable date of this section, must elect Tier Three coverage in writing within six months after that date.

(B) Persons not subject to subparagraph (A), who thereafter attain five years' credited service in the county's Tier Two retirement system, must elect Tier Three coverage in writing within 90 days after attaining the five years' credited service.

(C) Persons not subject to subparagraph (A) or (B), who, before the Tier Three applicability date, elected deferred retirement under Article 9 (commencing with Section 31700) from the county's Tier Two retirement system, and who had at least five years' credited Tier Two service, and who thereafter while still in deferred status return to active membership, must elect coverage in writing within 90 days after that return.

(D) Persons not subject to subparagraph (A), (B), or (C), who enter or reenter employment in the county or the district for the first time after Tier Three is applicable thereto, and who have reciprocal rights under Article 15 (commencing with Section 31830), and who are otherwise eligible to elect Tier Three by virtue of their Tier Two status and years of retirement credited service must elect Tier Three coverage in writing within 90 days after that entry or reentry.

(e) The board may not grant a disability retirement allowance to a person who has become a Tier Three member except as provided in Section 31720.1. The amount of disability retirement allowances under Tier Three shall be as set forth in Section 31727.01.

(f) Notwithstanding any other provision of this chapter, service retirements under Tier Three shall be governed by the same provisions that govern Tier One retirements in Contra Costa County.

(g) Notwithstanding any other provision of this chapter, Tier Three retired members who have retired for service shall only be entitled to cost-of-living adjustments as provided by the board of supervisors for Tier One retired members pursuant to Article 16.5 (commencing with Section 31830).

(h) Notwithstanding any other provision of this chapter, Tier Three retired members who have been retired for disability shall only be entitled to cost-of-living adjustments as provided by the board of supervisors for Tier Two retired members pursuant to Article 16.5 (commencing with Section 31830).

(i) The board of supervisors may adopt regulations to implement the provisions of this section.

SEC. 92. Section 31781.2 of the Government Code is amended to read:

31781.2. In lieu of accepting in cash the death benefit payable under Section 31781 or 31781.01, the surviving spouse of a member who dies prior to reaching the minimum retirement age and who at the date of his or her death has 10 or more years of service to his or her credit, shall have the option to leave the amount of the death benefit on deposit in the retirement system until the earliest date when the deceased member could have retired had he or she lived, and at that time receive the retirement allowance provided for in Section 31765, 31765.1, or 31765.11, whichever is applicable.

If, at the death of the spouse, he or she is survived by one or more unmarried children of the member, under the age of 18 years, the retirement allowance shall continue to the child or children, collectively, until every child dies, marries, or attains the age of 18 years. If the spouse dies, either before or after the death of the member, without either making the election or receiving any portion of the death benefit, and no part of the death benefit had been paid to any person, prior to the payment of any benefits, the legally appointed guardian of the children shall make the election herein provided for on behalf of the surviving children as, in his or her judgment, may appear to be in their interest and advantage, and the election so made shall be binding and conclusive upon all parties in interest.

Notwithstanding any other provisions of this section, the benefits otherwise payable to the children of the member shall be paid to those children through the age of 21 years if the children remain unmarried and are regularly enrolled as full-time students in an accredited school as determined by the board.

SEC. 93. Section 31831.2 of the Government Code is amended to read:

31831.2. Any member who left county or district service on or before December 31, 1974, and became a member of a retirement system established under this chapter in another county or of the Public Employees' Retirement System, who did not elect to, or was not eligible to, leave his or her contributions on deposit pursuant to Article 9 (commencing with Section 31700) may now elect to leave his or her

accumulated contributions on deposit pursuant to Article 9 (commencing with Section 31700) by redepositing in the retirement fund of the county or district he or she left the amount of accumulated contributions and interest he or she withdrew from the retirement fund plus regular interest thereon from date of separation.

Any such member whose accumulated contributions are on deposit as provided in this section and any other member who left county or district service on or before December 31, 1974, who became a member of a retirement system established under this chapter in another county or of the Public Employees' Retirement System and who elected to leave his or her accumulated contributions on deposit pursuant to Article 9 (commencing with Section 31700) shall be eligible for the benefits provided in this article, and for purposes of these benefits shall be deemed to have entered membership in the other system within 90 days, or six months if Section 31840.4 applies, of his or her separation from county or district employment. The deferred retirement allowance for the member shall be determined in accordance with the provisions of this chapter applicable to a member retiring directly from county employment on the date of his or her retirement. Any member who qualifies for a reduced age at entry pursuant to this section shall be entitled to use that age only from and after the date he or she completes the redeposit as provided in this section or, if he or she elected to leave his or her accumulated contributions on deposit pursuant to Article 9 (commencing with Section 31700), from and after the date he or she notifies the board in writing that he or she desires the benefits of this section. This section shall not apply to members who are retired or who are not in service of an employer making him or her a member of a retirement system established under this chapter or of the Public Employees' Retirement System.

Unless this chapter expressly provides to the contrary, the retirement allowance received by a member pursuant to this section shall be calculated based upon the laws pertaining to the retirement system of the district or county as of the date of retirement and not the laws pertaining to the system as of the date the member first left county or district service.

This section shall not be applicable to any member entering service after December 31, 1979.

This section shall apply only in a county of the first class, as established by Sections 28020 and 28022, but shall not be operative in a county until adopted by resolution of the board of supervisors.

SEC. 94. Section 31874.6 of the Government Code is amended to read:

31874.6. (a) Notwithstanding any other provision of law, on an annual basis, the board of retirement may, with the approval of the county board of supervisors, grant a cost-of-living adjustment on a prefunded basis to the retirement allowances, optional death allowances, or annual death allowances payable to or on account of eligible members. The action by the board of retirement may specify a date as of which the adjustment shall be effective and, if no effective date is specified, the adjustment shall be made in allowances payable for the time commencing on the first day of the month following the action by the board of retirement or approval by the county board of supervisors, whichever is later.

(b) Before the board of retirement may grant an adjustment pursuant to this section, the total costs of the adjustment shall be determined by a qualified actuary and the board shall determine, with the advice of the actuary, that full funding of the adjustment can be provided from earnings of the retirement fund that are in excess of the total interest credited to contributions and reserves plus 1 percent of the total assets of the retirement fund.

(c) The adjustment provided by this section shall be payable only to those retired members, survivors, beneficiaries, or successors in interest whose accumulated loss of purchasing power equals or exceeds 20 percent as of January 1 of the year the board of retirement takes action pursuant to this section. Loss of purchasing power shall be determined by the board of retirement based on the difference between the following:

(1) The initial retirement allowance, optional death allowance, or annual death allowance as it would have been increased by the cumulative total effect of the annual changes, rounded to the nearest one-half of 1 percent, in the Consumer Price Index for All Urban Consumers for the area in which the county seat is situated.

(2) The retirement allowance, optional death allowance, or annual death allowance as actually increased by cost-of-living adjustments previously granted with respect to the allowance.

(d) A cost-of-living adjustment granted pursuant to this section shall become part of the retirement allowance, optional death allowance, or annual death allowance to be increased by any subsequent cost-of-living adjustments. The granting of an increase pursuant to this section in any particular year does not create any continuing entitlement to additional increases in subsequent years, and does not create any claim by a retired member, survivor, beneficiary, or successor in interest against the county, district, or retirement fund for any increase in any allowance paid or payable prior to the effective date of the action by the board of retirement pursuant to this section.

(e) This section shall only be applicable in a county of the 19th class, as defined by Sections 28020 and 28040, as amended by Chapter 1204 of the Statutes of 1971.

SEC. 95. Section 51283.4 of the Government Code is amended to read:

51283.4. (a) Upon tentative approval of a petition accompanied by a proposal for a specified alternative use of the land, the clerk of the board or council shall record, in the office of the county recorder of the county in which the land is located to which the contract is applicable, a certificate of tentative cancellation. The certificate shall set forth the name of the landowner requesting the cancellation, the fact that a certificate of cancellation of contract will be issued and recorded at the time that specified conditions and contingencies are satisfied, a description of the conditions and contingencies that must be satisfied, and a legal description of the property. Conditions to be satisfied shall include payment in full of the amount of the fee computed under the provisions of Section 51283, together with a statement that unless the fee is paid, or a certificate of cancellation of contract is issued within one year from the date of the recording of the certificate of tentative cancellation, the fee shall be recomputed as of the date the landowner requests a recomputation. A landowner may request a recomputation when he or she believes that he or she will be able to satisfy the conditions and contingencies of the certificate of cancellation within 180 days. The board or council shall request the assessor to recompute the cancellation valuation. The assessor shall recompute the valuation, certify it to the board or council, and provide notice to the Department of Conservation and landowner as provided in subdivision (a) of Section 51283, and the board or council shall certify the fee to the county auditor. Any provisions related to the waiver of the fee or portion of the fee shall be treated in the manner provided for in the certificate of tentative cancellation. Contingencies to be satisfied shall include a requirement that the landowner obtain all permits necessary to commence the project. The board or council may, at the request of the landowner, amend a tentatively approved specified alternative use if it finds that the amendment is consistent with the findings made pursuant to subdivision (a) of Section 51282.

(b) The landowner shall notify the board or council when he or she has satisfied the conditions and contingencies enumerated in the certificate of tentative cancellation. Within 30 days of receipt of the notice, and upon a determination that the conditions and contingencies have been satisfied, the board or council shall execute a certificate of cancellation of contract, cause the certificate to be recorded, and send a copy to the Director of Conservation.

(c) If the landowner has been unable to satisfy the conditions and contingencies enumerated in the certificate of tentative cancellation, the landowner shall notify the board or council of the particular conditions or contingencies he or she is unable to satisfy. Within 30 days of receipt of the notice, and upon a determination that the landowner is unable to satisfy the conditions and contingencies listed, the board or council shall execute a certificate of withdrawal of tentative approval of a cancellation of contract and cause the same to be recorded. However, the landowner shall not be entitled to the refund of any cancellation fee paid.

SEC. 96. Section 53080 of the Government Code is amended to read:

53080. (a) No city, county, city and county, or special district, including, but not limited to, a community services district, recreation and park district, regional park district, regional park and open-space district, regional open-space park district, or resort improvement district shall discriminate against any person on the basis of sex or gender in the operation, conduct, or administration of community youth athletics programs or in the allocation of parks and recreation facilities and resources that support or enable these programs.

(b) The Unruh Civil Rights Act (Section 51 of the Civil Code) has been held to prohibit local governmental agencies from discriminating on the bases proscribed by the act, and Section 11135 also prohibits local governmental agencies that receive financial assistance from the state from discriminating on the basis of gender, among other bases.

(c) As used in this section, “community youth athletics program” means any athletic program in which youth solely or predominantly participate, that is organized for the purposes of training for and engaging in athletic activity and competition, and that is in any way operated, conducted, administered, supported, or enabled by a city, county, city and county, or special district.

(d) As used in this section, “parks and recreation facilities and resources” include, but are not limited to, park facilities, including, but not limited to, athletic fields, athletic courts, gymnasiums, recreational rooms, restrooms, concession stands and storage spaces; lands and areas accessed through permitting, leasing, or other land use arrangements, or otherwise accessed through cities, counties, cities and counties, or special districts; sports and recreation equipment; devices used to promote athletics such as scoreboards, banners, and advertising; and all moneys used in conjunction with youth athletics.

(e) It is the intent of the Legislature in enacting this section that girls shall be accorded opportunities for participation in community youth athletics programs equal, both in quality and scope, to those accorded to boys.

(f) In civil actions brought under this section or under other applicable antidiscrimination laws alleging discrimination in community youth athletics programs, courts shall consider the following factors, among others, in determining whether discrimination exists:

(1) Whether the selection of community youth athletics programs offered effectively accommodate the athletic interests and abilities of members of both genders.

(2) The provision of moneys, equipment, and supplies.

(3) Scheduling of games and practice times.

(4) Opportunity to receive coaching.

(5) Assignment and compensation of coaches.

(6) Access to lands and areas accessed through permitting, leasing, or other land use arrangements, or otherwise accessed through a city, a county, a city and county, or a special district.

(7) Selection of the season for a sport.

(8) Location of the games and practices.

(9) Locker rooms.

(10) Practice and competitive facilities.

(11) Publicity.

(12) Officiation by umpires, referees, or judges who have met training and certification standards.

(g) In making the determination under paragraph (1) of subdivision (f), a court shall assess whether the city, county, city and county, or special district has effectively accommodated the athletic interests and abilities of both genders in any one of the following ways:

(1) The community youth athletics program opportunities for boys and girls are provided in numbers substantially proportionate to their respective numbers in the community.

(2) Where the members of one gender have been, and continue to be, underrepresented in community youth athletics programs, the city, county, city and county, or special district can show a history and continuing practice of program expansion and allocation of resources that are demonstrably responsive to the developing interests and abilities of the members of that gender.

(3) Where the members of one gender are underrepresented in community youth athletics programs, the city, county, city and county, or special district can demonstrate that the interests and abilities of the members of that gender have been fully and effectively accommodated by the present program and allocation of resources.

(h) Effective January 1, 2015, a city, county, city and county, and special district may no longer rely on paragraph (2) of subdivision (g) to show that they have accommodated the athletic interests and abilities of both genders.

(i) Nothing in this section shall be construed to invalidate any existing consent decree or any other settlement agreement entered into by a city, county, city and county, or special district to address gender equity in athletic programs.

(j) This section and any ordinances, regulations, or resolutions adopted pursuant to this section by a city, county, city and county, or special district may be enforced against a city, county, city and county, or special district by a civil action for injunctive relief or damages or both, which shall be independent of any other rights and remedies.

SEC. 97. 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 issuer.

(3) No more than 10 percent of the outstanding commercial paper of any single 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 for cities and counties with regard to the investment of money in eligible commercial paper.

SEC. 98. Section 54954.5 of the Government Code is amended to read:

54954.5. For purposes of describing closed session items pursuant to Section 54954.2, the agenda may describe closed sessions as provided below. No legislative body or elected official shall be in violation of Section 54954.2 or 54956 if the closed session items were described in

substantial compliance with this section. Substantial compliance is satisfied by including the information provided below, irrespective of its format.

(a) With respect to a closed session held pursuant to Section 54956.7:
LICENSE/PERMIT DETERMINATION

Applicant(s): (Specify number of applicants)

(b) With respect to every item of business to be discussed in closed session pursuant to Section 54956.8:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: (Specify street address, or if no street address, the parcel number or other unique reference, of the real property under negotiation)

Agency negotiator: (Specify names of negotiators attending the closed session) (If circumstances necessitate the absence of a specified negotiator, an agent or designee may participate in place of the absent negotiator so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Negotiating parties: (Specify name of party (not agent))

Under negotiation: (Specify whether instruction to negotiator will concern price, terms of payment, or both)

(c) With respect to every item of business to be discussed in closed session pursuant to Section 54956.9:

CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION

(Subdivision (a) of Section 54956.9)

Name of case: (Specify by reference to claimant's name, names of parties, case or claim numbers)

or

Case name unspecified: (Specify whether disclosure would jeopardize service of process or existing settlement negotiations)

CONFERENCE WITH LEGAL COUNSEL—ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Section 54956.9: (Specify number of potential cases)

(In addition to the information noticed above, the agency may be required to provide additional information on the agenda or in an oral statement prior to the closed session pursuant to subparagraphs (B) to (E), inclusive, of paragraph (3) of subdivision (b) of Section 54956.9.)

Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (Specify number of potential cases)

(d) With respect to every item of business to be discussed in closed session pursuant to Section 54956.95:

LIABILITY CLAIMS

Claimant: (Specify name unless unspecified pursuant to Section 54961)

Agency claimed against: (Specify name)

(e) With respect to every item of business to be discussed in closed session pursuant to Section 54957:

THREAT TO PUBLIC SERVICES OR FACILITIES

Consultation with: (Specify name of law enforcement agency and title of officer, or name of applicable agency representative and title)

PUBLIC EMPLOYEE APPOINTMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYMENT

Title: (Specify description of position to be filled)

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: (Specify position title of employee being reviewed)

PUBLIC EMPLOYEE DISCIPLINE/DISMISSAL/RELEASE

(No additional information is required in connection with a closed session to consider discipline, dismissal, or release of a public employee. Discipline includes potential reduction of compensation.)

(f) With respect to every item of business to be discussed in closed session pursuant to Section 54957.6:

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representatives: (Specify names of designated representatives attending the closed session) (If circumstances necessitate the absence of a specified designated representative, an agent or designee may participate in place of the absent representative so long as the name of the agent or designee is announced at an open session held prior to the closed session.)

Employee organization: (Specify name of organization representing employee or employees in question)

or

Unrepresented employee: (Specify position title of unrepresented employee who is the subject of the negotiations)

(g) With respect to closed sessions called pursuant to Section 54957.8:

CASE REVIEW/PLANNING

(No additional information is required in connection with a closed session to consider case review or planning.)

(h) With respect to every item of business to be discussed in closed session pursuant to Sections 1461, 32106, and 32155 of the Health and Safety Code or Sections 37606 and 37624.3 of the Government Code:

REPORT INVOLVING TRADE SECRET

Discussion will concern: (Specify whether discussion will concern proposed new service, program, or facility)

Estimated date of public disclosure: (Specify month and year)

HEARINGS

Subject matter: (Specify whether testimony/deliberation will concern staff privileges, report of medical audit committee, or report of quality assurance committee)

(i) With respect to every item of business to be discussed in closed session pursuant to Section 54956.86:

CHARGE OR COMPLAINT INVOLVING INFORMATION PROTECTED BY FEDERAL LAW

(No additional information is required in connection with a closed session to discuss a charge or complaint pursuant to Section 54956.86.)

(j) With respect to every item of business to be discussed in closed session pursuant to Section 54956.96:

CONFERENCE INVOLVING A JOINT POWERS AGENCY (Specify by name)

Discussion will concern: (Specify closed session description used by the joint powers agency)

Name of local agency representative on joint powers agency board: (Specify name)

(Additional information listing the names of agencies or titles of representatives attending the closed session as consultants or other representatives.)

(k) With respect to every item of business to be discussed in closed session pursuant to Section 54956.75:

AUDIT BY BUREAU OF STATE AUDITS

SEC. 99. Section 56700 of the Government Code, as amended by Section 2 of Chapter 471 of the Statutes of 2004, is amended to read:

56700. (a) A proposal for a change of organization or a reorganization may be made by petition. The petition shall do all of the following:

- (1) State that the proposal is made pursuant to this part.
- (2) State the nature of the proposal and list all proposed changes of organization.
- (3) Set forth a description of the boundaries of affected territory accompanied by a map showing the boundaries.
- (4) Set forth any proposed terms and conditions.
- (5) State the reason or reasons for the proposal.
- (6) State whether the petition is signed by registered voters or owners of land.
- (7) Designate up to three persons as chief petitioners, setting forth their names and mailing addresses.
- (8) Request that proceedings be taken for the proposal pursuant to this part.
- (9) State whether the proposal is consistent with the sphere of influence of any affected city or affected district.

(b) A petition for a proposal for a change of organization or a reorganization that includes the consolidation of two or more special districts not formed pursuant to the same principal act, in addition to the requirements set forth in subdivision (a), shall do either of the following:

(1) Designate the district that shall be the successor and specify under which principal act the successor shall conduct itself.

(2) State that the proposal requires the formation of a new district and includes a plan for services prepared pursuant to Section 56653.

(c) This section shall become inoperative on July 1, 2008, and, as of January 1, 2009, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2009, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 100. Section 56700 of the Government Code, as added by Section 2.5 of Chapter 471 of the Statutes of 2004, is amended to read:

56700. (a) A proposal for a change of organization or a reorganization may be made by petition. The petition shall do all of the following:

(1) State that the proposal is made pursuant to this part.

(2) State the nature of the proposal and list all proposed changes of organization.

(3) Set forth a description of the boundaries of affected territory accompanied by a map showing the boundaries.

(4) Set forth any proposed terms and conditions.

(5) State the reason or reasons for the proposal.

(6) State whether the petition is signed by registered voters or owners of land.

(7) Designate up to three persons as chief petitioners, setting forth their names and mailing addresses.

(8) Request that proceedings be taken for the proposal pursuant to this part.

(9) State whether the proposal is consistent with the sphere of influence of any affected city or affected district.

(b) This section shall become operative on July 1, 2008.

SEC. 101. Section 65053.5 of the Government Code is amended to read:

65053.5. (a) As used in this article, the following terms have the following meanings:

(1) "Military installation" means a base, camp, post, station, yard, center, homeport facility for any ship, or other facility under the jurisdiction of the United States Department of Defense, as defined in paragraph (1) of subsection (e) of Section 2687 of Title 10 of the United States Code.

(2) "Affected local government" means any county or city identified as located wholly or partly within the boundaries of a military installation or as having a sphere of influence over any portion of the installation with responsibility for local zoning and planning decisions.

(b) The Legislature hereby finds and declares all of the following:

(1) Because of the tremendous economic impact that military installations have on the state, it is in the best interest of the state to facilitate their retention.

(2) It is the intent of the Legislature to encourage cooperation among affected local governments in their efforts to retain military installations in this state by authorizing the creation of a joint powers authority pursuant to this section.

(3) The Legislature also encourages affected local governments to engage other community-based organizations in their retention activities.

(c) For the purposes of this article, a local retention authority shall be recognized for each active military installation in this state.

(d) A list of retention authorities or their successors, including, but not limited to, separate airport or port authorities recognized as the local retention authority for the military installations, shall be maintained by the Office of Military and Aerospace Support created pursuant to Section 13998.2. If multiple affected local governments are identified for a military installation as described in paragraph (2) of subdivision (a), those affected counties and cities may, by resolution, designate an existing joint powers authority or establish a joint powers authority for the purposes of this article pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1.

(e) The state shall recognize a local retention authority for each active military installation if resolutions acknowledging the authority as the local retention authority are adopted by all county boards of supervisors and city councils identified as described in paragraph (2) of subdivision (a) and are forwarded to the Office of Military and Aerospace Support on or before October 1, 2004. If prior to January 1, 2004, a local government was awarded grant moneys pursuant to any predecessor to Section 13998.8 for a specific military installation and qualifies as an affected local government as described in paragraph (2) of subdivision (a), the recipient local government shall be recognized by the state as the local retention authority unless resolutions acknowledging a different authority are adopted by all county boards of supervisors and city councils identified as described in paragraph (2) of subdivision (a), and are forwarded to the Office of Military and Aerospace Support.

(f) If the necessary resolutions are not adopted within the time limit specified in subdivision (e), the Office of Military and Aerospace Support shall recognize a local retention authority for each military installation.

SEC. 102. Section 65351 of the Government Code is amended to read:

65351. During the preparation or amendment of the general plan, the planning agency shall provide opportunities for the involvement of citizens, California Native American Indian tribes, public agencies, public utility companies, and civic, education, and other community groups, through public hearings and any other means the planning agency deems appropriate.

SEC. 103. Section 65460.1 of the Government Code is amended to read:

65460.1. (a) The Legislature hereby finds and declares all of the following:

(1) Federal, state, and local governments in California are investing in new and expanded transit systems in areas throughout the state, including Los Angeles County, the San Francisco Bay area, San Diego County, Santa Clara County, and Sacramento County.

(2) This public investment in transit is unrivaled in the state's history and represents well over ten billion dollars (\$10,000,000,000) in planned investment alone.

(3) Recent studies of transit ridership in California indicate that persons who live within a quarter-mile radius of transit stations utilize the transit system in far greater numbers than does the general public living elsewhere.

(4) The use of transit by persons living near transit stations is particularly important given the decline of transit ridership in California between 1980 and 1990. Transit's share of commute trips dropped in all California metropolitan areas—greater Los Angeles: 5.4 percent to 4.8 percent; San Francisco Bay area: 11.9 percent to 10.0 percent; San Diego: 3.7 percent to 3.6 percent; Sacramento: 3.7 percent to 2.5 percent.

(5) Only a few transit stations in California have any concentration of housing proximate to the station.

(6) Interest in clustering housing and commercial development around transit stations, called transit villages, has gained momentum in recent years.

(b) For purposes of this article, the following definitions shall apply:

(1) "Bus hub" means an intersection of three or more bus routes, with a minimum route headway of 10 minutes during peak hours.

(2) "District" means a transit village development district as defined in Section 65460.4.

(3) "Peak hours" means the time between 7 a.m. to 10 a.m., inclusive, and 3 p.m. to 7 p.m., inclusive, Monday through Friday.

(4) "Transit station" means a rail or light-rail station, ferry terminal, bus hub, or bus transfer station.

SEC. 104. Section 66907.7 of the Government Code is amended to read:

66907.7. (a) The conservancy may award grants to local public agencies, state agencies, federal agencies, federally recognized Indian tribes, the Tahoe Transportation District established under Section 66801, and nonprofit organizations, for the purposes of this title.

(b) Grants to nonprofit organizations for the acquisition of real property or interests therein shall be subject to all of the following conditions:

(1) The purchase price of any interest in land acquired by the nonprofit organization may not exceed fair market value as established by an appraisal approved by the conservancy.

(2) The conservancy approves the terms under which the interest in land is acquired.

(3) The interest in land acquired pursuant to a grant from the conservancy may not be used as security for any debt to be incurred by the nonprofit organization unless the conservancy approves the transaction.

(4) The transfer of land acquired pursuant to a grant shall be subject to the approval of the conservancy and the execution of an agreement between the conservancy and the transferee sufficient to protect the interest of the people of California.

(5) The state shall have a right of entry and power of termination in and over all interests in real property acquired with state funds, which may be exercised if any essential term or condition of the grant is violated.

(6) If the existence of the nonprofit organization is terminated for any reason, title to all interest in real property acquired with state funds shall immediately vest in the state, except that, prior to that termination, another public agency or nonprofit organization may receive title to all or a portion of that interest in real property, by recording its acceptance of title, together with the conservancy's approval, in writing.

(c) Any deed or other instrument of conveyance whereby real property is being acquired by a nonprofit organization pursuant to this section shall be recorded and shall set forth the executory interest or right of entry on the part of the state.

(d) The relocation by a local public agency of a water- or sewer-related infrastructure owned by a publicly owned utility shall be considered an eligible expense by the conservancy for the purpose of awarding soil erosion grant funds, if that relocation is intended to control or reduce soil erosion caused by the infrastructure to be relocated. A local public agency is eligible to receive grant funds for up to two-thirds of the cost

of relocating the water- or sewer-related infrastructure, provided the relocation cost is not eligible for any other public funding.

SEC. 105. 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 or the Trial Court Improvement Fund to fund administrative infrastructure within the Administrative Office of the Courts, such as legal services, financial services, information systems services, human resource services, and support services, for one or more participating courts upon appropriation of funding for these purposes in the annual Budget Act. The amount of appropriations from the Trial Court Improvement Fund under this subdivision may not exceed 20 percent of the amount deposited in the Trial Court Improvement Fund pursuant to subdivision (a) of Section 77205. 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 from the Trial Court Trust Fund 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 from the Trial Court Trust Fund 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 116.230, 403.060, and 631.3 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 is 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 that 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 1½ 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.

(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.

SEC. 106. 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 location or locations within a county, 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 transfer may 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) Declare that a date or dates on which an emergency condition, as described in this section, substantially interfered with the public's ability to file papers in a court facility or facilities be deemed a holiday for purposes of computing the time for filing papers with the court under Sections 12 and 12a of the Code of Civil Procedure. This subdivision shall apply to the fewest days necessary under the circumstances of the emergency, as determined by the Chairperson of the Judicial Council.
- (d) Declare that a date on which an emergency condition, as described in this section, prevented the court from conducting proceedings governed by Section 825 of the Penal Code, or Section 313, 315, 631, 632, 637, or 657 of the Welfare and Institutions Code, be deemed a holiday for purposes of computing time under those statutes. This subdivision shall apply to the fewest days necessary under the circumstances of the emergency, as determined by the Chairperson of the Judicial Council.
- (e) Extend the duration of any temporary restraining order that would otherwise expire because an emergency condition, as described in this section, prevented the court from conducting proceedings to determine whether a permanent order should be entered. The extension shall be for the fewest days necessary under the circumstances of the emergency, as determined by the Chairperson of the Judicial Council.
- (f) 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.

(g) 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.

(h) 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.

(i) 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 313, 315, 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.

(j) 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 Sections 334 and 657 of the Welfare and Institutions Code within which an adjudication on a juvenile court petition shall be held by 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. 107. Section 68927 of the Government Code is amended to read:

68927. The fee for filing a petition for review in a civil case in the Supreme Court after a decision in a court of appeal is four hundred twenty dollars (\$420). A fee may not be charged for petitions for review from decisions in juvenile cases or proceedings to declare a minor free from parental custody or control or proceedings under the Lanterman-Petris-Short Act (Part 1 (commencing with Section 5000) of Division 5 of the Welfare and Institutions Code).

SEC. 108. 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's or marshal's court law enforcement budget 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's 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 costs 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 with total allowable costs for law enforcement security personnel services 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 with total allowable costs for law enforcement security personnel services exceeding 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, workers' compensation paid to an employee in lieu of salary, workers' 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. 109. 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, pursuant to subdivision (d) of Section 70363, the approved county facilities payment, the Administrative

Director of the Courts may submit a declaration to the Court Facilities Dispute Resolution Committee, with copies mailed 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 copies mailed 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, an 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, an 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. 110. 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, and shall be 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.

(g) A subordinate judicial officer who has been duly appointed and has thereafter retired from service may be assigned by a presiding judge to perform subordinate judicial duties consistent with subdivision (a). The retired subordinate judicial officer shall be subject to the limits, if any, on postretirement service prescribed by the Public Employees' Retirement System, the county defined-benefit retirement system, as defined in subdivision (f) of Section 71624, or any other defined-benefit retirement plan from which the retired officer is receiving benefits. The retired subordinate judicial officer shall be compensated by the assigning court at a rate not to exceed 85 percent of the compensation of a retired judge assigned to a superior court.

SEC. 111. Section 82036 of the Government Code is amended to read:

82036. "Late contribution" means any of the following:

(a) Any contribution, including a loan, that totals in the aggregate one thousand dollars (\$1,000) or more that is made to or received by a candidate, a controlled committee, or a committee formed or existing primarily to support or oppose a candidate or measure before the date of the election at which the candidate or measure is to be voted on but after the closing date of the last campaign statement required to be filed before the election.

(b) Any contribution, including a loan, that totals in the aggregate one thousand dollars (\$1,000) or more that is made to or received by a political party committee, as defined in Section 85205, before the date of any state election, but after the closing date of the last campaign statement required to be filed before the election.

SEC. 112. Section 84602 of the Government Code is amended to read:

84602. To implement the Legislature's intent, the Secretary of State, in consultation with the commission, notwithstanding any other provision of the Government Code, shall do all of the following:

(a) Develop online and electronic filing processes for use by persons and entities specified in Sections 84604 and 84605 that are required to file statements and reports with the Secretary of State's office pursuant

to Chapter 4 (commencing with Section 84100) and Chapter 6 (commencing with Section 86100). Those processes shall each enable a user to comply with all the disclosure requirements of this title and shall include, at a minimum, the following:

(1) A means or method whereby filers subject to this chapter may submit required filings free of charge. Any means or method developed pursuant to this provision shall not provide any additional or enhanced functions or services that exceed the minimum requirements necessary to fulfill the disclosure provisions of this title. At least one means or method shall be made available no later than December 31, 2002.

(2) The definition of a nonproprietary standardized record format or formats using industry standards for the transmission of the data that is required of those persons and entities specified in subdivision (a) of Section 84604 and Section 84605 and that conforms with the disclosure requirements of this title. The Secretary of State shall hold public hearings prior to development of the record format or formats as a means to ensure that affected entities have an opportunity to provide input into the development process. The format or formats shall be made public no later than July 1, 1999, to ensure sufficient time to comply with the requirements of this chapter.

(b) Accept test files from software vendors and others wishing to file reports electronically, for the purpose of determining whether the file format is in compliance with the standardized record format developed pursuant to subdivision (a) and is compatible with the Secretary of State's system for receiving the data. A list of the software and service providers who have submitted acceptable test files shall be published by the Secretary of State and made available to the public. Acceptably formatted files shall be submitted by a filer in order to meet the requirements of this chapter.

(c) Develop a system that provides for the online or electronic transfer of the data specified in this section utilizing telecommunications technology that assures the integrity of the data transmitted and that creates safeguards against efforts to tamper with or subvert the data.

(d) Make all the data filed available on the Internet in an easily understood format that provides the greatest public access. The data shall be made available free of charge and as soon as possible after receipt. All late contribution and late independent expenditure reports, as defined by Sections 84203 and 84204, respectively, shall be made available on the Internet within 24 hours of receipt. The data made available on the Internet shall not contain the street name and building number of the persons or entity representatives listed on the electronically filed forms or any bank account number required to be disclosed pursuant to this title.

(e) Develop a procedure for filers to comply with the requirement that they sign under penalty of perjury pursuant to Section 81004.

(f) Maintain all filed data online for 10 years after the date it is filed, and then archive the information in a secure format.

(g) Provide assistance to those seeking public access to the information.

(h) Implement sufficient technology to seek to prevent unauthorized alteration or manipulation of the data.

(i) Provide the commission with necessary information to enable it to assist agencies, public officials, and others, with the compliance with and administration of this title.

(j) Report to the Legislature on the implementation and development of the online and electronic filing and disclosure requirements of this chapter. The report shall include an examination of system security, private security issues, software availability, compliance costs to filers, use of the filing system and software provided by the Secretary of State, and other issues relating to this chapter, and shall recommend appropriate changes if necessary. In preparing the report, the commission may present to the Secretary of State and the Legislature its comments regarding this chapter as it relates to the duties of the commission and suggest appropriate changes if necessary. There shall be one report due before the system is operational as set forth in Section 84603, one report due no later than June 1, 2002, and one report due no later than January 31, 2003.

(k) Review the current filing and disclosure requirements of this chapter and report to the Legislature, no later than June 1, 2005, recommendations on revising these requirements so as to promote greater reliance on electronic and online submissions.

SEC. 113. Section 90004 of the Government Code is amended to read:

90004. (a) The Franchise Tax Board shall periodically prepare reports, which, except as otherwise provided in this section, shall be sent to the commission, the Secretary of State, and the Attorney General. If the reports relate to candidates for or committees supporting or opposing candidates for the office of Attorney General, the reports shall be sent to the commission, the Secretary of State, and the District Attorneys of Los Angeles, Sacramento, and San Francisco Counties. If the reports relate to local candidates and their controlled committees, the reports shall be sent to the commission, the local filing officer with whom the candidate or committee is required to file the originals of campaign reports pursuant to Section 84215, and the district attorney for the candidate's county of domicile.

(b) The Franchise Tax Board shall complete its report of any audit conducted on a random basis pursuant to Section 90001 within one year after the person or entity subject to the audit is selected by the commission to be audited.

(c) The reports of the Franchise Tax Board shall be public documents and shall contain in detail the Franchise Tax Board's findings with respect to the accuracy and completeness of each report and statement reviewed and its findings with respect to any report or statement that should have been but was not filed. The Secretary of State and the local filing officer shall place the audit reports in the appropriate campaign statement or lobbying files.

SEC. 114. Section 1179.2 of the Health and Safety Code is amended to read:

1179.2. (a) The Health and Welfare Agency shall establish an interdepartmental Task Force on Rural Health to coordinate rural health policy development and program operations and to develop a strategic plan for rural health.

(b) At a minimum, the following state departmental directors, or their representatives, shall participate on this task force:

- (1) The Director of Health Services.
- (2) The Director of Statewide Health Planning and Development.
- (3) The Director of Alcohol and Drug Programs.
- (4) The Director of the Emergency Medical Services Authority.
- (5) The Director of Mental Health.
- (6) The Executive Director of the Managed Risk Medical Insurance Board.

(c) The task force shall review and direct the activities of the Office of Rural Health or the alternative organizational structure, as determined by the Secretary of the Health and Welfare Agency.

(d) The task force shall establish appropriate mechanisms, such as ad hoc or standing advisory committees or the holding of public hearings in rural communities, for the purpose of soliciting and receiving input from these communities, including input from rural hospitals, rural clinics, health care service plans, local governments, academia, and consumers.

SEC. 115. Section 1351.2 of the Health and Safety Code, as added by Section 2 of Chapter 491 of the Statutes of 2004, is amended to read:

1351.2. (a) If a prepaid health plan operating lawfully under the laws of Mexico elects to operate a health care service plan in this state, the prepaid health plan shall apply for licensure as a health care service plan under this chapter by filing an application for licensure in the form prescribed by the department and verified by an authorized representative of the applicant. The prepaid health plan shall be subject to the provisions

of this chapter, and the rules adopted by the director thereunder, as determined by the director to be applicable. The application shall be accompanied by the fee prescribed by subdivision (a) of Section 1356 and shall demonstrate compliance with the following requirements:

(1) The prepaid health plan is constituted and operating lawfully under the laws of Mexico and, if required by Mexican law, is authorized as an Insurance Institution Specializing in Health by the Mexican Insurance Commission. If the Mexican Insurance Commission determines that the prepaid health plan is not required to be authorized as an Insurance Institution Specializing in Health under the laws of Mexico, the applicant shall obtain written verification from the Mexican Insurance Commission stating that the applicant is not required to be authorized as an Insurance Institution Specializing in Health in Mexico. A Mexican prepaid health plan not required to be an Insurance Institution Specializing in Health shall obtain written verification from the Mexican Ministry of Health that the prepaid health plan and its provider network are operating in full compliance with Mexican law.

(2) The prepaid health plan offers and sells in this state only employer-sponsored group plan contracts exclusively for the benefit of citizens of Mexico legally employed in this state, and for the benefit of their dependents regardless of nationality, that pay for, reimburse the cost of, or arrange for the provision or delivery of health care services that are to be provided or delivered wholly in Mexico, except for the provision or delivery of those health care services set forth in paragraph (4).

(3) Solicitation of plan contracts in this state is made only through insurance brokers and agents licensed in this state or a third-party administrator licensed in this state, each of whom is authorized to offer and sell plan group contracts.

(4) Group contracts provide, through a contract of insurance between the prepaid health plan and an insurer admitted in this state, for the reimbursement of emergency and urgent care services provided out of area as required by subdivision (h) of Section 1345.

(5) All advertising, solicitation material, disclosure statements, evidences of coverage, and contracts are in compliance with the appropriate provisions of this chapter and the rules or orders of the director. The director shall require that each of these documents contain a legend in 10-point type, in both English and Spanish, declaring that the health care service plan contract provided by the prepaid health plan may be limited as to benefits, rights, and remedies under state and federal law.

(6) All funds received by the prepaid health plan from a subscriber are deposited in an account of a bank organized under the laws of this state or in an account of a national bank located in this state.

(7) The prepaid health plan maintains a tangible net equity as required by this chapter and the rules of the director, as calculated under United States generally accepted accounting principles, in the amount of at least one million dollars (\$1,000,000). In lieu of an amount in excess of the minimum tangible net equity of one million dollars (\$1,000,000), the prepaid health plan may demonstrate a reasonable, acceptable alternative reimbursement arrangement that the director may in his or her discretion accept. The prepaid health plan shall also maintain a fidelity bond and a surety bond as required by Section 1376 and the rules of the director.

(8) The prepaid health plan agrees to make all of its books and records, including the books and records of health care providers in Mexico, available to the director in the form and at the time and place requested by the director. Books and records shall be made available to the director no later than 24 hours from the date of the request.

(9) The prepaid health plan files a consent to service of process with the director and agrees to be subject to the laws of this state and the United States in any investigation, examination, dispute, or other matter arising from the advertising, solicitation, or offer and sale of a plan contract, or the management or provision of health care services in this state or throughout the United States. The prepaid health plan shall agree to notify the director, immediately and in no case later than one business day, if it is subject to any investigation, examination, or administrative or legal action relating to the prepaid health plan or the operations of the prepaid health plan initiated by the government of Mexico or the government of any state of Mexico against the prepaid health plan or any officer, director, security holder, or contractor owning 10 percent or more of the securities of the prepaid health plan. The prepaid health plan shall agree that in the event of conflict of laws in any action arising out of the license, the laws of California and the United States shall apply.

(10) The prepaid health plan agrees that disputes arising from the group contracts involving group contractholders and providers of health care services in the United States shall be subject to the jurisdiction of the courts of this state and the United States.

(b) The prepaid health plan shall pay the application processing fee and other fees and assessments set forth in Section 1356. The director, by order, may designate provisions of this chapter and rules adopted thereunder that need not be applied to a prepaid health plan licensed under the laws of Mexico when consistent with the intent and purpose of this chapter, and in the public interest.

(c) If the plan ceases to operate legally in Mexico, the director shall immediately deliver written notice to the health care service plan that it is not in compliance with the provisions of this section. If this occurs, a health care service plan shall do all of the following:

(1) Provide the director with written proof that the prepaid health plan has complied with the laws of Mexico not later than 45 days after the date the written notice is received by the health care service plan.

(2) If, by the 45th day, the health care service plan is unable to provide written confirmation that it is in full compliance with Mexican law, the director shall notify the health care service plan in writing that it is prohibited from accepting any new enrollees or subscribers. The health care service plan shall be given an additional 180 days to comply with Mexican law or to become a licensed health care service plan.

(3) If, at the end of the 180-day notice period in paragraph (2), the health care service plan has not complied with the laws of Mexico or California, the director shall issue an order that the health care service plan cease and desist operations in California.

(d) This section shall become operative on January 1, 2008.

SEC. 116. Section 1596.792 of the Health and Safety Code, as amended by Section 4 of Chapter 664 of the Statutes of 2004, is amended to read:

1596.792. This chapter, Chapter 3.5 (commencing with Section 1596.90), and Chapter 3.6 (commencing with Section 1597.30) do not apply to any of the following:

(a) Any health facility, as defined by Section 1250.

(b) Any clinic, as defined by Section 1202.

(c) Any community care facility, as defined by Section 1502.

(d) Any family day care home providing care for the children of only one family in addition to the operator's own children.

(e) Any cooperative arrangement between parents for the care of their children when no payment is involved and the arrangement meets all of the following conditions:

(1) In a cooperative arrangement, parents shall combine their efforts so that each parent, or set of parents, rotates as the responsible caregiver with respect to all the children in the cooperative.

(2) Any person caring for children shall be a parent, legal guardian, stepparent, grandparent, aunt, uncle, or adult sibling of at least one of the children in the cooperative.

(3) There can be no payment of money or receipt of in-kind income in exchange for the provision of care. This does not prohibit in-kind contributions of snacks, games, toys, blankets for napping, pillows, and other materials parents deem appropriate for their children. It is not the

intent of this paragraph to prohibit payment for outside activities, the amount of which may not exceed the actual cost of the activity.

(4) No more than 12 children are receiving care in the same place at the same time.

(f) Any arrangement for the receiving and care of children by a relative.

(g) Any public recreation program. "Public recreation program" means a program operated by the state, city, county, special district, school district, community college district, chartered city, or chartered city and county that meets either of the following criteria:

(1) The program is operated only during hours other than normal school hours for kindergarten and grades 1 to 12, inclusive, in the public school district where the program is located, or operated only during periods when students in kindergarten and grades 1 to 12, inclusive, are normally not in session in the public school district where the program is located, for either of the following periods:

(A) For under 16 hours per week.

(B) For a total of 12 weeks or less during a 12-month period. This total applies to any 12 weeks within any 12-month period, without regard to whether the weeks are consecutive.

In determining "normal school hours" or periods when students are "normally not in session," the State Department of Social Services shall, when appropriate, consider the normal school hours or periods when students are normally not in session for students attending a year-round school.

(2) The program is provided to children who are over the age of four years and nine months and not yet enrolled in school and the program is operated during either of the following periods:

(A) For under 16 hours per week.

(B) For a total of 12 weeks or less during a 12-month period. This total applies to any 12 weeks within any 12-month period, without regard to whether the weeks are consecutive.

(3) The program is provided to children under the age of four years and nine months with sessions that run 12 hours per week or less and are 12 weeks or less in duration. A program subject to this paragraph may permit children to be enrolled in consecutive sessions throughout the year. However, the program shall not permit children to be enrolled in a combination of sessions that total more than 12 hours per week for each child.

(h) Extended day care programs operated by public or private schools.

(i) Any school parenting program or adult education child care program that satisfies both of the following:

(1) Is operated by a public school district or operated by an individual or organization pursuant to a contract with a public school district.

(2) Is not operated by an organization specified in Section 1596.793.

(j) Any child day care program that operates only one day per week for no more than four hours on that one day.

(k) Any child day care program that offers temporary child care services to parents and that satisfies both of the following:

(1) The services are only provided to parents and guardians who are on the same premises as the site of the child day care program.

(2) The child day care program is not operated on the site of a ski facility, shopping mall, department store, or any other similar site identified by the department by regulation.

(l) Any program that provides activities for children of an instructional nature in a classroom-like setting and satisfies both of the following:

(1) Is operated only during periods of the year when students in kindergarten and grades 1 to 12, inclusive, are normally not in session in the public school district where the program is located due to regularly scheduled vacations.

(2) Offers any number of sessions during the period specified in paragraph (1) that when added together do not exceed a total of 30 days when only schoolage children are enrolled in the program or 15 days when children younger than schoolage are enrolled in the program.

(m) A program facility administered by the Department of Corrections that (1) houses both women and their children, and (2) is specifically designated for the purpose of providing substance abuse treatment and maintaining and strengthening the family unit pursuant to Chapter 4 (commencing with Section 3410) of Title 2 of Part 3 of the Penal Code, or Chapter 4.8 (commencing with Section 1174) of Title 7 of Part 2 of that code.

(n) Any crisis nursery, as defined in subdivision (a) of Section 1516.

(o) 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. 117. Section 1596.792 of the Health and Safety Code, as added by Section 5 of Chapter 664 of the Statutes of 2004, is amended to read:

1596.792. This chapter, Chapter 3.5 (commencing with Section 1596.90), and Chapter 3.6 (commencing with Section 1597.30) do not apply to any of the following:

(a) Any health facility, as defined by Section 1250.

(b) Any clinic, as defined by Section 1202.

(c) Any community care facility, as defined by Section 1502.

(d) Any family day care home providing care for the children of only one family in addition to the operator's own children.

(e) Any cooperative arrangement between parents for the care of their children when no payment is involved and the arrangement meets all of the following conditions:

(1) In a cooperative arrangement, parents shall combine their efforts so that each parent, or set of parents, rotates as the responsible caregiver with respect to all the children in the cooperative.

(2) Any person caring for children shall be a parent, legal guardian, stepparent, grandparent, aunt, uncle, or adult sibling of at least one of the children in the cooperative.

(3) There can be no payment of money or receipt of in-kind income in exchange for the provision of care. This does not prohibit in-kind contributions of snacks, games, toys, blankets for napping, pillows, and other materials parents deem appropriate for their children. It is not the intent of this paragraph to prohibit payment for outside activities, the amount of which may not exceed the actual cost of the activity.

(4) No more than 12 children are receiving care in the same place at the same time.

(f) Any arrangement for the receiving and care of children by a relative.

(g) Any public recreation program. "Public recreation program" means a program operated by the state, city, county, special district, school district, community college district, chartered city, or chartered city and county that meets either of the following criteria:

(1) The program is operated only during hours other than normal school hours for kindergarten and grades 1 to 12, inclusive, in the public school district where the program is located, or operated only during periods when students in kindergarten and grades 1 to 12, inclusive, are normally not in session in the public school district where the program is located, for either of the following periods:

(A) For under 16 hours per week.

(B) For a total of 12 weeks or less during a 12-month period. This total applies to any 12 weeks within any 12-month period, without regard to whether the weeks are consecutive.

In determining "normal school hours" or periods when students are "normally not in session," the State Department of Social Services shall, when appropriate, consider the normal school hours or periods when students are normally not in session for students attending a year-round school.

(2) The program is provided to children who are over the age of four years and nine months and not yet enrolled in school and the program is operated during either of the following periods:

(A) For under 16 hours per week.

(B) For a total of 12 weeks or less during a 12-month period. This total applies to any 12 weeks within any 12-month period, without regard to whether the weeks are consecutive.

(3) The program is provided to children under the age of four years and nine months with sessions that run 12 hours per week or less and are 12 weeks or less in duration. A program subject to this paragraph may permit children to be enrolled in consecutive sessions throughout the year. However, the program shall not permit children to be enrolled in a combination of sessions that total more than 12 hours per week for each child.

(h) Extended day care programs operated by public or private schools.

(i) Any school parenting program or adult education child care program that satisfies both of the following:

(1) Is operated by a public school district or operated by an individual or organization pursuant to a contract with a public school district.

(2) Is not operated by an organization specified in Section 1596.793.

(j) Any child day care program that operates only one day per week for no more than four hours on that one day.

(k) Any child day care program that offers temporary child care services to parents and that satisfies both of the following:

(1) The services are only provided to parents and guardians who are on the same premises as the site of the child day care program.

(2) The child day care program is not operated on the site of a ski facility, shopping mall, department store, or any other similar site identified by the department by regulation.

(l) Any program that provides activities for children of an instructional nature in a classroom-like setting and satisfies both of the following:

(1) Is operated only during periods of the year when students in kindergarten and grades 1 to 12, inclusive, are normally not in session in the public school district where the program is located due to regularly scheduled vacations.

(2) Offers any number of sessions during the period specified in paragraph (1) that when added together do not exceed a total of 30 days when only schoolage children are enrolled in the program or 15 days when children younger than schoolage are enrolled in the program.

(m) A program facility administered by the Department of Corrections that (1) houses both women and their children, and (2) is specifically designated for the purpose of providing substance abuse treatment and maintaining and strengthening the family unit pursuant to Chapter 4 (commencing with Section 3410) of Title 2 of Part 3 of the Penal Code, or Chapter 4.8 (commencing with Section 1174) of Title 7 of Part 2 of that code.

(n) This section shall become operative on January 1, 2008.

SEC. 118. Section 11571.1 of the Health and Safety Code is amended to read:

11571.1. (a) To effectuate the purposes of this article, the city prosecutor or city attorney may file, in the name of the people, an action for unlawful detainer against any person who is in violation of the nuisance or illegal purpose provisions of subdivision 4 of Section 1161 of the Code of Civil Procedure, with respect to a controlled substance purpose. In filing this action, which shall be based upon an arrest report or on another action or report by a regulatory or law enforcement agency, the city prosecutor or city attorney shall utilize the procedures set forth in Chapter 4 (commencing with Section 1159) of Title 3 of Part 3 of the Code of Civil Procedure, except that in cases filed under this section, the following also shall apply:

(1) (A) Prior to filing an action pursuant to this section, the city prosecutor or city attorney shall give 30 calendar days' written notice to the owner, requiring the owner to file an action for the removal of the person who is in violation of the nuisance or illegal purpose provisions of subdivision 4 of Section 1161 of the Code of Civil Procedure with respect to a controlled substance purpose.

(B) This notice shall include sufficient documentation establishing a violation of the nuisance or illegal purpose provisions of subdivision 4 of Section 1161 of the Code of Civil Procedure and shall be served upon the owner and the tenant in accordance with subdivision (e) of this section.

(C) The notice to the tenant shall also include on the bottom of its front page, in at least 14-point bold type, the following:

“Notice to Tenant: This notice is not a notice of eviction. However, you should know that an eviction action may soon be filed in court against you for suspected drug activity, as described above. You should call (insert name and telephone number of the city attorney or prosecutor pursuing the action) or legal aid to stop the eviction action if any of the following is applicable:

- (i) You are not the person named in this notice.
- (ii) The person named in the notice does not live with you.
- (iii) The person named in the notice has permanently moved.
- (iv) You do not know the person named in the notice.
- (v) You have any other legal defense or legal reason to stop the eviction action.

A list of legal assistance providers is attached to this notice. Some provide free legal help if you are eligible.”

(D) The owner shall, within 30 calendar days of the mailing of the written notice, either provide the city prosecutor or city attorney with all relevant information pertaining to the unlawful detainer case, or

provide a written explanation setting forth any safety-related reasons for noncompliance, and an assignment to the city prosecutor or city attorney of the right to bring an unlawful detainer action against the tenant.

(E) The assignment shall be on a form provided by the city prosecutor or city attorney and may contain a provision for costs of investigation, discovery, and reasonable attorney's fees, in an amount not to exceed six hundred dollars (\$600).

(F) If the city prosecutor or city attorney accepts the assignment of the right of the owner to bring the unlawful detainer action, the owner shall retain all other rights and duties, including the handling of the tenant's personal property, following issuance of the writ of possession and its delivery to and execution by the appropriate agency.

(2) Upon the failure of the owner to file an action pursuant to this section, or to respond to the city prosecutor or city attorney as provided in paragraph (1), or having filed an action, if the owner fails to prosecute it diligently and in good faith, the city prosecutor or city attorney may file and prosecute the action, and join the owner as a defendant in the action. This action shall have precedence over any similar proceeding thereafter brought by the owner, or to one previously brought by the owner and not prosecuted diligently and in good faith. Service of the summons and complaint upon the defendant owner shall be in accordance with Sections 415.10, 415.20, 415.30, 415.40, and 415.50 of the Code of Civil Procedure.

(3) If a jury or court finds the defendant tenant guilty of unlawful detainer in a case filed pursuant to paragraph (2), the city prosecutor or city attorney may be awarded costs, including the costs of investigation and discovery and reasonable attorney's fees. These costs shall be assessed against the defendant owner, to whom notice was directed pursuant to paragraph (1), and once an abstract of judgment is recorded, it shall constitute a lien on the subject real property.

(4) Nothing in this article shall prevent a local governing body from adopting and enforcing laws, consistent with this article, relating to drug abatement. Where local laws duplicate or supplement this article, this article shall be construed as providing alternative remedies and not preempting the field.

(5) Nothing in this article shall prevent a tenant from receiving relief against a forfeiture of a lease pursuant to Section 1179 of the Code of Civil Procedure.

(b) In any proceeding brought under this section, the court may, upon a showing of good cause, issue a partial eviction ordering the removal of any person, including, but not limited to, members of the tenant's household if the court finds that the person has engaged in the activities described in subdivision (a). Persons removed pursuant to this section

may be permanently barred from returning to or reentering any portion of the entire premises. The court may further order as an express condition of the tenancy that the remaining tenants shall not give permission to or invite any person who has been removed pursuant to this subdivision to return to or reenter any portion of the entire premises.

(c) For the purposes of this section, "controlled substance purpose" means the manufacture, cultivation, importation into the state, transportation, possession, possession for sale, sale, furnishing, administering, or giving away, or providing a place to use or fortification of a place involving, cocaine, phencyclidine, heroin, methamphetamine, or any other controlled substance, in a violation of subdivision (a) of Section 11350, Section 11351, 11351.5, 11352, or 11359, subdivision (a) of Section 11360, or Section 11366, 11366.6, 11377, 11378, 11378.5, 11379, 11379.5, 11379.6, or 11383, if the offense occurs on the subject real property and is documented by the observations of a peace officer.

(d) Notwithstanding subdivision (b) of Section 68097.2 of the Government Code, a public entity may waive all or part of the costs incurred in furnishing the testimony of a peace officer in an unlawful detainer action brought pursuant to this section.

(e) The notice and documentation described in paragraph (1) of subdivision (a) shall be given in writing and may be given either by personal delivery or by deposit in the United States mail in a sealed envelope, postage prepaid, addressed to the owner at the address known to the public entity giving the notice, or as shown on the last equalized assessment roll, if not known. Separate notice of not less than 30 calendar days and documentation shall be provided to the tenant in accordance with this subdivision. Service by mail shall be deemed to be completed at the time of deposit in the United States mail. Proof of giving the notice may be made by a declaration signed under penalty of perjury by any employee of the public entity which shows service in conformity with this section.

(f) This section shall only apply to the following courts:

(1) In the County of Los Angeles, any court having jurisdiction over unlawful detainer cases involving real property situated in the City of Los Angeles or in the City of Long Beach.

(2) In the County of San Diego, any court having jurisdiction over unlawful detainer cases involving real property situated in the City of San Diego.

(3) In the County of Alameda, any court with jurisdiction over unlawful detainer cases involving real property situated in the City of Oakland.

(g) (1) The city attorney and city prosecutor of each participating jurisdiction shall provide to the Judicial Council the following information:

(A) The number of notices provided pursuant to paragraph (1) of subdivision (a).

(B) The number of cases filed by an owner, upon notice.

(C) The number of assignments executed by owners to the city attorney or city prosecutor.

(D) The number of three-day, 30-day, or 60-day notices issued by the city attorney or city prosecutor.

(E) The number of cases filed by the city attorney or city prosecutor.

(F) The number of times that an owner is joined as a defendant pursuant to this section.

(G) As to each case filed by an owner, the city attorney, or the city prosecutor, the following information:

(i) The number of judgments ordering an eviction or partial eviction (specify whether default, stipulated, or following trial).

(ii) The number of cases, listed by separate categories, in which the case was withdrawn or in which the tenant prevailed.

(iii) The number of other dispositions (specify disposition).

(iv) The number of defendants represented by counsel.

(v) Whether the case was a trial by the court or a trial by a jury.

(vi) Whether an appeal was taken, and, if so, the result of the appeal.

(vii) The number of cases in which partial eviction was requested, and the number of cases in which the court ordered a partial eviction.

(H) As to each case in which a notice was issued, but no case was filed, the following information:

(i) The number of instances in which a tenant voluntarily vacated the unit.

(ii) The number of instances in which a tenant vacated a unit prior to the providing of the notice.

(iii) The number of cases in which the notice provided pursuant to subdivision (a) was erroneously sent to the tenant. (List reasons, if known, for the erroneously sent notice, such as reliance on information on the suspected controlled substance law violator's name or address that was incorrect; clerical error; or any other reason)

(iv) The number of other resolutions (specify resolution).

(2) (A) Information compiled pursuant to this section shall be reported annually to the Judicial Council on or before January 30 of each year.

(B) The Judicial Council shall thereafter submit a brief report to the Senate and Assembly Committees on the Judiciary once on or before April 15, 2007, and once on or before April 15, 2009, summarizing the

information collected pursuant to this section and evaluating the merits of the pilot programs established by this section.

(h) This section shall remain in effect only until January 1, 2010, and as of that date is repealed unless a later enacted statute deletes or extends that date.

SEC. 119. Section 18070 of the Health and Safety Code is amended to read:

18070. (a) The Legislature finds and declares all of the following:

(1) The financial hardship endured by someone who is buying or selling a manufactured home for the purpose of using it for a primary residence is more profound than the hardship of someone who is selling or purchasing a manufactured home for investment purposes.

(2) It is, therefore, the intent of the Legislature in enacting this chapter that any claims for primary residences submitted, pursuant to this chapter, by a claimant for payment from the fund shall be given priority over claims submitted for investment purposes.

(3) The distinctions made in this chapter between claims made for personal residential purposes and claims made for investment purposes shall reflect the priorities set forth in this paragraph.

(4) The costs of seeking and obtaining civil judgments and related collection efforts to support claims for compensation often exceed the ability of claimants and the amounts received.

(5) The costs and efforts of public entities obtaining criminal or administrative restitution orders could provide further benefits if these orders could be used as the basis for compensation claims.

(b) The following definitions shall apply for the purposes of this chapter:

(1) "Actual and direct loss" includes the following:

(A) The amount of the actual and direct loss, interest at the statutory rate from the date of loss, plus court costs and reasonable attorney's fees incurred in pursuit of the judgment, not to exceed 25 percent of the amount of the judgment, if the claim is based on a judgment obtained by a private attorney or an attorney employed by a nonprofit corporation, and not to exceed 35 percent of the amount of the judgment if the claim is based on a judgment obtained by an attorney employed by a public agency.

(B) The amount of the actual and direct loss, if the claim is not based on a judgment. However, the claimant may collect actual and reasonable costs incurred in pursuit of compensation including attorney's fees not exceeding 15 percent of the amount of the claim and court costs, if any.

"Actual and direct loss" does not include any punitive damages or damages awarded for negligent or intentional infliction of emotional distress.

(2) "Claimant" does not include a person holding a lien on, or a person possessing a secondary interest in, a manufactured home.

(3) "Conversion" means the unlawful appropriation of the property of another.

(4) "Judgment" means any of the following:

(A) A final judgment in a court of competent jurisdiction, other than a court in another state, including, but not limited to, a criminal restitution order issued pursuant to subdivision (f) of Section 1202.4 of the Penal Code or Section 3663 of Title 18 of the United States Code.

(B) An order of the director, including an order for restitution, based on an accusation filed pursuant to Article 3 (commencing with Section 18058) of Chapter 7, after an opportunity for a hearing.

(5) "Complaint" means the facts of the underlying transaction upon which the criminal restitution order or administrative order is based.

(6) "Judgment debtor" means any defendant who is the subject of the criminal restitution order or civil judgment, any respondent who is the subject of an administrative accusation and order, or any person responsible for any violation upon which payment is made, as determined by the department.

(c) There is hereby created in the State Treasury the Manufactured Home Recovery Fund. The money in the fund shall be used only for the purposes of this chapter, including payment of the department's administrative costs incurred pursuant to this chapter. The department's costs may include any investigative costs incurred under this chapter, costs incurred to render a decision pursuant to Section 18070.3, and costs incurred in defending a decision on appeal.

(d) The moneys in the fund may be invested pursuant to Chapter 3 (commencing with Section 16430) of Part 2 of Division 4 of Title 2 of the Government Code. All income derived from investments of the fund shall be returned to the fund by the Treasurer as the income is earned.

(e) Notwithstanding Section 13340 of the Government Code, the moneys in the fund are hereby continuously appropriated to make the payments and distributions required by this chapter.

SEC. 120. Section 25395.110 of the Health and Safety Code is amended to read:

25395.110. (a) A person who, before January 1, 2010, qualifies for immunity pursuant to Chapter 6.82 (commencing with Section 25395.60), as that chapter read on December 31, 2009, shall continue to have that immunity on and after January 1, 2010, if the person continues to be in compliance with the requirements of former Chapter 6.82 (commencing with Section 25395.60), including, but not limited to, compliance with all response plans approved pursuant to Article 6 (commencing with

Section 25395.90) of Chapter 6.82, and compliance with all other applicable laws.

(b) This article shall become operative January 1, 2010.

SEC. 121. Section 25395.65 of the Health and Safety Code is amended to read:

25395.65. "All appropriate inquiries" has the following meanings:

(a) Except as provided in subdivision (c), until the date when the standards and practices established by the Administrator of the United States Environmental Protection Agency pursuant to Section 101(35)(B)(ii) of the federal act (42 U.S.C. Sec. 9601(35)(B)(ii)) are adopted and take effect, "all appropriate inquiries" means:

(1) For property acquired on or before December 1, 2000, compliance with American Society for Testing and Materials Standard E1527-97 entitled "Standard Practice for Environmental Site Assessment": Phase 1 Environmental Site Assessment Process.

(2) For property acquired after December 1, 2000, compliance with American Society for Testing and Materials Standard E1527-00.

(b) Except as provided in subdivision (c), on and after the date when the standards and practices established by the Administrator of the United States Environmental Protection Agency pursuant to Section 101(35)(B)(ii) of the federal act (42 U.S.C. Sec. 9601(35)(B)(ii)) are adopted and take effect, "all appropriate inquiries" means compliance with those standards, except that any portion of the inquiry that includes the practice of engineering or the practice of geology shall be carried out in conformance with applicable state statutes.

(c) If the property is used solely for residential use and has four or fewer units at the time of acquisition by a nongovernmental or noncommercial entity, "all appropriate inquiries" means that a site inspection and title search does not reveal a basis for further investigation.

SEC. 122. Section 25395.67 of the Health and Safety Code is amended to read:

25395.67. "Appropriate care" means either of the following:

(a) The performance of a response action, with respect to hazardous materials found at a site, for which the agency makes the determination specified in paragraph (1) of subdivision (c) of Section 25395.96 and that meets all of the following conditions:

(1) The response action is determined by an agency to be necessary to prevent an unreasonable risk to human health and safety or the environment, as defined in Section 25395.90.

(2) The response action is performed in accordance with a response plan approved by the agency pursuant to Article 6 (commencing with Section 25395.90).

(3) The approved response plan includes a provision for oversight and approval of the completed response action by the agency pursuant to Article 6 (commencing with Section 25395.90).

(b) A determination that no further action is required pursuant to Section 25395.95.

SEC. 123. Section 25395.93 of the Health and Safety Code is amended to read:

25395.93. (a) A person may withdraw from an agreement entered into pursuant to this article by providing a 30-day written notice to the agency and doing both of the following:

(1) Reimbursing the agency for all costs incurred by the agency pursuant to the agreement.

(2) Demonstrating to the satisfaction of the agency that conditions at the site to which the agreement applies do not pose an endangerment to public health and safety or the environment. If the agency determines that conditions at the site pose an endangerment to public health, safety, or the environment, this article does not prevent the agency from exercising its authority to take appropriate response actions or to cause the person or persons responsible for the endangerment to take appropriate response actions.

(b) A person who enters into an agreement with an agency pursuant to this article shall reimburse the agency for all agency costs, including, but not limited to, costs incurred while reviewing a site assessment plan or a response plan or overseeing the implementation of a site assessment or response plan by the person pursuant to this article, except that the department's costs shall be reimbursed pursuant to Chapter 6.66 (commencing with Section 25269) and shall be recoverable pursuant to Section 25360.

(c) The entry into an agreement pursuant to this article shall not constitute an admission of fact or liability or conclusion of law for any purpose or proceeding and a person who enters into an agreement under this article shall not be deemed liable under any other provision of law solely by reason of entering into that agreement.

(d) If the conditions described in paragraph (1) of subdivision (c) of Section 25395.81 or in subdivision (d) of Section 25395.81 occur, an agency may withdraw from an agreement entered into pursuant to this chapter by providing a 30-day written notice to the other party.

SEC. 124. Section 25395.95 of the Health and Safety Code is amended to read:

25395.95. (a) After implementation of the site assessment plan, the person shall submit to the agency a report of the findings made pursuant to the plan. Based upon a review of this information, the agency shall

determine whether a response action is necessary to address any unreasonable risk from hazardous materials at the site.

(b) If the agency determines that there is no unreasonable risk at the site and that there are no hazardous materials at the site at levels that are not suitable for unrestricted use of the site, the agency shall make a finding that no further action is necessary at the site.

(c) If the agency determines that there are hazardous materials at the site at levels that are not suitable for unrestricted use, but that are suitable for the reasonably anticipated foreseeable use of the site based on current and projected land use and zoning designations, the agency shall find that no further action is necessary at the site except that a land use control that imposes appropriate restrictions pursuant to Section 25395.99 shall be executed and recorded and the public comment and participation requirements of Section 25395.96 shall be met before the execution and recording of any land use control. On or before 15 days after the date when the land use control is recorded pursuant to Section 25395.99, the agency shall state in writing that this act constitutes “appropriate care” for the purposes of Section 25395.67.

SEC. 125. Section 25395.96 of the Health and Safety Code is amended to read:

25395.96. (a) If, upon review of the site assessment prepared pursuant to this article, the agency determines that a response action is necessary to prevent or eliminate an unreasonable risk, the bona fide purchaser, innocent landowner, or contiguous property owner shall submit a response plan to the agency to conduct a response action at the site, in conformance with the agreement entered into pursuant to Section 25395.92. The response plan shall include all of the following:

(1) (A) An opportunity for the public, other agencies, and the host jurisdiction to participate in decisions regarding the response action, taking into consideration the nature of the community interest.

(B) If a regional board is the agency, the regional board shall provide access to the proposed response plan and site assessment at the regional board for public review, conduct a public hearing with 30 days’ prior notice, provide notice on the agenda of the public hearing, and take action on the response plan in a regularly scheduled regional board meeting.

(C) If the department is the agency, the methods for public participation proposed in the response plan shall include reasonable public notice in English and other languages commonly spoken in the area, access to the proposed response plan and site assessment at the agency and local repositories, and reasonable opportunity to comment. The department shall hold a public meeting in the area to receive comments if a public meeting is requested. The department shall consider

any comments received prior to acting on the response plan. Methods for public participation may also include, but are not limited to, the use of factsheets, public notices, direct notification of interested parties, public meetings, and an opportunity to comment on the proposed response plan prior to approval.

(D) To the extent possible, the agency shall coordinate its public participation activities with those undertaken by the host jurisdiction and other agencies associated with the development of the property, to avoid duplication to the extent feasible.

(E) It is the intent of the Legislature that the public participation process established pursuant to this subdivision ensures full and robust participation of a community affected by this chapter.

(2) Identification of the release or threatened release that is the subject of the response plan and documentation that the plan is based on an adequate characterization of the site.

(3) An identification of the response plan objectives and the proposed remedy, and an identification of the reasonably anticipated future land uses of the site and of the current and projected land use and zoning designations. This identification shall include confirmation by the host jurisdiction that the anticipated future land uses and current and projected land uses and zoning designations are accurate.

(4) A description of activities that will be implemented to control any endangerment that may occur during the response action at the site.

(5) A description of any land use control that is part of the response action.

(6) A description of wastes other than hazardous materials at the site and how they will be managed in conjunction with the response action.

(7) Provisions for the removal of containment or storage vessels and other sources of contamination, including soils and free product, that cause an unreasonable risk.

(8) Provisions for the agency to require further response actions based on the discovery of hazardous materials that pose an unreasonable risk to human health and safety or the environment that are discovered during the course of the response action or subsequent development of the site.

(9) Any other information that the agency determines is necessary.

(b) The agency shall evaluate the adequacy of the plan submitted pursuant to subdivision (a) and shall approve the plan if the agency makes all of the following findings:

(1) The plan contains the information required by subdivision (a).

(2) When implemented, the plan will place the site in a condition that allows it to be used for its reasonably anticipated future land use without unreasonable risk to human health and safety and the environment.

(3) The plan addresses any public comments.

(4) If applicable, the plan provides for long-term operation and maintenance, including land use and engineering controls, that are part of the remedy contained in the response plan.

(c) (1) On or before 60 days after the date an agency receives a response plan, the agency shall make a written determination that proper completion of the response plan constitutes “appropriate care” for purposes of subdivision (a) of Section 25395.67.

(2) Upon approval of the response plan by the agency, the agency shall notify all appropriate persons, including the host jurisdiction.

(d) If the use of the property changes, after a response plan is approved, to a use that requires a higher level of protection, the agency may require the preparation and implementation of a new response plan pursuant to this article.

(e) The owner of a site shall not make any change in use of a site inconsistent with any land use control recorded for the site, unless the change is approved by the agency in accordance with subdivision (f) of Section 25395.99.

SEC. 126. Section 25404 of the Health and Safety Code, as amended by Section 9 of Chapter 880 of the Statutes of 2004, is amended to read:

25404. (a) For purposes of this chapter, the following terms shall have the following meanings:

(1) (A) “Certified Unified Program Agency” or “CUPA” means the agency certified by the secretary to implement the unified program specified in this chapter within a jurisdiction.

(B) “Participating Agency” or “PA” means a state or local 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 one or more of the unified program elements specified in subdivision (c), in accordance with Sections 25404.1 and 25404.2.

(C) “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 a particular unified program element specified in subdivision (c). The UPAs have the responsibility and authority to implement and enforce the requirements listed in subdivision (c), and the regulations adopted to implement the requirements listed in subdivision (c), to the extent provided by Chapter 6.5 (commencing with Section 25100), Chapter 6.67 (commencing with Section 25270), Chapter 6.7 (commencing with Section 25280), Chapter 6.95 (commencing with Section 25500), and Sections 25404.1 and 25404.2. After a CUPA has been certified by the secretary, the unified program agencies and the state agencies carrying out responsibilities under this chapter shall be the only agencies

authorized to enforce the requirements listed in subdivision (c) within the jurisdiction of the CUPA.

(2) "Department" means the Department of Toxic Substances Control.

(3) "Minor violation" means the failure of a person to comply with any requirement or condition of any applicable law, regulation, permit, information request, order, variance, or other requirement, whether procedural or substantive, of the unified program that the UPA is authorized to implement or enforce pursuant to this chapter, and that does not otherwise include any of the following:

(A) A violation that results in injury to persons or property, or that presents a significant threat to human health or the environment.

(B) A knowing, willful, or intentional violation.

(C) A violation that is a chronic violation, or that is committed by a recalcitrant violator. In determining whether a violation is chronic or a violator is recalcitrant, the UPA shall consider whether there is evidence indicating that the violator has engaged in a pattern of neglect or disregard with respect to applicable regulatory requirements.

(D) A violation that results in an emergency response from a public safety agency.

(E) A violation that enables the violator to benefit economically from the noncompliance, either by reduced costs or competitive advantage.

(F) A class I violation as provided in Section 25117.6.

(G) A class II violation committed by a chronic or a recalcitrant violator, as provided in Section 25117.6.

(H) A violation that hinders the ability of the UPA to determine compliance with any other applicable local, state, or federal rule, regulation, information request, order, variance, permit, or other requirement.

(4) "Secretary" means the Secretary for Environmental Protection.

(5) "Unified program facility" means all contiguous land and structures, other appurtenances, and improvements on the land that are subject to the requirements listed in subdivision (c).

(6) "Unified program facility permit" means a permit issued pursuant to this chapter. For the purposes of this chapter, a unified program facility permit encompasses the permitting requirements of Section 25284, and any permit or authorization requirements under any local ordinance or regulation relating to the generation or handling of hazardous waste or hazardous materials, but does not encompass the permitting requirements of a local ordinance that incorporates provisions of the Uniform Fire Code or the Uniform Building Code.

(b) The secretary shall adopt implementing regulations and implement a unified hazardous waste and hazardous materials management regulatory program, which shall be known as the unified program, after

holding an appropriate number of public hearings throughout the state. The unified program shall be developed in close consultation with the director, the Director of the Office of Emergency Services, the State Fire Marshal, the executive officers and chairpersons of the State Water Resources Control Board and the California regional water quality control boards, the local health officers, local fire services, and other appropriate officers of interested local agencies, and affected businesses and interested members of the public, including environmental organizations.

(c) The unified program shall consolidate the administration of the following requirements, and shall, to the maximum extent feasible within statutory constraints, ensure the coordination and consistency of any regulations adopted pursuant to those requirements:

(1) (A) Except as provided in subparagraphs (B) and (C), the requirements of Chapter 6.5 (commencing with Section 25100), and the regulations adopted by the department pursuant thereto, are applicable to all of the following:

(i) Hazardous waste generators, persons operating pursuant to a permit-by-rule, conditional authorization, or conditional exemption, pursuant to Chapter 6.5 (commencing with Section 25100) or the regulations adopted by the department.

(ii) Persons managing perchlorate materials.

(iii) Persons subject to Article 10.1 (commencing with Section 25211) of Chapter 6.5.

(B) The unified program shall not include the requirements of paragraph (3) of subdivision (c) of Section 25200.3, the requirements of Sections 25200.10 and 25200.14, and the authority to issue an order under Sections 25187 and 25187.1, with regard to those portions of a unified program facility that are subject to one of the following:

(i) A corrective action order issued by the department pursuant to Section 25187.

(ii) An order issued by the department pursuant to Chapter 6.8 (commencing with Section 25300) or Chapter 6.85 (commencing with Section 25396).

(iii) A remedial action plan approved pursuant to Chapter 6.8 (commencing with Section 25300) or Chapter 6.85 (commencing with Section 25396).

(iv) A cleanup and abatement order issued by a California regional water quality control board pursuant to Section 13304 of the Water Code, to the extent that the cleanup and abatement order addresses the requirements of the applicable section or sections listed in this subparagraph.

(v) Corrective action required under subsection (u) of Section 6924 of Title 42 of the United States Code or subsection (h) of Section 6928 of Title 42 of the United States Code.

(vi) An environmental assessment pursuant to Section 25200.14 or a corrective action pursuant to Section 25200.10 or paragraph (3) of subdivision (c) of Section 25200.3, that is being overseen by the department.

(C) The unified program shall not include the requirements of Chapter 6.5 (commencing with Section 25100), and the regulations adopted by the department pursuant thereto, applicable to persons operating transportable treatment units, except that any required notice regarding transportable treatment units shall also be provided to the CUPAs.

(2) The requirement of subdivision (c) of Section 25270.5 for owners and operators of aboveground storage tanks to prepare a spill prevention control and countermeasure plan.

(3) (A) Except as provided in subparagraphs (B) and (C), the requirements of Chapter 6.7 (commencing with Section 25280) concerning underground storage tanks and the requirements of any underground storage tank ordinance adopted by a city or county.

(B) The unified program may not include the responsibilities assigned to the State Water Resources Control Board pursuant to Section 25297.1.

(C) The unified program may not include the corrective action requirements of Sections 25296.10 to 25296.40, inclusive.

(4) The requirements of Article 1 (commencing with Section 25500) of Chapter 6.95 concerning hazardous material release response plans and inventories.

(5) The requirements of Article 2 (commencing with Section 25531) of Chapter 6.95, concerning the accidental release prevention program.

(6) The requirements of subdivisions (b) and (c) of Section 80.103 of the Uniform Fire Code, as adopted by the State Fire Marshal pursuant to Section 13143.9, concerning hazardous material management plans and inventories.

(d) To the maximum extent feasible within statutory constraints, the secretary shall consolidate, coordinate, and make consistent these requirements of the unified program with other requirements imposed by other federal, state, regional, or local agencies upon facilities regulated by the unified program.

(e) (1) The secretary shall establish standards applicable to CUPAs, participating agencies, state agencies, and businesses specifying the data to be collected and submitted by unified program agencies in administering the programs listed in subdivision (c). Those standards shall incorporate any standard developed under Section 25503.3.

(2) The secretary shall establish an electronic geographic information management system capable of receiving all data collected by the unified program agencies pursuant to this subdivision and Section 25504.1. The secretary shall make all nonconfidential data available on the Internet.

(3) (A) As funding becomes available, the secretary shall establish, consistent with paragraph (2), and thereafter maintain, a statewide database.

(B) The secretary, or one or more of the boards, departments, or offices within the California Environmental Protection Agency, shall seek available federal funding for purposes of implementing this subdivision.

(4) Once the statewide database is established, the secretary shall work with the CUPAs to develop a phased-in schedule for the electronic collection and submittal of information to be included in the statewide database, giving first priority to information relating to those chemicals determined by the secretary to be of greatest concern. The secretary, in making this determination, shall consult with the CUPAs, the Office of Emergency Services, the State Fire Marshal, and the boards, departments, and offices within the California Environmental Protection Agency. The information initially included in the statewide database shall include, but is not limited to, the hazardous materials inventory information required to be submitted pursuant to Section 25504.1 for perchlorate materials.

(f) 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. 127. Section 25404 of the Health and Safety Code, as amended by Section 10 of Chapter 880 of the Statutes of 2004, is amended to read:

25404. (a) For purposes of this chapter, the following terms shall have the following meanings:

(1) (A) “Certified Unified Program Agency” or “CUPA” means the agency certified by the secretary to implement the unified program specified in this chapter within a jurisdiction.

(B) “Participating Agency” or “PA” means a state or local 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 one or more of the unified program elements specified in subdivision (c), in accordance with Sections 25404.1 and 25404.2.

(C) “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 a particular unified program element specified in subdivision (c). The UPAs have the responsibility and authority to implement and enforce

the requirements listed in subdivision (c), and the regulations adopted to implement the requirements listed in subdivision (c), to the extent provided by Chapter 6.5 (commencing with Section 25100), Chapter 6.67 (commencing with Section 25270), Chapter 6.7 (commencing with Section 25280), Chapter 6.95 (commencing with Section 25500), and Sections 25404.1 and 25404.2. After a CUPA has been certified by the secretary, the unified program agencies and the state agencies carrying out responsibilities under this chapter shall be the only agencies authorized to enforce the requirements listed in subdivision (c) within the jurisdiction of the CUPA.

(2) "Department" means the Department of Toxic Substances Control.

(3) "Secretary" means the Secretary for Environmental Protection.

(4) "Unified program facility" means all contiguous land and structures, other appurtenances, and improvements on the land that are subject to the requirements listed in subdivision (c).

(5) "Unified program facility permit" means a permit issued pursuant to this chapter. For the purposes of this chapter, a unified program facility permit encompasses the permitting requirements of Section 25284, and any permit or authorization requirements under any local ordinance or regulation relating to the generation or handling of hazardous waste or hazardous materials, but does not encompass the permitting requirements of a local ordinance that incorporates provisions of the Uniform Fire Code or the Uniform Building Code.

(b) The secretary shall adopt implementing regulations and implement a unified hazardous waste and hazardous materials management regulatory program, which shall be known as the unified program, after holding an appropriate number of public hearings throughout the state. The unified program shall be developed in close consultation with the director, the Director of the Office of Emergency Services, the State Fire Marshal, the executive officers and chairpersons of the State Water Resources Control Board and the California regional water quality control boards, the local health officers, local fire services, and other appropriate officers of interested local agencies, and affected businesses and interested members of the public, including environmental organizations.

(c) The unified program shall consolidate the administration of the following requirements, and shall, to the maximum extent feasible within statutory constraints, ensure the coordination and consistency of any regulations adopted pursuant to those requirements:

(1) (A) Except as provided in subparagraphs (B) and (C), the requirements of Chapter 6.5 (commencing with Section 25100), and the regulations adopted by the department pursuant thereto, are applicable to all of the following:

(i) Hazardous waste generators, persons operating pursuant to a permit-by-rule, conditional authorization, or conditional exemption, pursuant to Chapter 6.5 (commencing with Section 25100) or the regulations adopted by the department.

(ii) Persons managing perchlorate materials.

(iii) Persons subject to Article 10.1 (commencing with Section 25211) of Chapter 6.5.

(B) The unified program shall not include the requirements of paragraph (3) of subdivision (c) of Section 25200.3, the requirements of Sections 25200.10 and 25200.14, and the authority to issue an order under Sections 25187 and 25187.1, with regard to those portions of a unified program facility that are subject to one of the following:

(i) A corrective action order issued by the department pursuant to Section 25187.

(ii) An order issued by the department pursuant to Chapter 6.8 (commencing with Section 25300) or Chapter 6.85 (commencing with Section 25396).

(iii) A remedial action plan approved pursuant to Chapter 6.8 (commencing with Section 25300) or Chapter 6.85 (commencing with Section 25396).

(iv) A cleanup and abatement order issued by a California regional water quality control board pursuant to Section 13304 of the Water Code, to the extent that the cleanup and abatement order addresses the requirements of the applicable section or sections listed in this subparagraph.

(v) Corrective action required under subsection (u) of Section 6924 of Title 42 of the United States Code or subsection (h) of Section 6928 of Title 42 of the United States Code.

(vi) An environmental assessment pursuant to Section 25200.14 or a corrective action pursuant to Section 25200.10 or paragraph (3) of subdivision (c) of Section 25200.3, that is being overseen by the department.

(C) The unified program shall not include the requirements of Chapter 6.5 (commencing with Section 25100), and the regulations adopted by the department pursuant thereto, applicable to persons operating transportable treatment units, except that any required notice regarding transportable treatment units shall also be provided to the CUPAs.

(2) The requirement of subdivision (c) of Section 25270.5 for owners and operators of aboveground storage tanks to prepare a spill prevention control and countermeasure plan.

(3) (A) Except as provided in subparagraphs (B) and (C), the requirements of Chapter 6.7 (commencing with Section 25280)

concerning underground storage tanks and the requirements of any underground storage tank ordinance adopted by a city or county.

(B) The unified program may not include the responsibilities assigned to the State Water Resources Control Board pursuant to Section 25297.1.

(C) The unified program may not include the corrective action requirements of Sections 25296.10 to 25296.40, inclusive.

(4) The requirements of Article 1 (commencing with Section 25500) of Chapter 6.95 concerning hazardous material release response plans and inventories.

(5) The requirements of Article 2 (commencing with Section 25531) of Chapter 6.95, concerning the accidental release prevention program.

(6) The requirements of subdivisions (b) and (c) of Section 80.103 of the Uniform Fire Code, as adopted by the State Fire Marshal pursuant to Section 13143.9, concerning hazardous material management plans and inventories.

(d) To the maximum extent feasible within statutory constraints, the secretary shall consolidate, coordinate, and make consistent these requirements of the unified program with other requirements imposed by other federal, state, regional, or local agencies upon facilities regulated by the unified program.

(e) (1) The secretary shall establish standards applicable to CUPAs, participating agencies, state agencies, and businesses specifying the data to be collected and submitted by unified program agencies in administering the programs listed in subdivision (c). Those standards shall incorporate any standard developed under Section 25503.3.

(2) The secretary shall establish an electronic geographic information management system capable of receiving all data collected by the unified program agencies pursuant to this subdivision and Section 25504.1. The secretary shall make all nonconfidential data available on the Internet.

(3) (A) As funding becomes available, the secretary shall establish, consistent with paragraph (2), and thereafter maintain, a statewide database.

(B) The secretary, or one or more of the boards, departments, or offices within the California Environmental Protection Agency, shall seek available federal funding for purposes of implementing this subdivision.

(4) Once the statewide database is established, the secretary shall work with the CUPAs to develop a phased-in schedule for the electronic collection and submittal of information to be included in the statewide database, giving first priority to information relating to those chemicals determined by the secretary to be of greatest concern. The secretary, in making this determination, shall consult with the CUPAs, the Office of Emergency Services, the State Fire Marshal, and the boards, departments,

and offices within the California Environmental Protection Agency. The information initially included in the statewide database shall include, but is not limited to, the hazardous materials inventory information required to be submitted pursuant to Section 25504.1 for perchlorate materials.

(f) This section shall become operative January 1, 2006.

SEC. 128. Section 25404.3 of the Health and Safety Code is amended to read:

25404.3. (a) The secretary shall, within a reasonable time after submission of a complete application for certification pursuant to Section 25404.2, and regulations adopted pursuant to that section, but not to exceed 180 days, review the application, and, after holding a public hearing, determine if the application should be approved. Before disapproving an application for certification, the secretary shall submit to the applicant agency a notification of the secretary's intent to disapprove the application, in which the secretary shall specify the reasons why the applicant agency does not have the capability or the resources to fully implement and enforce the unified program in a manner that is consistent with the regulations implementing the unified program adopted by the secretary pursuant to this chapter. The secretary shall provide the applicant agency with a reasonable time to respond to the reasons specified in the notification and to correct deficiencies in its application. The applicant agency may request a second public hearing, at which the secretary shall hear the applicant agency's response to the reasons specified in the notification.

(b) In determining whether an applicant agency should be certified, or designated as certified, the secretary, after receiving comments from the director, the Director of the Office of Emergency Services, the State Fire Marshal, and the Executive Officers and Chairpersons of the State Water Resources Control Board and the California regional water quality control boards, shall consider at least all of the following factors:

(1) Adequacy of the technical expertise possessed by each unified program agency that will be implementing each element of the unified program, including, but not limited to, whether the agency responsible for implementing and enforcing the requirements of Chapter 6.5 (commencing with Section 25100) satisfies the requirements of Section 15260 of Title 27 of the California Code of Regulations.

(2) Adequacy of staff resources.

(3) Adequacy of budget resources and funding mechanisms.

(4) Training requirements.

(5) Past performance in implementing and enforcing requirements related to the handling of hazardous materials and hazardous waste.

(6) Recordkeeping and cost accounting systems.

(7) Compliance with the criteria in Section 15170 of Title 27 of the California Code of Regulations.

(c) (1) In making the determination of whether or not to certify a particular applicant agency as a certified unified program agency, the secretary shall consider the applications of every other applicant agency applying to be a certified unified program agency within the same county, in order to determine the impact of each certification decision on the county. If the secretary identifies that there may be adverse impacts on the county if any particular agency in a county is certified, the secretary shall work cooperatively with each affected agency to address the secretary's concerns.

(2) The secretary shall not certify an agency to be a certified unified program agency unless the secretary finds both of the following:

(A) The unified program will be implemented in a coordinated and consistent manner throughout the entire county in which the applicant agency is located.

(B) The administration of the unified program throughout the entire county in which the applicant agency is located will be less fragmented between jurisdictions, as compared to before January 1, 1994, with regard to the administration of the provisions specified in subdivision (c) of Section 25404.

(d) (1) The secretary shall not certify an applicant agency that proposes to allow participating agencies to implement certain elements of the unified program unless the secretary makes all of the following findings:

(A) The applicant agency has adequate authority, and has in place adequate systems, protocols, and agreements, to ensure that the actions of the other agencies proposed to implement certain elements of the unified program are fully coordinated and consistent with each other and with those of the applicant agency, and to ensure full compliance with the regulations implementing the unified program adopted by the secretary pursuant to this chapter.

(B) An agreement between the applicant and other agencies proposed to implement any elements of the unified program contains procedures for removing any agencies proposed and engaged to implement any element of the unified program. The procedures in the agreement shall include, at a minimum, provisions for providing notice, stating causes, taking public comment, making appeals, and resolving disputes.

(C) The other agencies proposed to implement certain elements of the unified program have the capability and resources to implement those elements, taking into account the factors designated in subdivision (b).

(D) All other agencies proposed to implement certain elements of the unified program shall maintain an agreement with the applicant agency

that ensures that the requirements of Section 25404.2 will be fully implemented.

(E) If the applicant agency proposes that any agency other than itself will be responsible for implementing aspects of the single fee system imposed pursuant to Section 25404.5, the applicant agency maintains an agreement with that agency that ensures that the fee system is implemented in a fully consistent and coordinated manner, and that ensures that each participating agency receives the amount that it determines to constitute its necessary and reasonable costs of implementing the element or elements of the unified program that it is responsible for implementing.

(2) After the secretary has certified an applicant agency pursuant to this subdivision, that agency shall obtain the approval of the secretary before removing and replacing a participating agency that is implementing an element of the unified program.

(3) Any state agency, including, but not limited to, the State Department of Health Services, acting as a participating agency, may contract with a unified program agency to implement or enforce the unified program.

(e) Until a city's or county's application for certification to implement the unified program is acted upon by the secretary, the roles, responsibilities, and authority for implementing the programs identified in subdivision (c) of Section 25404 that existed in that city or county pursuant to statutory authorization as of December 31, 1993, shall remain in effect.

(f) (1) Except as provided in subparagraph (C) of paragraph (2) or in Section 25404.8, if no local agency has been certified by January 1, 1997, to implement the unified program within a city, the secretary shall designate either the county in which the city is located or another agency pursuant to subparagraph (A) of paragraph (2) as the unified program agency.

(2) (A) Except as provided in subparagraph (C), if no local agency has been certified by January 1, 2001, to implement the unified program within the unincorporated or an incorporated area of a county, the secretary shall determine how the unified program shall be implemented in the unincorporated area of the county, and in any city in which there is no agency certified to implement the unified program. In such an instance, the secretary shall work in consultation with the county and cities to determine which state or local agency or combination of state and local agencies should implement the unified program, and shall determine which state or local agency shall be designated as the certified unified program agency.

(B) The secretary shall determine the method by which the unified program shall be implemented throughout the county and may select any combination of the following implementation methods:

(i) The certification of a state or local agency as a certified unified program agency.

(ii) The certification of an agency from another county as the certified unified program agency.

(iii) The certification of a joint powers agency as the certified unified program agency.

(C) Notwithstanding paragraph (1) and subparagraphs (A) and (B), if the Cities of Sunnyvale, Anaheim, and Santa Ana prevail in litigation filed in 1997 against the secretary, and, to the extent the secretary determines that these three cities meet the requirements for certification, the secretary may certify these cities as certified unified program agencies.

(g) (1) If a certified unified program agency wishes to withdraw from its obligations to implement the unified program and is a city or a joint powers agency implementing the unified program within a city, the agency may withdraw after providing 180 days' notice to the secretary and to the county within which the city is located, or to the joint powers agency with which the county has an agreement to implement the unified program.

(2) Whenever a certified unified program agency withdraws from its obligations to implement the unified program, or the secretary withdraws an agency's certification pursuant to Section 25404.4, the successor certified unified program agency shall be determined in accordance with subdivision (f).

SEC. 129. Section 44297 of the Health and Safety Code is amended to read:

44297. (a) The state board, acting within its existing authority, shall, at its first opportunity following January 1, 2005, revise the grant criteria and guidelines adopted pursuant to Section 44287 to incorporate projects described in subdivision (c).

(b) The guidelines may define eligible costs to include monitoring and verifying compliance with this article.

(c) Notwithstanding any other provision of this chapter, a project that meets either of the following criteria constitutes a heavy-duty fleet modernization project and thus is eligible for funding under the program, if it complies with the guidelines established by the state board pursuant to subdivision (a):

(1) Replaces an old engine or vehicle with a newer engine or vehicle certified to more stringent emissions standards than the engine or vehicle

being replaced, pursuant to paragraph (2) of subdivision (a) of Section 44281.

(2) Provides the equivalent emission reductions as would be gained by a project that combines both of the following:

(A) The purchase of a new very low or zero-emission covered vehicle pursuant to paragraph (1) of subdivision (a) of Section 44281.

(B) The replacement of an old engine or vehicle with a newer engine or vehicle certified to more stringent standards than the engine or vehicle being replaced, pursuant to paragraph (2) of subdivision (a) of Section 44281.

(d) In establishing guidelines pursuant to subdivision (a), the state board shall consider any existing heavy-duty fleet modernization program carried out by a district. The state board shall design a program that, to the extent feasible, includes fleet owners, independent truck owners, heavy-duty vehicle dealers, districts, and other participants it determines appropriate from existing local programs.

(e) The grants provided pursuant to this article shall provide moneys to offset the incremental cost of projects that reduce emissions of oxides of nitrogen (NO_x) and particulate matter (PM).

(f) The state board shall determine an appropriate weighted cost-effectiveness standard for projects intended to reduce particulate matter.

SEC. 130. Section 100425 of the Health and Safety Code is amended to read:

100425. (a) The fees or charges for the issuance or renewal of any permit, license, registration, or document pursuant to Sections 1639.5, 1676, 1677, 2202, 2805, 11887, 100860, 106700, 106890, 106925, 107080, 107090, 107095, 107160, 110210, 110470, 111130, 111140, 111630, 112405, 112510, 112750, 112755, 113060, 113065, 113845, 114056, 114065, paragraph (2) of subdivision (c) of Section 114090, Section 114140, subdivision (b) of Section 114290, Sections 114367, 115035, 115065, 115080, 116205, 117923, 117995, 118045, 118210, and 118245 shall be adjusted annually by the percentage change printed in the Budget Act for those items appropriating funds to the state department. After the first annual adjustment of fees or charges pursuant to this section, the fees or charges subject to subsequent adjustment shall be the fees or charges for the prior calendar year. The percentage change shall be determined by the Department of Finance, and shall include at least the total percentage change in salaries and operating expenses of the state department. However, the total increase in amounts collected under this section shall not exceed the total increased cost of the program or service provided.

(b) The state department shall publish annually a list of the actual numerical fee charges for each permit, license, certification, or registration governed by this section.

(c) This adjustment of fees and publication of the fee list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 131. Section 101317 of the Health and Safety Code is amended to read:

101317. (a) For purposes of this article, allocations shall be made to the administrative bodies of qualifying local health jurisdictions described as public health administrative organizations in Section 101185, and pursuant to Section 101315, in the following manner:

(1) (A) For the 2003-04 fiscal year and subsequent fiscal years, to the administrative bodies of each local health jurisdiction, a basic allotment of one hundred thousand dollars (\$100,000), subject to the availability of funds appropriated in the annual Budget Act or some other act.

(B) For the 2002-03 fiscal year, the basic allotment of one hundred thousand dollars (\$100,000) shall be reduced by the amount of federal funding allocated as part of a basic allotment for the purposes of this article to local health jurisdictions in the 2001-02 fiscal year.

(2) (A) Except as provided in subdivision (c), after determining the amount allowed for the basic allotment as provided in paragraph (1), the balance of the annual appropriation for purposes of this article, if any, shall be allotted on a per capita basis to the administrative bodies of each local health jurisdiction in the proportion that the population of that local health jurisdiction bears to the population of all eligible local health jurisdictions of the state.

(B) The population estimates used for the calculation of the per capita allotment pursuant to subparagraph (A) shall be based on the Department of Finance's E-1 Report, "City/County Populations Estimates with Annual Percentage Changes," as of January 1 of the previous year. However, if within a local health jurisdiction there are one or more city health jurisdictions, the local health jurisdiction shall subtract the population of the city or cities from the local health jurisdiction total population for purposes of calculating the per capita total.

(b) If the amounts appropriated are insufficient to fully fund the allocations specified in subdivision (a), the department shall prorate and adjust each local health jurisdiction's allocation so that the total amount allocated equals the amount appropriated.

(c) For the 2002-03 fiscal year and subsequent fiscal years, where the federally approved collaborative state-local plan identifies an allocation method, other than the basic allotment and per capita method described

in subdivision (a), for specific funding to a local public health jurisdiction, including, but not limited to, funding laboratory training, chemical and nuclear terrorism preparedness, smallpox preparedness, and information technology approaches, that funding shall be paid to the administrative bodies of those local health jurisdictions in accordance with the federally approved collaborative state-local plan for bioterrorism preparedness and other public health threats in the state.

(d) Funds appropriated pursuant to the annual Budget Act or some other act for allocation to local health jurisdictions pursuant to this article shall be disbursed quarterly to local health jurisdictions beginning July 1, 2002, using the following process:

(1) Each fiscal year, upon the submission of an application for funding by the administrative body of a local health jurisdiction, the department shall make the first quarterly payment to each eligible local health jurisdiction. Initially, that application shall include a plan and budget for the local program that is in accordance with the department's plans and priorities for bioterrorism preparedness and response, and other public health threats and emergencies, and a certification by the chairperson of the board of supervisors or the mayor of a city with a local health department that the funds received pursuant to this article will not be used to supplant other funding sources in violation of subdivision (d) of Section 101315. In subsequent years, the department shall develop a streamlined process for continuation of funding that will address new federal requirements and will assure the continuity of local plan activities.

(2) The department shall establish procedures and a format for the submission of the local health jurisdiction's plan and budget. The local health jurisdiction's plan shall be consistent with the department's plans and priorities for bioterrorism preparedness and response and other public health threats and emergencies in accordance with requirements specified in the department's federal grant award. Payments to local health jurisdictions beyond the first quarter shall be contingent upon the approval of the department of the local health jurisdiction's plan and the local health jurisdiction's progress in implementing the provisions of the local health jurisdiction's plan, as determined by the department.

(3) If a local health jurisdiction does not apply or submits a noncompliant application for its allocation, those funds provided under this article may be redistributed according to subdivision (a) to the remaining local health jurisdictions.

(e) Funds shall be used for activities to improve and enhance local health jurisdictions' preparedness for and response to bioterrorism and other public health threats and emergencies, and for any other purposes,

as determined by the department, that are consistent with the purposes for which the funds were appropriated.

(f) Any local health jurisdiction that receives funds pursuant to this article shall deposit those funds in a special local public health preparedness trust fund established solely for this purpose before transferring or expending the funds for any of the uses allowed pursuant to this article. The interest earned on moneys in the fund shall accrue to the benefit of the fund and shall be expended for the same purposes as other moneys in the fund.

(g) (1) A local health jurisdiction that receives funding pursuant to this article shall submit reports that display cost data and the activities funded by moneys deposited in its local public health preparedness trust fund to the department on a regular basis in a form and according to procedures prescribed by the department.

(2) The department, in consultation with local health jurisdictions, shall develop required content for the reports required under paragraph (1), which shall include, but shall not be limited to, data and information needed to implement this article and to satisfy federal reporting requirements. The chairperson of the board of supervisors or the mayor of a city with a local health department shall certify the accuracy of the reports and that the moneys appropriated for the purposes of this article have not been used to supplant other funding sources.

(h) The administrative body of a local health jurisdiction may enter into a contract with the department and the department may enter into a contract with that local health jurisdiction for the department to administer all or a portion of the moneys allocated to the local health jurisdiction pursuant to this article. The department may use funds retained on behalf of a local jurisdiction pursuant to this subdivision solely for the purposes of administering the jurisdiction's bioterrorism preparedness activities. The funds appropriated pursuant to this article and retained by the department pursuant to this subdivision are available for expenditure and encumbrance for the purposes of support or local assistance.

(i) The department may recoup from a local health jurisdiction any moneys allocated pursuant to this article that are unspent or that are not expended for purposes specified in subdivision (d). The department may also recoup funds expended by a local health jurisdiction in violation of subdivision (d) of Section 101315. The department may withhold quarterly payments of moneys to a local health jurisdiction if the local health jurisdiction is not in compliance with this article or the terms of that local health jurisdiction's plan as approved by the department. Before any funds are recouped or withheld from a local health jurisdiction, the

department shall meet with local health officials to discuss the status of the unspent moneys or the disputed use of the funds, or both.

(j) Notwithstanding any other provision of law, moneys made available for bioterrorism preparedness pursuant to this article in the 2001-02 fiscal year shall be available for expenditure and encumbrance until June 30, 2003. Moneys made available for bioterrorism preparedness pursuant to this article from July 1, 2002, to August 30, 2003, inclusive, shall be available for expenditure and encumbrance until August 30, 2004. Moneys made available in the 2003-04 Budget Act for bioterrorism preparedness shall be available for expenditure and encumbrance until August 30, 2005.

SEC. 132. Section 101850 of the Health and Safety Code is amended to read:

101850. The Legislature finds and declares the following:

(a) (1) Due to the challenges facing the Alameda County Medical Center arising from changes in the public and private health industries, the Alameda County Board of Supervisors has determined that a transfer of governance of the Alameda County Medical Center to an independent governing body, a hospital authority, is needed to improve the efficiency, effectiveness, and economy of the community health services provided at the medical center. The board of supervisors has further determined that the creation of an independent hospital authority strictly and exclusively dedicated to the management, administration, and control of the medical center, in a manner consistent with the county's obligations under Section 17000 of the Welfare and Institutions Code, is the best way to fulfill its commitment to the medically indigent, special needs, and general populations of Alameda County. To accomplish this, it is necessary that the board of supervisors be given authority to create a hospital authority. Because there is no general law under which this authority could be formed, the adoption of a special act and the formation of a special authority is required.

(2) The following definitions shall apply for purposes of this section:

(A) "The county" means the County of Alameda.

(B) "Governing board" means the governing body of the hospital authority.

(C) "Hospital authority" means the separate public agency established by the Board of Supervisors of Alameda County to manage, administer, and control the Alameda County Medical Center.

(D) "Medical center" means the Alameda County Medical Center.

(b) The board of supervisors of the county may, by ordinance, establish a hospital authority separate and apart from the county for the purpose of effecting a transfer of the management, administration, and control of the medical center in accordance with Section 14000.2 of the

Welfare and Institutions Code. A hospital authority established pursuant to this chapter shall be strictly and exclusively dedicated to the management, administration, and control of the medical center within parameters set forth in this chapter, and in the ordinance, bylaws, and contracts adopted by the board of supervisors which shall not be in conflict with this chapter, Section 1442.5 of this code, or Section 17000 of the Welfare and Institutions Code.

(c) A hospital authority established pursuant to this chapter shall be governed by a board that is appointed, both initially and continually, by the Board of Supervisors of the County of Alameda. This hospital authority governing board shall reflect both the expertise necessary to maximize the quality and scope of care at the medical center in a fiscally responsible manner and the diverse interest that the medical center serves. The enabling ordinance shall specify the membership of the hospital authority governing board, the qualifications for individual members, the manner of appointment, selection, or removal of governing board members, their terms of office, and all other matters that the board of supervisors deems necessary or convenient for the conduct of the hospital authority's activities.

(d) The mission of the hospital authority shall be the management, administration, and other control, as determined by the board of supervisors, of the group of public hospitals, clinics, and programs that comprise the medical center, in a manner that ensures appropriate, quality, and cost-effective medical care as required of counties by Section 17000 of the Welfare and Institutions Code, and, to the extent feasible, other populations, including special populations in Alameda County.

(e) The board of supervisors shall adopt bylaws for the medical center that set forth those matters related to the operation of the medical center by the hospital authority that the board of supervisors deems necessary and appropriate. The bylaws shall become operative upon approval by a majority vote of the board of supervisors. Any changes or amendments to the bylaws shall be by majority vote of the board of supervisors.

(f) The hospital authority created and appointed pursuant to this section is a duly constituted governing body within the meaning of Section 1250 and Section 70035 of Title 22 of the California Code of Regulations as currently written or subsequently amended.

(g) Unless otherwise provided by the board of supervisors by way of resolution, the hospital authority is empowered, or the board of supervisors is empowered on behalf of the hospital authority, to apply as a public agency for one or more licenses for the provision of health care pursuant to statutes and regulations governing licensing as currently written or subsequently amended.

(h) In the event of a change of license ownership, the governing body of the hospital authority shall comply with the obligations of governing bodies of general acute care hospitals generally as set forth in Section 70701 of Title 22 of the California Code of Regulations, as currently written or subsequently amended, as well as the terms and conditions of the license. The hospital authority shall be the responsible party with respect to compliance with these obligations, terms, and conditions.

(i) (1) Any transfer by the county to the hospital authority of the administration, management, and control of the medical center, whether or not the transfer includes the surrendering by the county of the existing general acute care hospital license and corresponding application for a change of ownership of the license, shall not affect the eligibility of the county, or in the case of a change of license ownership, the hospital authority, to do any of the following:

(A) Participate in, and receive allocations pursuant to, the California Healthcare for the Indigent Program (CHIP).

(B) Receive supplemental reimbursements from the Emergency Services and Supplemental Payments Fund created pursuant to Section 14085.6 of the Welfare and Institutions Code.

(C) Receive appropriations from the Medi-Cal Inpatient Payment Adjustment Fund without relieving the county of its obligation to make intergovernmental transfer payments related to the Medi-Cal Inpatient Payment Adjustment Fund pursuant to Section 14163 of the Welfare and Institutions Code.

(D) Receive Medi-Cal capital supplements pursuant to Section 14085.5 of the Welfare and Institutions Code.

(E) Receive any other funds that would otherwise be available to a county hospital.

(2) Any transfer described in paragraph (1) shall not otherwise disqualify the county, or in the case of a change in license ownership, the hospital authority, from participating in any of the following:

(A) Other funding sources either specific to county hospitals or county ambulatory care clinics or for which there are special provisions specific to county hospitals or to county ambulatory care clinics.

(B) Funding programs in which the county, on behalf of the medical center and the Alameda County Health Care Services Agency, had participated prior to the creation of the hospital authority, or would otherwise be qualified to participate in had the hospital authority not been created, and administration, management, and control not been transferred by the county to the hospital authority, pursuant to this chapter.

(j) A hospital authority created pursuant to this chapter shall be a legal entity separate and apart from the county and shall file the statement

required by Section 53051 of the Government Code. The hospital authority shall be a government entity separate and apart from the county, and shall not be considered to be an agency, division, or department of the county. The hospital authority shall not be governed by, nor be subject to, the charter of the county and shall not be subject to policies or operational rules of the county, including, but not limited to, those relating to personnel and procurement.

(k) (1) Any contract executed by and between the county and the hospital authority shall provide that liabilities or obligations of the hospital authority with respect to its activities pursuant to the contract shall be the liabilities or obligations of the hospital authority, and shall not become the liabilities or obligations of the county.

(2) Any liabilities or obligations of the hospital authority with respect to the liquidation or disposition of the hospital authority's assets upon termination of the hospital authority shall not become the liabilities or obligations of the county.

(3) Any obligation of the hospital authority, statutory, contractual, or otherwise, shall be the obligation solely of the hospital authority and shall not be the obligation of the county or the state.

(l) (1) Notwithstanding any other provision of this section, any transfer of the administration, management, or assets of the medical center, whether or not accompanied by a change in licensing, shall not relieve the county of the ultimate responsibility for indigent care pursuant to Section 17000 of the Welfare and Institutions Code or any obligation pursuant to Section 1442.5 of this code.

(2) Any contract executed by and between the county and the hospital authority shall provide for the indemnification of the county by the hospital authority for liabilities as specifically set forth in the contract, except that the contract shall include a provision that the county shall remain liable for its own negligent acts.

(3) Indemnification by the hospital authority shall not be construed as divesting the county from its ultimate responsibility for compliance with Section 17000 of the Welfare and Institutions Code.

(m) Notwithstanding the provisions of this section relating to the obligations and liabilities of the hospital authority, a transfer of control or ownership of the medical center shall confer onto the hospital authority all the rights and duties set forth in state law with respect to hospitals owned or operated by a county.

(n) (1) A transfer of the maintenance, operation, and management or ownership of the medical center to the hospital authority shall comply with the provisions of Section 14000.2 of the Welfare and Institutions Code.

(2) A transfer of maintenance, operation, and management or ownership to the hospital authority may be made with or without the payment of a purchase price by the hospital authority and otherwise upon the terms and conditions that the parties may mutually agree, which terms and conditions shall include those found necessary by the board of supervisors to ensure that the transfer will constitute an ongoing material benefit to the county and its residents.

(3) A transfer of the maintenance, operation, and management to the hospital authority shall not be construed as empowering the hospital authority to transfer any ownership interest of the county in the medical center except as otherwise approved by the board of supervisors.

(o) The board of supervisors shall retain control over the use of the medical center physical plant and facilities except as otherwise specifically provided for in lawful agreements entered into by the board of supervisors. Any lease agreement or other agreement between the county and the hospital authority shall provide that county premises shall not be sublet without the approval of the board of supervisors.

(p) The statutory authority of a board of supervisors to prescribe rules that authorize a county hospital to integrate its services with those of other hospitals into a system of community service that offers free choice of hospitals to those requiring hospital care, as set forth in Section 14000.2 of the Welfare and Institutions Code, shall apply to the hospital authority upon a transfer of maintenance, operation, and management or ownership of the medical center by the county to the hospital authority.

(q) The hospital authority shall have the power to acquire and possess real or personal property and may dispose of real or personal property other than that owned by the county, as may be necessary for the performance of its functions. The hospital authority shall have the power to sue or be sued, to employ personnel, and to contract for services required to meet its obligations.

(r) Any agreement between the county and the hospital authority shall provide that all existing services provided by the medical center shall continue to be provided to the county through the medical center subject to the policy of the county and consistent with the county's obligations under Section 17000 of the Welfare and Institutions Code.

(s) A hospital authority to which the maintenance, operation, and management or ownership of the medical center is transferred shall be a "district" within the meaning set forth in the County Employees Retirement Law of 1937 (Chapter 3 (commencing with Section 31450) of Part 3 of Division 4 of Title 3 of the Government Code). Employees of a hospital authority are eligible to participate in the County Employees Retirement System to the extent permitted by law.

(t) Members of the governing board of the hospital authority shall not be vicariously liable for injuries caused by the act or omission of the hospital authority to the extent that protection applies to members of governing boards of local public entities generally under Section 820.9 of the Government Code.

(u) The hospital authority shall be a public agency subject to the Myers-Milias-Brown Act (Chapter 10 (commencing with Section 3500) of Division 4 of Title 1 of the Government Code).

(v) Any transfer of functions from county employee classifications to a hospital authority established pursuant to this section shall result in the recognition by the hospital authority of the employee organization that represented the classifications performing those functions at the time of the transfer.

(w) (1) In exercising its powers to employ personnel, as set forth in subdivision (p), the hospital authority shall implement, and the board of supervisors shall adopt, a personnel transition plan. The personnel transition plan shall require all of the following:

(A) Ongoing communications to employees and recognized employee organizations regarding the impact of the transition on existing medical center employees and employee classifications.

(B) Meeting and conferring on all of the following issues:

(i) The timeframe for which the transfer of personnel shall occur. The timeframe shall be subject to modification by the board of supervisors as appropriate, but in no event shall it exceed one year from the effective date of transfer of governance from the board of supervisors to the hospital authority.

(ii) A specified period of time during which employees of the county impacted by the transfer of governance may elect to be appointed to vacant positions with the Alameda County Health Care Services Agency for which they have tenure.

(iii) A specified period of time during which employees of the county impacted by the transfer of governance may elect to be considered for reinstatement into positions with the county for which they are qualified and eligible.

(iv) Compensation for vacation leave and compensatory leave accrued while employed with the county in a manner that grants affected employees the option of either transferring balances or receiving compensation to the degree permitted employees laid off from service with the county.

(v) A transfer of sick leave accrued while employed with the county to hospital authority employment.

(vi) The recognition by the hospital authority of service with the county in determining the rate at which vacation accrues.

(vii) The possible preservation of seniority, pensions, health benefits, and other applicable accrued benefits of employees of the county impacted by the transfer of governance.

(2) Nothing in this subdivision shall be construed as prohibiting the hospital authority from determining the number of employees, the number of full-time equivalent positions, the job descriptions, and the nature and extent of classified employment positions.

(3) Employees of the hospital authority are public employees 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.

(x) Any hospital authority created pursuant to this section shall be bound by the terms of the memorandum of understanding executed by and between the county and health care and management employee organizations that is in effect as of the date this legislation becomes operative in the county. Upon the expiration of the memorandum of understanding, the hospital authority shall have sole authority to negotiate subsequent memorandums of understanding with appropriate employee organizations. Subsequent memorandums of understanding shall be approved by the hospital authority.

(y) The hospital authority created pursuant to this section may borrow from the county and the county may lend the hospital authority funds or issue revenue anticipation notes to obtain those funds necessary to operate the medical center and otherwise provide medical services.

(z) The hospital authority shall be subject to state and federal taxation laws that are applicable to counties generally.

(aa) The hospital authority, the county, or both, may engage in marketing, advertising, and promotion of the medical and health care services made available to the community at the medical center.

(bb) The hospital authority shall not be a "person" subject to suit under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code).

(cc) Notwithstanding Article 4.7 (commencing with Section 1125) of Chapter 1 of Division 4 of Title 1 of the Government Code related to incompatible activities, no member of the hospital authority administrative staff shall be considered to be engaged in activities inconsistent and incompatible with his or her duties as a result of employment or affiliation with the county.

(dd) (1) The hospital authority may use a computerized management information system in connection with the administration of the medical center.

(2) Information maintained in the management information system or in other filing and records maintenance systems that is confidential and protected by law shall not be disclosed except as provided by law.

(3) The records of the hospital authority, whether paper records, records maintained in the management information system, or records in any other form, that relate to trade secrets or to payment rates or the determination thereof, or which relate to contract negotiations with providers of health care, shall not be subject to disclosure pursuant to the California Public Records Act (Chapter 5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). The transmission of the records, or the information contained therein in an alternative form, to the board of supervisors shall not constitute a waiver of exemption from disclosure, and the records and information once transmitted shall be subject to this same exemption. The information, if compelled pursuant to an order of a court of competent jurisdiction or administrative body in a manner permitted by law, shall be limited to in-camera review, which, at the discretion of the court, may include the parties to the proceeding, and shall not be made a part of the court file unless sealed.

(ee) (1) Notwithstanding any other law, the governing board may order that a meeting held solely for the purpose of discussion or taking action on hospital authority trade secrets, as defined in subdivision (d) of Section 3426.1 of the Civil Code, shall be held in closed session. The requirements of making a public report of actions taken in closed session and the vote or abstention of every member present may be limited to a brief general description devoid of the information constituting the trade secret.

(2) The governing board may delete the portion or portions containing trade secrets from any documents that were finally approved in the closed session that are provided to persons who have made the timely or standing request.

(3) Nothing in this section shall be construed as preventing the governing board from meeting in closed session as otherwise provided by law.

(ff) Open sessions of the hospital authority shall constitute official proceedings authorized by law within the meaning of Section 47 of the Civil Code. The privileges set forth in that section with respect to official proceedings shall apply to open sessions of the hospital authority.

(gg) The hospital authority shall be a public agency for purposes of eligibility with respect to grants and other funding and loan guarantee programs. Contributions to the hospital authority shall be tax deductible to the extent permitted by state and federal law. Nonproprietary income of the hospital authority shall be exempt from state income taxation.

(hh) Contracts by and between the hospital authority and the state and contracts by and between the hospital authority and providers of health care, goods, or services may be let on a nonbid basis and shall be exempt from Chapter 2 (commencing with Section 10290) of Part 2 of Division 2 of the Public Contract Code.

(ii) (1) Provisions of the Evidence Code, the Government Code, including the Public Records Act (Chapter 5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), the Civil Code, the Business and Professions Code, and other applicable law pertaining to the confidentiality of peer review activities of peer review bodies shall apply to the peer review activities of the hospital authority. Peer review proceedings shall constitute an official proceeding authorized by law within the meaning of Section 47 of the Civil Code and those privileges set forth in that section with respect to official proceedings shall apply to peer review proceedings of the hospital authority. If the hospital authority is required by law or contractual obligation to submit to the state or federal government peer review information or information relevant to the credentialing of a participating provider, that submission shall not constitute a waiver of confidentiality. The laws pertaining to the confidentiality of peer review activities shall be together construed as extending, to the extent permitted by law, the maximum degree of protection of confidentiality.

(2) Notwithstanding any other law, Section 1461 shall apply to hearings on the reports of hospital medical audit or quality assurance committees.

(jj) The hospital authority shall carry general liability insurance to the extent sufficient to cover its activities.

(kk) In the event the board of supervisors determines that the hospital authority should no longer function for the purposes as set forth in this chapter, the board of supervisors may, by ordinance, terminate the activities of the hospital authority and expire the hospital authority as an entity.

(ll) A hospital authority which is created pursuant to this section but which does not obtain the administration, management, and control of the medical center or which has those duties and responsibilities revoked by the board of supervisors shall not be empowered with the powers enumerated in this section.

(mm) (1) The county shall establish baseline data reporting requirements for the medical center consistent with the Medically Indigent Health Care Reporting System (MICRS) program established pursuant to Section 16910 of the Welfare and Institutions Code and shall collect that data for at least one year prior to the final transfer of the medical center to the hospital authority established pursuant to this

chapter. The baseline data shall include, but not be limited to, all of the following:

- (A) Inpatient days by facility by quarter.
- (B) Outpatient visits by facility by quarter.
- (C) Emergency room visits by facility by quarter.
- (D) Number of unduplicated users receiving services within the medical center.

(2) Upon transfer of the medical center, the county shall establish baseline data reporting requirements for each of the medical center inpatient facilities consistent with data reporting requirements of the Office of Statewide Health Planning and Development, including, but not limited to, monthly average daily census by facility for all of the following:

- (A) Acute care, excluding newborns.
- (B) Newborns.
- (C) Skilled nursing facility, in a distinct part.

(3) From the date of transfer of the medical center to the hospital authority, the hospital authority shall provide the county with quarterly reports specified in paragraphs (1) and (2) and any other data required by the county. The county, in consultation with health care consumer groups, shall develop other data requirements that shall include, at a minimum, reasonable measurements of the changes in medical care for the indigent population of Alameda County that result from the transfer of the administration, management, and control of the medical center from the county to the hospital authority.

(nn) A hospital authority established pursuant to this section shall comply with the requirements of Sections 53260 and 53261 of the Government Code.

SEC. 133. 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 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 57.2 degrees Celsius (135 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) All potentially hazardous food shall be held at or below 5 degrees Celsius (41 degrees Fahrenheit) or shall be kept at or above 57.2 degrees Celsius (135 degrees Fahrenheit) at all times, except for the following:

(1) Unshucked live molluscan shellfish shall not be stored or displayed at a temperature above 7 degrees Celsius (45 degrees Fahrenheit).

(2) Frozen potentially hazardous foods shall be stored and displayed in their frozen state unless being thawed in accordance with Section 114085.

(3) 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.

(4) Pasteurized milk and pasteurized milk products in original, sealed containers shall not be held at a temperature above 7 degrees Celsius (45 degrees Fahrenheit).

(d) Potentially hazardous foods may be held at temperatures other than those specified in this section only under the following circumstances:

(1) While being heated or cooled.

(2) When the food facility operates pursuant to a HACCP plan adopted pursuant to Section 114055 or 114056.

(3) When time only, rather than time in conjunction with temperature, is used as the public health control for a working supply of potentially hazardous food before cooking, or for ready-to-eat potentially hazardous food that is displayed or held for service for immediate consumption, but only if all of the following conditions are met:

(A) The food shall be marked or otherwise identified to indicate the time that is four hours after the time when the food is removed from temperature control.

(B) The food shall be cooked and served, served if ready-to-eat, or discarded within four hours after the time when the food is removed from temperature control.

(C) Food in unmarked containers or packages, or marked to exceed a four-hour time limit shall be discarded.

(D) Written procedures that ensure compliance with this paragraph and with Section 114002 for food that is prepared, cooked, and refrigerated before time is used as a public health control shall be maintained in the food facility and made available to the enforcement agency upon request.

(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. 134. Section 118275 of the Health and Safety Code is amended to read:

118275. To containerize or store medical waste, a person shall do all of the following:

(a) Medical waste shall be contained separately from other waste at the point of origin in the producing facility. Sharps containers may be placed in biohazard bags or in containers with biohazard bags.

(b) Biohazardous waste, except biohazardous waste as defined in subdivision (g) of Section 117635, shall be placed in a red biohazard bag conspicuously labeled with the words "Biohazardous Waste" or with the international biohazard symbol and the word "BIOHAZARD."

(c) Sharps waste shall be contained in a sharps container pursuant to Section 118285.

(d) (1) Biohazardous waste, which meets the conditions of subdivision (f) of Section 117635 because it is contaminated through contact with, or having previously contained, chemotherapeutic agents, shall be segregated for storage, and, when placed in a secondary container, that container shall be labeled with the words "Chemotherapy Waste," "CHEMO," or other label approved by the department on the lid and on the sides, so as to be visible from any lateral direction, to ensure treatment of the biohazardous waste pursuant to Section 118222.

(2) Biohazardous waste, which meets the conditions of subdivision (f) of Section 117635 because it is comprised of human surgery specimens or tissues which have been fixed in formaldehyde or other fixatives, shall be segregated for storage and, when placed in a secondary container, that container shall be labeled with the words "Pathology Waste," "PATH," or other label approved by the department on the lid and on the sides, so as to be visible from any lateral direction, to ensure treatment of the biohazardous waste pursuant to Section 118222.

(e) Sharps waste, which meets the conditions of subdivision (f) of Section 117635, shall be placed in sharps containers labeled in accordance with the industry standard with the words "Chemotherapy Waste," "CHEMO," or other label approved by the department, and segregated to ensure treatment of the sharps waste pursuant to Section 118222.

(f) Biohazardous waste, which are recognizable human anatomical parts, as specified in Section 118220, shall be segregated for storage and, when placed in a secondary container for treatment as pathology waste, that container shall be labeled with the words "Pathology Waste,"

“PATH,” or other label approved by the department on the lid and on the sides, so as to be visible from any lateral direction, to ensure treatment of the biohazardous waste pursuant to Section 118222.

(g) Biohazardous waste, which meets the conditions specified in subdivision (g) of Section 117635, shall be segregated for storage and, when placed in a container or secondary container, that container shall be labeled with the words “INCINERATION ONLY” or other label approved by the department on the lid and on the sides, so as to be visible from any lateral direction, to ensure treatment of the biohazardous waste pursuant to Section 118222.

(h) A person may consolidate into a common container all of the wastes in this section provided that the consolidated waste is treated by an extremely high heat technology approved pursuant to subparagraph (B) of paragraph (1) of subdivision (a) of Section 118215. The container shall be labeled with the biohazardous waste symbol and the words “HIGH HEAT ONLY” or other label approved by the department on the lid and on the sides, so as to be visible from any lateral direction, to ensure treatment of the biohazardous waste pursuant to this subdivision.

SEC. 135. Section 120440 of the Health and Safety Code is amended to read:

120440. (a) For the purposes of this chapter, the following definitions shall apply:

(1) “Health care provider” means any person licensed pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code or a clinic or health facility licensed pursuant to Division 2 (commencing with Section 1200).

(2) “Schools, child care facilities, and family child care homes” means those institutions referred to in subdivision (b) of Section 120335, regardless of whether they directly provide immunizations to patients or clients.

(3) “WIC service provider” means any public or private nonprofit agency contracting with the department to provide services under the California Special Supplemental Food Program for Women, Infants, and Children, as provided for in Article 2 (commencing with Section 123275) of Chapter 1 of Part 2 of Division 106.

(4) “Health care plan” means a health care service plan as defined in subdivision (f) of Section 1345, a government-funded program the purpose of which is paying the costs of health care, or an insurer as described in Sections 10123.5 and 10123.55 of the Insurance Code, regardless of whether the plan directly provides immunizations to patients or clients.

(5) “County welfare department” means a county welfare agency administering the California Work Opportunity and Responsibility to

Kids (CalWORKs) program, pursuant to Chapter 2 (commencing with Section 11200.5) of Part 3 of Division 9 of the Welfare and Institutions Code.

(6) "Foster care agency" means any of the county and state social services agencies providing foster care services in California.

(b) (1) Local health officers may operate immunization information systems pursuant to their authority under Section 120175, in conjunction with the Immunization Branch of the State Department of Health Services. Local health officers and the State Department of Health Services may operate these systems in either or both of the following manners:

(A) Separately within their individual jurisdictions.

(B) Jointly among more than one jurisdiction.

(2) Nothing in this subdivision shall preclude local health officers from sharing the information set forth in paragraphs (1) to (9), inclusive, of subdivision (c) with other health officers jointly operating the system.

(c) Notwithstanding Sections 49075 and 49076 of the Education Code, Chapter 5 (commencing with Section 10850) of Part 2 of Division 9 of the Welfare and Institutions Code, or any other provision of law, unless a refusal to permit recordsharing is made pursuant to subdivision (e), health care providers, and other agencies, including, but not limited to, schools, child care facilities, service providers for the California Special Supplemental Food Program for Women, Infants, and Children (WIC), health care plans, foster care agencies, and county welfare departments, may disclose the information set forth in paragraphs (1) to (9), inclusive, from the patient's medical record, or the client's record, to local health departments operating countywide or regional immunization information and reminder systems and the State Department of Health Services. Local health departments and the State Department of Health Services may disclose the information set forth in paragraphs (1) to (9), inclusive, to each other, and upon a request for information pertaining to a specific person, to health care providers taking care of the patient. Local health departments and the State Department of Health Services may disclose the information in paragraphs (1) to (6), inclusive, and paragraphs (8) and (9), to schools, child care facilities, county welfare departments, and family child care homes to which the person is being admitted or in attendance, foster care agencies in assessing and providing medical care for children in foster care, and WIC service providers providing services to the person, health care plans arranging for immunization services for the patient, and county welfare departments assessing immunization histories of dependents of CalWORKs participants, upon request for information pertaining to a specific person. Determination of benefits based upon immunization of a dependent CalWORKs participant shall

be made pursuant to Section 11265.8 of the Welfare and Institutions Code. The following information shall be subject to this subdivision:

(1) The name of the patient or client and names of the parents or guardians of the patient or client.

(2) Date of birth of the patient or client.

(3) Types and dates of immunizations received by the patient or client.

(4) Manufacturer and lot number for each immunization received.

(5) Adverse reaction to immunizations received.

(6) Other nonmedical information necessary to establish the patient's or client's unique identity and record.

(7) Current address and telephone number of the patient or client and the parents or guardians of the patient or client.

(8) Patient's or client's gender.

(9) Patient's or client's place of birth.

(d) (1) Health care providers, local health departments, and the State Department of Health Services shall maintain the confidentiality of information listed in subdivision (c) in the same manner as other medical record information with patient identification that they possess. These providers, departments, and contracting agencies are subject to civil action and criminal penalties for the wrongful disclosure of the information listed in subdivision (c), in accordance with existing law. They shall use the information listed in subdivision (c) only for the following purposes:

(A) To provide immunization services to the patient or client, including issuing reminder notifications to patients or clients or their parents or guardians when immunizations are due.

(B) To provide or facilitate provision of third-party payer payments for immunizations.

(C) To compile and disseminate statistical information of immunization status on groups of patients or clients or populations in California, without identifying information for these patients or clients included in these groups or populations.

(D) In the case of health care providers only, as authorized by Part 2.6 (commencing with Section 56) of Division 1 of the Civil Code.

(2) Schools, child care facilities, family child care homes, WIC service providers, foster care agencies, county welfare departments, and health care plans shall maintain the confidentiality of information listed in subdivision (c) in the same manner as other client, patient, and pupil information that they possess. These institutions and providers are subject to civil action and criminal penalties for the wrongful disclosure of the information listed in subdivision (c), in accordance with existing law. They shall use the information listed in subdivision (c) only for those

purposes provided in subparagraphs (A) to (D), inclusive, of paragraph (1) and as follows:

(A) In the case of schools, child care facilities, family child care homes, and county welfare departments, to carry out their responsibilities regarding required immunization for attendance or participation benefits, or both, as described in Chapter 1 (commencing with Section 120325), and in Section 11265.8 of the Welfare and Institutions Code.

(B) In the case of WIC service providers, to perform immunization status assessments of clients and to refer those clients found to be due or overdue for immunizations to health care providers.

(C) In the case of health care plans, to facilitate payments to health care providers, to assess the immunization status of their clients, and to tabulate statistical information on the immunization status of groups of patients, without including patient-identifying information in these tabulations.

(D) In the case of foster care agencies, to perform immunization status assessments of foster children and to assist those foster children found to be due or overdue for immunization in obtaining immunizations from health care providers.

(e) A patient or a patient's parent or guardian may refuse to permit recordsharing. The health care provider administering immunization and any other agency possessing any patient or client information listed in subdivision (c), if planning to provide patient or client information to an immunization system, as described in subdivision (b), shall inform the patient or client, or the parent or guardian of the patient or client, of the following:

(1) The information listed in subdivision (c) may be shared with local health departments, and the State Department of Health Services. The health care provider or other agency shall provide the name and address of the State Department of Health Services and of the immunization registry with which the provider or other agency will share the information.

(2) Any of the information shared with local health departments and the State Department of Health Services shall be treated as confidential medical information and shall be used only to share with each other, and, upon request, with health care providers, schools, child care facilities, family child care homes, WIC service providers, county welfare departments, foster care agencies, and health care plans. These providers, agencies, and institutions shall, in turn, treat the shared information as confidential, and shall use it only as described in subdivision (d).

(3) The patient or client, or parent or guardian of the patient or client, has the right to examine any immunization-related information shared in this manner and to correct any errors in it.

(4) The patient or client, or the parent or guardian of the patient or client, may refuse to allow this information to be shared in the manner described, or to receive immunization reminder notifications at any time, or both.

(f) (1) The health care provider administering the immunization and any other agency possessing any patient or client information listed in subdivision (c) may inform the patient or client, or the parent or guardian of the patient or client, by ordinary mail, of the information in paragraphs (1) to (4), inclusive, of subdivision (e). The mailing must include a reasonable means for refusal, such as a return form or contact telephone number.

(2) The information in paragraphs (1) to (4), inclusive, of subdivision (e) may also be presented to the parent or guardian of the patient or client during any hospitalization of the patient or client.

(g) If the patient or client, or parent or guardian of the patient or client, refuses to allow the information to be shared, pursuant to paragraph (4) of subdivision (e), the health care provider or other agency may not share this information in the manner described in subdivision (c), except as provided in subparagraph (D) of paragraph (1) of subdivision (d).

(h) Upon request of the patient or client, or the parent or guardian of the patient or client, in writing or by other means acceptable to the recipient, a local health department or the State Department of Health Services that has received information about a person pursuant to subdivision (c) shall do all of the following:

(1) Provide the name and address of other persons or agencies with whom the recipient has shared the information.

(2) Stop sharing the information in its possession after the date of the receipt of the request.

(i) Upon notification, in writing or by other means acceptable to the recipient, of an error in the information, a local health department or the State Department of Health Services that has information about a person pursuant to subdivision (c) shall correct the error. If the recipient is aware of a disagreement about whether an error exists, information to that effect may be included.

(j) (1) Any party authorized to make medical decisions for a patient or client, including, but not limited to, those authorized by Section 6922, 6926, or 6927 of, or Part 1.5 (commencing with Section 6550), Chapter 2 (commencing with Section 6910) of Part 4, or Chapter 1 (commencing with Section 7000) of Part 6 of Division 11 of, the Family Code, Section 1530.6 of the Health and Safety Code, or Sections 727 and 1755.3 of, and Article 6 (commencing with Section 300) of Chapter 2 of Part 1 of Division 2 of, the Welfare and Institutions Code, may permit sharing of

the patient's or client's record with any of the immunization information systems authorized by this section.

(2) For a patient or client who is a dependent of a juvenile court, the court or a person or agency designated by the court may permit this recordsharing.

(3) For a patient or client receiving foster care, a person or persons licensed to provide residential foster care, or having legal custody, may permit this recordsharing.

(k) For purposes of supporting immunization information systems, the State Department of Health Services shall assist its Immunization Branch in both of the following:

(1) Providing department records containing information about publicly funded immunizations.

(2) Supporting efforts for the reporting of publicly funded immunizations into immunization information systems by health care providers and health care plans.

(l) Section 120330 shall not apply to this section.

SEC. 136. The heading of Article 45 (commencing with Section 123620) of Chapter 2 of Part 2 of Division 106 of the Health and Safety Code is amended and renumbered to read:

Article 4.5. Fetal Ultrasound

SEC. 137. Section 125001 of the Health and Safety Code is amended to read:

125001. (a) The department shall establish a program for the development, provision, and evaluation of genetic disease testing, and may provide laboratory testing facilities or make grants to, contract with, or make payments to, any laboratory that it deems qualified and cost-effective to conduct testing or with any metabolic specialty clinic to provide necessary treatment with qualified specialists. The program shall provide genetic screening and followup services for persons who have the screening.

(b) The department shall expand statewide screening of newborns to include tandem mass spectrometry screening for fatty acid oxidation, amino acid, and organic acid disorders and congenital adrenal hyperplasia as soon as possible. The department shall provide information with respect to these disorders and available testing resources to all women receiving prenatal care and to all women admitted to a hospital for delivery. If the department is unable to provide this statewide screening by August 1, 2005, the department shall temporarily obtain these testing services through a competitive bid process from one or more public or private laboratories that meet the department's requirements for testing,

quality assurance, and reporting. If the department determines that contracting for these services is more cost-effective, and meets the other requirements of this chapter, than purchasing the tandem mass spectrometry equipment themselves, the department shall contract with one or more public or private laboratories.

(c) The department shall report to the Legislature regarding the progress of the program on or before July 1, 2006. The report shall include the costs for screening, followup, and treatment as compared to costs and morbidity averted for each condition tested for in the program.

SEC. 138. Section 1215.2 of the Insurance Code is amended to read:

1215.2. (a) No person shall make a tender offer for, or a request or invitation for tenders of, or enter into an agreement to exchange securities for or acquire in the open market, any voting security, or any security convertible into a voting security, of a domestic insurer or of any other person controlling a domestic insurer, if the other person is not substantially engaged either directly or through its affiliates in any businesses other than that of insurance, if, as a result of the consummation thereof, the person would, directly or indirectly, acquire control of the insurer, and no person shall enter into an agreement to merge with or otherwise to acquire control of a domestic insurer, unless, at the time copies of the offer, purchase, request, or invitation are first published, sent, or given to security holders or the agreement or transaction is entered into, as the case may be, the person has filed with the commissioner, and has sent to the insurer, a statement containing the following information, and any additional information as the commissioner may by rule or regulation prescribe as necessary or appropriate in the public interest or for the protection of policyholders or shareholders:

(1) The background and identity of all persons by whom or on whose behalf the purchases or the exchange, merger, or other acquisition of control are to be effected.

(2) The source and amount of the funds or other consideration used or to be used in making the purchases or in effecting the exchange, merger, or other acquisition of control, and, if any part of the funds or other consideration has been or is to be borrowed or otherwise obtained for the purpose of making the purchases or effecting the exchange, merger, or other acquisition of control, a description of the transaction and the names of the parties thereto. However, where a source of funds is a loan made in the lender's ordinary course of business, if the person filing the statement so requests, the name of the lender shall not be made available to the public.

(3) Any plans or proposals which those persons may have to liquidate the insurer, to sell its assets or merge it with any person, or to make any other major change in its business or corporate structure or management.

(4) The amount of each class of voting securities or securities which may be converted into voting securities of the insurer or the controlling person which are beneficially owned, and the amount of each class of voting securities or securities which may be converted into voting securities of the insurer or the controlling person concerning which there is a right to acquire beneficial ownership, by each person and by each affiliate of each person, together with the name and address of each affiliate.

(5) Information as to any contracts, arrangements, or understandings with any person with respect to any securities of the insurer or the controlling person, including, but not limited to, transfer of any of the securities, joint ventures, loan or option arrangements, puts or calls, guarantees of loans, guarantees against loss or guarantees of profits, division of losses or profits, or the giving or withholding of proxies, naming the persons with whom the contracts, arrangements, or understandings have been entered into, and giving the details thereof.

All requests or invitations for tenders or advertisements making a tender offer or requesting or inviting tenders of the voting securities of the insurer or the controlling person made by or on behalf of the person, and a copy of the agreement to exchange or otherwise acquire securities or to merge with or otherwise to acquire control of the insurer, shall be filed with the commissioner and sent to the insurer as a part of the statement and shall contain the information contained in the statement as the commissioner may by rule or regulation prescribe. Copies of any additional material soliciting or requesting the tender offers subsequent to the initial solicitation or request, and copies of any amendment to the agreement, shall contain the information as the commissioner may by rule or regulation prescribe as necessary or appropriate in the public interest or for the protection of policyholders or shareholders, and shall be filed with the commissioner and sent to the insurer not later than the time copies of the material are first published or sent or given to security holders or the amendment is entered into.

(b) If the person required to file the statement referred to in subdivision (a) is a partnership, limited partnership, syndicate, or other group, the commissioner may require that the information called for by paragraphs (1) to (5), inclusive, of subdivision (a) shall be given with respect to: (1) each partner of the partnership or limited partnership, (2) each member of the syndicate or group, and (3) each person who controls the partner or member. If a person referred to in paragraph (1), (2), or (3) of this subdivision is a corporation or the person required to file the

statement referred to in subdivision (a) is a corporation, the commissioner may require that the information called for by paragraphs (1) to (5), inclusive, of subdivision (a) shall be given with respect to the corporation and each officer and director of the corporation and each person who is directly or indirectly the beneficial owner of more than 10 percent of the outstanding voting securities of the corporation.

(c) If any tender offer, request, or invitation for tenders, or agreement to exchange or otherwise acquire securities or to merge or otherwise acquire control referred to in subdivision (a), is proposed to be made by means of a registration statement under the federal Securities Act of 1933, or in circumstances requiring the disclosure of similar information under the federal Securities Exchange Act of 1934, or under a state law requiring similar registration or disclosure, the person required to file the statement referred to in subdivision (a) may file that registration statement with the commissioner as full satisfaction of the requirement in subdivision (a).

(d) The purchases, exchanges, mergers, or other acquisitions of control referred to in subdivision (a) may not be made until the commissioner approves the purchases, exchanges, mergers, or other acquisitions of control. The commissioner shall approve or disapprove the transaction within 60 days after the statement required by subdivision (a) has been filed with the commissioner. The commissioner may disapprove the transaction if the commissioner finds any of the following:

(1) After the change of control the domestic insurer referred to in subdivision (a) could not satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed.

(2) The purchases, exchanges, mergers, or other acquisitions of control would substantially lessen competition in insurance in this state or create a monopoly therein.

(3) The financial condition of an acquiring person might jeopardize the financial stability of the insurer, or prejudice the interests of its policyholders.

(4) The plans or proposals which the acquiring person has to liquidate the insurer, to sell its assets, or to merge it with any person, or to make any other major change in its business or corporate structure or management, are not fair and reasonable to policyholders.

(5) The competence, experience, and integrity of those persons who would control the operation of the insurer indicate that it would not be in the interest of policyholders, or the public to permit them to do so.

(e) The commissioner shall require the payment of two thousand three hundred sixty dollars (\$2,360) as a fee for filing an application under this section, the amount to accompany the application.

(f) This section shall not apply to any offer for or request or invitation for tenders of any voting securities, or any agreement to exchange securities for or otherwise acquire control, if the insurer whose shares are to be acquired remains a direct or indirect subsidiary of the same ultimate controlling company person within the insurer's insurance holding company system, neither the acquiring person nor any affiliate acquires or incurs any debt, guarantee, or other liability related to the transaction, and no shares are purchased by or sold to a person who is not an affiliated person in that insurance holding company system, or if, and to the extent that, the commissioner, by rule or regulation or by order, exempts the offer, request, invitation, or agreement from the provisions of this section as not comprehended within the purposes thereof.

SEC. 139. 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. 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 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) (1) 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.

(2) 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. 140. Section 98.6 of the Labor Code is amended to read:

98.6. (a) No person shall discharge an employee or in any manner discriminate against any employee or applicant for employment because the employee or applicant engaged in any conduct delineated in this chapter, including the conduct described in subdivision (k) of Section 96, and Chapter 5 (commencing with Section 1101) of Part 3 of Division 2, or because the employee or applicant for employment has filed a bona fide complaint or claim or instituted or caused to be instituted any proceeding under or relating to his or her rights, which are under the jurisdiction of the Labor Commissioner, or because the employee has initiated any action or notice pursuant to Section 2699, or has testified or is about to testify in any such proceeding or because of the exercise by the employee or applicant for employment on behalf of himself, herself, or others of any rights afforded him or her.

(b) Any employee who is discharged, threatened with discharge, demoted, suspended, or in any other manner discriminated against in the terms and conditions of his or her employment because the employee engaged in any conduct delineated in this chapter, including the conduct described in subdivision (k) of Section 96, and Chapter 5 (commencing with Section 1101) of Part 3 of Division 2, or because the employee has made a bona fide complaint or claim to the division pursuant to this part, or because the employee has initiated any action or notice pursuant to Section 2699 shall be entitled to reinstatement and reimbursement for lost wages and work benefits caused by those acts of the employer. Any employer who willfully refuses to hire, promote, or otherwise restore an employee or former employee who has been determined to be eligible for rehiring or promotion by a grievance procedure, arbitration, or hearing authorized by law, is guilty of a misdemeanor.

(c) (1) Any applicant for employment who is refused employment, who is not selected for a training program leading to employment, or who in any other manner is discriminated against in the terms and conditions of any offer of employment because the applicant engaged in any conduct delineated in this chapter, including the conduct described in subdivision (k) of Section 96, and Chapter 5 (commencing with Section 1101) of Part 3 of Division 2, or because the applicant has made a bona fide complaint or claim to the division pursuant to this part, or because the employee has initiated any action or notice pursuant to Section 2699

shall be entitled to employment and reimbursement for lost wages and work benefits caused by the acts of the prospective employer.

(2) This subdivision shall not be construed to invalidate any collective bargaining agreement that requires an applicant for a position that is subject to the collective bargaining agreement to sign a contract that protects either or both of the following as specified in subparagraphs (A) and (B), nor shall this subdivision be construed to invalidate any employer requirement of an applicant for a position that is not subject to a collective bargaining agreement to sign an employment contract that protects either or both of the following:

(A) An employer against any conduct that is actually in direct conflict with the essential enterprise-related interests of the employer and where breach of that contract would actually constitute a material and substantial disruption of the employer's operation.

(B) A firefighter against any disease that is presumed to arise in the course and scope of employment, by limiting his or her consumption of tobacco products on and off the job.

(d) The provisions of this section creating new actions or remedies that are effective on January 1, 2002, to employees or applicants for employment do not apply to any state or local law enforcement agency, any religious association or corporation specified in subdivision (d) of Section 12926 of the Government Code, except as provided in Section 12926.2 of the Government Code, or any person described in Section 1070 of the Evidence Code.

SEC. 141. Section 2699.5 of the Labor Code is amended to read:

2699.5. The provisions of subdivision (a) of Section 2699.3 shall apply to any alleged violation of the following provisions: subdivision (k) of Section 96, Section 98.6, 201, 201.5, 201.7, 202, 203, 203.1, 203.5, 204, 204a, 204b, 204.1, 204.2, 205, 205.5, 206, 206.5, 208, 209, or 212, subdivision (d) of Section 213, Section 221, 222, 222.5, 223, or 224, subdivision (a) of Section 226, Section 226.7, 227, 227.3, 230, 230.1, 230.2, 230.3, 230.4, 230.7, 230.8, or 231, subdivision (c) of Section 232, subdivision (c) of Section 232.5, Section 233, 234, 351, 353, or 403, subdivision (b) of Section 404, Section 432.2, 432.5, 432.7, 435, 450, 510, 511, 512, 513, 551, 552, 601, 602, 603, 604, 750, 751.8, 800, 850, 851, 851.5, 852, 921, 922, 923, 970, 973, 976, 1021, 1021.5, 1025, 1026, 1101, 1102, 1102.5, or 1153, subdivision (c) or (d) of Section 1174, Section 1194, 1197, 1197.1, 1197.5, or 1198, subdivision (b) of Section 1198.3, Section 1199, 1199.5, 1290, 1292, 1293, 1293.1, 1294, 1294.1, 1294.5, 1296, 1297, 1298, 1301, 1308, 1308.1, 1308.7, 1309, 1309.5, 1391, 1391.1, 1391.2, 1392, 1683, or 1695, subdivision (a) of Section 1695.5, Section 1695.55, 1695.6, 1695.7, 1695.8, 1695.9, 1696, 1696.5, 1696.6, 1697.1, 1700.25, 1700.26, 1700.31, 1700.32, 1700.40, or

1700.47, paragraph (1), (2), or (3) of subdivision (a) of or subdivision (e) of Section 1701.4, subdivision (a) of Section 1701.5, Section 1701.8, 1701.10, 1701.12, 1735, 1771, 1774, 1776, 1777.5, 1811, 1815, 2651, or 2673, subdivision (a) of Section 2673.1, Section 2695.2, 2800, 2801, 2802, 2806, or 2810, subdivision (b) of Section 2929, or Section 3095, 6310, 6311, or 6399.7.

SEC. 142. 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 Spanish and, to the extent practicable, other 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, prior to the deadline for individuals to become certified, 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 the deadline for certification, 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 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 the deadline for certification.

SEC. 143. Section 3600.1 of the Labor Code is amended to read:

3600.1. (a) Whenever any firefighter of the state, as defined in Section 19886 of the Government Code, is injured, dies, or is disabled from performing his or her duties as a firefighter by reason of his or her proceeding to or engaging in a fire-suppression or rescue operation, or the protection or preservation of life or property, anywhere in this state, including the jurisdiction in which he or she is employed, but is not at the time acting under the immediate direction of his or her employer, he or she or his or her dependents, as the case may be, shall be accorded by his or her employer all of the same benefits of this division that he, she, or they would have received had that firefighter been acting under the immediate direction of his or her employer. Any injury, disability, or death incurred under the circumstances described in this section shall be deemed to have arisen out of, and been sustained in, the course of employment for purposes of workers' compensation and all other benefits.

(b) Nothing in this section shall be deemed to do either of the following:

(1) Require the extension of any benefits to a firefighter who, at the time of his or her injury, death, or disability, is acting for compensation from one other than the state.

(2) Require the extension of any benefits to a firefighter employed by the state where by departmental regulation, whether now in force or hereafter enacted or promulgated, the activity giving rise to the injury, disability, or death is expressly prohibited.

(c) If the provisions of this section are in conflict with the provisions of a memorandum of understanding reached pursuant to Section 3517.5 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. 144. Section 4658.5 of the Labor Code is amended to read:

4658.5. (a) Except as provided in Section 4658.6, if the injury causes permanent partial disability and the injured employee does not return to work for the employer within 60 days of the termination of temporary disability, the injured employee shall be eligible for a supplemental job

displacement benefit in the form of a nontransferable voucher for education-related retraining or skill enhancement, or both, at state-approved or accredited schools, as follows:

(1) Up to four thousand dollars (\$4,000) for permanent partial disability awards of less than 15 percent.

(2) Up to six thousand dollars (\$6,000) for permanent partial disability awards between 15 and 25 percent.

(3) Up to eight thousand dollars (\$8,000) for permanent partial disability awards between 26 and 49 percent.

(4) Up to ten thousand dollars (\$10,000) for permanent partial disability awards between 50 and 99 percent.

(b) The voucher may be used for payment of tuition, fees, books, and other expenses required by the school for retraining or skill enhancement. No more than 10 percent of the voucher moneys may be used for vocational or return to work counseling. The administrative director shall adopt regulations governing the form of payment, direct reimbursement to the injured employee upon presentation to the employer of appropriate documentation and receipts, and any other matters necessary to the proper administration of the supplemental job displacement benefit.

(c) Within 10 days of the last payment of temporary disability, the employer shall provide to the employee, in the form and manner prescribed by the administrative director, information that provides notice of rights under this section. This notice shall be sent by certified mail.

(d) This section shall apply to injuries occurring on or after January 1, 2004.

SEC. 145. 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 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 California State Military Museum and Resource Center in coordination with the California State Military Reserve's California Center for Military History. The foundation shall develop, administer, interpret, and manage museum historical programs and related public services, and acquire and manage funding for museum programs and services.

(c) Volunteers, docents, members of the California 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 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.

(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 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 Finance, and the Chair of the Joint Legislative Budget Committee for review and comment.

(f) (1) The Adjutant General or the California State Military Museum Foundation may solicit, receive, and administer donations of funds or property for the support and improvement of the museum. Any grants or donations received may be expended or used for museum purposes.

(2) 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.

(3) Property determined by the California State Military Museum Foundation to be in excess of the needs of the museum 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. This paragraph does not apply to property held in trust for the Controller pursuant to Section 1563 of the Code of Civil Procedure.

(g) The Adjutant General or the California State Military Museum Foundation may solicit and receive firearms and other weaponry confiscated by or otherwise in the possession of law enforcement officers as donations to the museum 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 Foundation, 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.

(i) (1) The California State Military Museum Foundation may enter into agreements with other military museums in California, including, but not limited to, the Legion of Valor Museum, to loan property that is not real property and that is under the direct control of the foundation.

(2) The California State Military Museum may enter into agreements with other military museums in California to loan property held in trust for the Controller pursuant to Section 1563 of the Code of Civil Procedure.

SEC. 146. Section 972.1 of the Military and Veterans Code, as amended by Section 2 of Chapter 138 of the Statutes of 2004, is amended to read:

972.1. (a) The sum of five hundred thousand dollars (\$500,000) is hereby appropriated from the General Fund to the Department of Veterans Affairs for allocation, during the 1989–90 fiscal year, for purposes of funding the activities of county veteran service officers pursuant to this section. Funds for allocation in future years shall be as provided in the annual Budget Act.

(b) Funds shall be disbursed each fiscal year on a pro rata basis to counties that have established and maintain a county veteran service officer in accordance with the staffing level and workload of each county veteran service officer under a formula based upon performance that shall be developed by the Department of Veterans Affairs for these purposes, and that shall allocate county funds in any fiscal year for county veteran service officers in an amount not less than the amount allocated in the 1988–89 fiscal year.

(c) The department shall annually determine the amount of new or increased monetary benefits paid to eligible veterans by the federal government attributable to the assistance of county veteran service officers. The department shall on or before January 1, prepare and

transmit its determination for the preceding fiscal year to the Department of Finance and the Legislature. The Department of Finance shall review the department's determination in time to use the information in the annual Budget Act for the budget of the department for the next fiscal year.

(d) (1) The Legislature finds and declares that 50 percent of the amount annually budgeted for county veteran service officers is approximately five million dollars (\$5,000,000). The Legislature further finds and declares that it is an efficient and reasonable use of state funds to increase the annual budget for county veteran service officers in an amount not to exceed five million dollars (\$5,000,000) if it is justified by the monetary benefits to the state's veterans attributable to the effort of these officers.

(2) It is the intent of the Legislature, after reviewing the department's determination in subdivision (c), to consider an increase in the annual budget for county veteran service officers in an amount not to exceed five million dollars (\$5,000,000), if the monetary benefits to the state's veterans attributable to the assistance of county veteran service officers justify that increase in the budget.

(e) This section shall become operative January 1, 2011.

SEC. 147. Section 985 of the Military and Veterans Code is amended to read:

985. As used in this article:

(a) "Farm" means a tract of land, which, in the opinion of the department, is capable of producing sufficiently to provide a living for the purchaser and the purchaser's dependents.

(b) "Home" means any of the following:

(1) A parcel of real estate upon which there is a dwelling house or other buildings that will, in the opinion of the department, suit the needs of the purchaser and the purchaser's dependents as a place of abode.

(2) Condominium, as defined in subdivision (h).

(3) Mobilehome, as defined in subdivision (k).

(4) Cooperative housing, as defined in subdivision (m).

(c) "Purchaser" means a veteran or any person who has entered into a contract of purchase of a farm or home from the department.

(d) "Purchase price" means the price which the department pays for any farm or home.

(e) "Selling price" means the price for which the department sells any farm or home.

(f) "Initial payment" means the first payment to be made by a purchaser to the department for a farm or home.

(g) "Progress payment plan" means payment by the department for improvements on real property in installments as work progresses.

(h) "Condominium" means an estate in real property consisting of an undivided interest in common in a portion of a parcel of real property together with a separate interest in space in a residential building on the real property, such as an apartment, which, in the opinion of the department, suits the needs of the purchaser and the purchaser's dependents as a place of abode. A condominium may include, in addition, a separate interest in other portions of the real property.

(i) "Effective rate of interest" means the average interest rate of the interest on the unpaid balance due on a participation contract to which the interest of the department is subject and the interest rate on the unpaid balance of the purchase price, as determined by the department.

(j) "Participation contract" means an obligation secured by a deed of trust or mortgage, or other security interest established pursuant to regulations of the department.

(k) "Mobilehome" means either a parcel of real estate, or an undivided interest in common in a portion of a parcel of real property, on which is situated a mobilehome that will, in the opinion of the department, suit the needs of the purchaser and the purchaser's dependents as a place of abode and meets all requirements of local governmental jurisdictions.

(l) "Immediate family" means the spouse of a purchaser, the natural or adopted dependent children of the purchaser, and the parents of the purchaser if they are dependent on the purchaser for 50 percent or more of their support.

(m) "Cooperative housing corporation" means a real estate development in which membership in the corporation, by stock ownership, is coupled with the exclusive right to possess a portion of the real property.

SEC. 148. Section 502.01 of the Penal Code is amended to read:

502.01. (a) As used in this section:

(1) "Property subject to forfeiture" means any property of the defendant that is illegal telecommunications equipment as defined in subdivision (g) of Section 502.8, or a computer, computer system, or computer network, and any software or data residing thereon, if the telecommunications device, computer, computer system, or computer network was used in committing a violation of, or conspiracy to commit a violation of, Section 288, 288.2, 311.1, 311.2, 311.3, 311.4, 311.5, 311.10, 311.11, 422, 470, 470a, 472, 475, 476, 480, 483.5, or 484g, or subdivision (a), (b), or (d) of Section 484e, subdivision (a) of Section 484f, subdivision (b) or (c) of Section 484i, or subdivision (c) of Section 502, or Section 502.7, 502.8, 529, 529a, 530.5, 537e, 593d, 593e, or 646.9, or was used as a repository for the storage of software or data obtained in violation of those provisions. Forfeiture shall not be available for any property used solely in the commission of an infraction. If the

defendant is a minor, it also includes property of the parent or guardian of the defendant.

(2) "Sentencing court" means the court sentencing a person found guilty of violating or conspiring to commit a violation of Section 288, 288.2, 311.1, 311.2, 311.3, 311.4, 311.5, 311.10, 311.11, 422, 470, 470a, 472, 475, 476, 480, 483.5, or 484g, or subdivision (a), (b), or (d) of Section 484e, subdivision (a) of Section 484f, subdivision (b) or (c) of Section 484i, or subdivision (c) of Section 502, or Section 502.7, 502.8, 529, 529a, 530.5, 537e, 593d, 593e, or 646.9, or, in the case of a minor, found to be a person described in Section 602 of the Welfare and Institutions Code because of a violation of those provisions, the juvenile court.

(3) "Interest" means any property interest in the property subject to forfeiture.

(4) "Security interest" means an interest that is a lien, mortgage, security interest, or interest under a conditional sales contract.

(5) "Value" has the following meanings:

(A) When counterfeit items of computer software are manufactured or possessed for sale, the "value" of those items shall be equivalent to the retail price or fair market price of the true items that are counterfeited.

(B) When counterfeited but unassembled components of computer software packages are recovered, including, but not limited to, counterfeited computer diskettes, instruction manuals, or licensing envelopes, the "value" of those components of computer software packages shall be equivalent to the retail price or fair market price of the number of completed computer software packages that could have been made from those components.

(b) The sentencing court shall, upon petition by the prosecuting attorney, at any time following sentencing, or by agreement of all parties, at the time of sentencing, conduct a hearing to determine whether any property or property interest is subject to forfeiture under this section. At the forfeiture hearing, the prosecuting attorney shall have the burden of establishing, by a preponderance of the evidence, that the property or property interests are subject to forfeiture. The prosecuting attorney may retain seized property that may be subject to forfeiture until the sentencing hearing.

(c) Prior to the commencement of a forfeiture proceeding, the law enforcement agency seizing the property subject to forfeiture shall make an investigation as to any person other than the defendant who may have an interest in it. At least 30 days before the hearing to determine whether the property should be forfeited, the prosecuting agency shall send notice of the hearing to any person who may have an interest in the property that arose before the seizure.

A person claiming an interest in the property shall file a motion for the redemption of that interest at least 10 days before the hearing on forfeiture, and shall send a copy of the motion to the prosecuting agency and to the probation department.

If a motion to redeem an interest has been filed, the sentencing court shall hold a hearing to identify all persons who possess valid interests in the property. No person shall hold a valid interest in the property if, by a preponderance of the evidence, the prosecuting agency shows that the person knew or should have known that the property was being used in violation of, or conspiracy to commit a violation of, Section 288, 288.2, 311.1, 311.2, 311.3, 311.4, 311.5, 311.10, 311.11, 470, 470a, 472, 475, 476, 480, 483.5, or 484g, or subdivision (a), (b), or (d) of Section 484e, subdivision (a) of Section 484f, subdivision (b) or (c) of Section 484i, or subdivision (c) of Section 502, or Section 502.7, 502.8, 529, 529a, 530.5, 537e, 593d, 593e, or 646.9, and that the person did not take reasonable steps to prevent that use, or if the interest is a security interest, the person knew or should have known at the time that the security interest was created that the property would be used for a violation.

(d) If the sentencing court finds that a person holds a valid interest in the property, the following provisions shall apply:

(1) The court shall determine the value of the property.

(2) The court shall determine the value of each valid interest in the property.

(3) If the value of the property is greater than the value of the interest, the holder of the interest shall be entitled to ownership of the property upon paying the court the difference between the value of the property and the value of the valid interest.

If the holder of the interest declines to pay the amount determined under paragraph (2), the court may order the property sold and designate the prosecutor or any other agency to sell the property. The designated agency shall be entitled to seize the property and the holder of the interest shall forward any documentation underlying the interest, including any ownership certificates for that property, to the designated agency. The designated agency shall sell the property and pay the owner of the interest the proceeds, up to the value of that interest.

(4) If the value of the property is less than the value of the interest, the designated agency shall sell the property and pay the owner of the interest the proceeds, up to the value of that interest.

(e) If the defendant was a minor at the time of the offense, this subdivision shall apply to property subject to forfeiture that is the property of the parent or guardian of the minor.

(1) The prosecuting agency shall notify the parent or guardian of the forfeiture hearing at least 30 days before the date set for the hearing.

(2) The computer or telecommunications device shall not be subject to forfeiture if the parent or guardian files a signed statement with the court at least 10 days before the date set for the hearing that the minor shall not have access to any computer or telecommunications device owned by the parent or guardian for two years after the date on which the minor is sentenced.

(3) If the minor is convicted of a violation of Section 288, 288.2, 311.1, 311.2, 311.3, 311.4, 311.5, 311.10, 311.11, 470, 470a, 472, 476, or 480, or subdivision (b) or (d) of Section 484e, subdivision (a) of Section 484f, subdivision (b) of Section 484i, or subdivision (c) of Section 502, or Section 502.7, 502.8, 529, 529a, or 530.5, within two years after the date on which the minor is sentenced, and the violation involves a computer or telecommunications device owned by the parent or guardian, the original property subject to forfeiture, and the property involved in the new offense, shall be subject to forfeiture notwithstanding paragraph (2).

(4) Notwithstanding paragraph (1), (2), or (3), or any other provision of this chapter, if a minor's parent or guardian makes full restitution to the victim of a crime enumerated in this chapter in an amount or manner determined by the court, the forfeiture provisions of this chapter do not apply to the property of that parent or guardian if the property was located in the family's primary residence during the commission of the crime.

(f) Notwithstanding any other provision of this chapter, the court may exercise its discretion to deny forfeiture where the court finds that the convicted defendant, or minor adjudicated to come within the jurisdiction of the juvenile court, is not likely to use the property otherwise subject to forfeiture for future illegal acts.

(g) If the defendant is found to have the only valid interest in the property subject to forfeiture, it shall be distributed as follows:

(1) First, to the victim, if the victim elects to take the property as full or partial restitution for injury, victim expenditures, or compensatory damages, as defined in paragraph (1) of subdivision (e) of Section 502. If the victim elects to receive the property under this paragraph, the value of the property shall be determined by the court and that amount shall be credited against the restitution owed by the defendant. The victim shall not be penalized for electing not to accept the forfeited property in lieu of full or partial restitution.

(2) Second, at the discretion of the court, to one or more of the following agencies or entities:

- (A) The prosecuting agency.
- (B) The public entity of which the prosecuting agency is a part.
- (C) The public entity whose officers or employees conducted the investigation resulting in forfeiture.

(D) Other state and local public entities, including school districts.

(E) Nonprofit charitable organizations.

(h) If the property is to be sold, the court may designate the prosecuting agency or any other agency to sell the property at auction. The proceeds of the sale shall be distributed by the court as follows:

(1) To the bona fide or innocent purchaser or encumbrancer, conditional sales vendor, or mortgagee of the property up to the amount of his or her interest in the property, if the court orders a distribution to that person.

(2) The balance, if any, to be retained by the court, subject to the provisions for distribution under subdivision (g).

SEC. 149. Section 679.05 of the Penal Code is amended to read:

679.05. (a) A victim of domestic violence or abuse, as defined in Section 6203 or 6211 of the Family Code, or Section 13700 of this code, has the right to have a domestic violence counselor and a support person of the victim's choosing present at any interview by law enforcement authorities, district attorneys, or defense attorneys. However, the support person may be excluded from an interview by law enforcement or the district attorney if the law enforcement authority or the district attorney determines that the presence of that individual would be detrimental to the purpose of the interview. As used in this section, "domestic violence counselor" is defined in Section 1037.1 of the Evidence Code.

(b) (1) Prior to the commencement of the initial interview by law enforcement authorities or the district attorney pertaining to any criminal action arising out of a domestic violence incident, a victim of domestic violence or abuse, as defined in Section 6203 or 6211 of the Family Code, or Section 13700 of this code, shall be notified orally or in writing by the attending law enforcement authority or district attorney that the victim has the right to have a domestic violence counselor and a support person of the victim's choosing present at the interview or contact. This subdivision applies to investigators and agents employed or retained by law enforcement or the district attorney.

(2) At the time the victim is advised of his or her rights pursuant to paragraph (1), the attending law enforcement authority or district attorney shall also advise the victim of the right to have a domestic violence counselor and a support person present at any interview by the defense attorney or investigators or agents employed by the defense attorney.

(c) An initial investigation by law enforcement to determine whether a crime has been committed and the identity of the suspects shall not constitute a law enforcement interview for purposes of this section.

SEC. 150. Section 1203.4a of the Penal Code is amended to read:

1203.4a. (a) Every defendant convicted of a misdemeanor and not granted probation shall, at any time after the lapse of one year from the

date of pronouncement of judgment, if he or she has fully complied with and performed the sentence of the court, is not then serving a sentence for any offense and is not under charge of commission of any crime and has, since the pronouncement of judgment, lived an honest and upright life and has conformed to and obeyed the laws of the land, be permitted by the court to withdraw his or her plea of guilty or 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 accusatory pleading against the defendant, who 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 12021.1 of this code or Section 13555 of the Vehicle Code. The defendant shall be informed of the provisions of this section, either orally or in writing, at the time he or she is sentenced. The defendant may make an application and change of plea in person or by attorney, or by the probation officer authorized in writing; provided, that 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 relief had not been granted pursuant to this section.

This subdivision applies to convictions which occurred before as well as those occurring after, the effective date of this section.

(b) Subdivision (a) does not apply to any misdemeanor falling within the provisions of subdivision (b) of Section 42001 of the Vehicle Code, or to any infraction.

(c) A person who petitions for a dismissal of a charge under this section may be required to reimburse the county and the court for the cost of services rendered at a rate to be determined by the county board of supervisors for the county and by the court for the court, not to exceed sixty dollars (\$60), and to reimburse any city for the cost of services rendered at a rate to be determined by the city council not to exceed sixty dollars (\$60). 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) Any determination of amount made by a court under this section shall be valid only if either (1) made under procedures adopted by the Judicial Council or (2) approved by the Judicial Council.

SEC. 151. Section 11055 of the Penal Code is amended to read:

11055. (a) There is within the Department of Justice the Foreign Prosecution and Law Enforcement Unit designated with the responsibility for assisting local law enforcement agencies with foreign prosecutions, child abduction recoveries and returns under the Hague Convention on the Civil Aspects of International Child Abduction, and law enforcement investigative matters. The unit is also responsible for assisting local law enforcement in obtaining information from foreign officials on foreign prosecution matters.

(b) The Foreign Prosecution and Law Enforcement Unit shall do all of the following:

(1) For those countries having extraterritorial jurisdiction allowing for the prosecution of their citizens for crimes committed in California, the unit shall, upon request, provide informational assistance to local law enforcement on foreign prosecution protocols and provide technical assistance in preparing investigative materials for forwarding and filing in international jurisdictions. The unit shall provide information and assistance on the scope and uses of foreign prosecution to California prosecutors and law enforcement agencies. The unit shall be responsible for tracking foreign prosecution cases presented by California law enforcement agencies. The unit shall collect information on a statewide basis regarding foreign prosecution cases for the primary purpose of analyzing the information it collects and disseminating its conclusions to local law enforcement agencies. Local law enforcement agencies shall retain the authority to prepare and present foreign prosecution cases without the assistance of the unit.

(2) The unit shall assist district attorneys in recovering children from Mexico, and, where appropriate, other countries either in court-ordered returns pursuant to the Hague Convention or voluntary returns.

(3) The unit shall, upon request, assist local law enforcement agencies and foreign law enforcement in formal requests under the Mutual Legal Assistance Treaty. The unit shall, upon request, also assist California law enforcement agencies and foreign officials in informal requests for mutual legal assistance.

(4) The unit, under the direction of the Attorney General, shall provide information to local law enforcement on sensitive diplomatic issues.

SEC. 152. Section 12081 of the Penal Code is amended to read:

12081. (a) Any person who is at least 21 years of age may apply for an entertainment firearms permit from the Department of Justice that authorizes the permitholder to possess firearms loaned to him or her for use solely as a prop in a motion picture, television, video, theatrical, or other entertainment production or event. Upon receipt of an initial or renewal application submitted as specified in subdivision (b), the department shall examine its records, records the department is authorized

to request from the State Department of Mental Health pursuant to Section 8104 of the Welfare and Institutions Code, and records of the National Instant Criminal Background Check System as described in subsection (t) of Section 922 of Title 18 of the United States Code, in order to determine if the applicant is prohibited from possessing or receiving firearms. The department shall issue an entertainment firearms permit only if the records indicate that the applicant is not prohibited from possessing or receiving firearms pursuant to any federal, state, or local law.

(b) (1) Requests for entertainment firearms permits shall be made on application forms prescribed by the Department of Justice that require applicant information, including, but not limited to, the following:

(A) Complete name.

(B) Residential and mailing address.

(C) Telephone number.

(D) Date of birth.

(E) Place of birth.

(F) Country of citizenship and, if other than United States, alien number or admission number.

(G) Valid driver's license number or valid identification card number issued by the California Department of Motor Vehicles.

(H) Social security number.

(I) Signature.

(2) All applications must be submitted with the appropriate fee as specified in subdivision (c).

(3) An initial application for an entertainment firearms permit shall require the submission of fingerprint images and related information in a manner prescribed by the department, for the purpose of obtaining information as to the existence and nature of a record of state or federal level convictions and state or federal level arrests for which the department establishes that the individual was released on bail or on his or her own recognizance pending trial as needed to determine whether the applicant may be issued the permit. Requests for federal level criminal offender record information received by the Department of Justice pursuant to this section shall be forwarded by the department to the Federal Bureau of Investigation.

(4) The Department of Justice shall review the criminal offender record information specified in subdivision (I) of Section 11105 for entertainment firearms permit applicants.

(5) The Department of Justice shall review subsequent arrests, pursuant to Section 11105.2, to determine the continuing validity of the permit as specified in subdivision (d) for all entertainment firearms permit holders.

(6) Any person who furnishes a fictitious name or address or knowingly furnishes any incorrect information or knowingly omits any information required to be provided on this application is guilty of a misdemeanor.

(c) The Department of Justice shall recover the full costs of administering the program by assessing the following application fees:

(1) For the initial application: one hundred four dollars (\$104). Of this sum, fifty-six dollars (\$56) shall be deposited into the Fingerprint Fee Account, and forty-eight dollars (\$48) shall be deposited into the Dealer Record of Sale Account.

(2) For each annual renewal application: twenty-nine dollars (\$29), which shall be deposited into the Dealer Record of Sale Account.

(d) The implementation of subdivisions (a), (b), and (c) by the department is exempt from the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(e) The department shall annually review and shall adjust the fees specified in subdivision (c), if necessary, to fully fund, but not to exceed the actual costs of, the permit program provided for by this section, including enforcement of the program.

(f) An entertainment firearms permit issued by the Department of Justice shall be valid for one year from the date of issuance. If at any time during that year the permitholder becomes prohibited from possessing or receiving firearms pursuant to any federal, state, or local law, his or her entertainment firearms permit shall be no longer valid.

SEC. 153. Section 12553 of the Penal Code is amended to read:

12553. (a) (1) Any person who changes, alters, removes, or obliterates any coloration or markings that are required for by any applicable state or federal law or regulation, for any imitation firearm, or device described in subdivision (c) of Section 12555, in any way that makes the imitation firearm or device look more like a firearm is guilty of a misdemeanor.

(2) This subdivision shall not apply to a manufacturer, importer, or distributor of imitation firearms or to the lawful use in theatrical productions, including motion pictures, television, and stage productions.

(b) Any manufacturer, importer, or distributor of imitation firearms that fails to comply with any applicable federal law or regulation governing the marking of a toy, look-alike or imitation firearm as defined by federal law or regulation is guilty of a misdemeanor.

SEC. 154. Section 6106.5 of the Public Contract Code is amended to read:

6106.5. (a) "State agency," as used in this section, means those departments defined in Section 10106 of the Public Contract Code.

(b) “Contractor,” as used in this section, means “firm,” “architectural, landscape architectural, engineering, environmental, and land surveying services,” “construction project management,” and “environmental services” as defined in Section 4525 of the Government Code.

(c) State agencies shall include a provision in solicitations and in contracts, if the estimated amount to be retained exceeds ten thousand dollars (\$10,000), and the retention continues for a period of 60 days beyond the completion of phased services, to permit, upon written request and the expense of the contractor, the payment of retentions earned directly to a state- or federally chartered bank in this state, as the escrow agent. The contractor may direct the investment of the payments into securities, pursuant to subdivision (d), and the contractor shall receive the interest earned on the investments. Upon satisfactory completion of the contract, the contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the owner, pursuant to the terms of this section. State agencies, relative to contracts entered into prior to the enactment of this section, upon written request of the contractor, and subject to the approval of the state agency, may utilize the provisions of this section.

(d) Securities eligible for investment under this section shall include those listed in Section 16430 of the Government Code, interest-bearing demand deposit accounts, or any other investment mutually agreed to by the contractor and the state agency.

(e) (1) Any contractor who elects to receive interest on moneys withheld in retention by a state agency shall, at the request of any subcontractor, make that option available to the subcontractor regarding any moneys withheld in retention by the contractor from the subcontractor. If the contractor elects to receive interest on any moneys withheld in retention by a state agency, then the subcontractor shall receive the identical rate of interest received by the contractor on any retention moneys withheld from the subcontractor by the contractor, less any actual pro rata costs associated with administering and calculating that interest. In the event that the interest rate is a fluctuating rate, the rate for the subcontractor shall be determined by calculating the interest rate paid during the time that retentions were withheld from the subcontractor. If the contractor elects to substitute securities in lieu of retention, then, by mutual consent of the contractor and subcontractor, the subcontractor may substitute securities in exchange for the release of moneys held in retention by the contractor.

(2) This subdivision shall apply only to those subcontractors performing more than 5 percent of the contractor’s total fee.

(3) No contractor shall require any subcontractor to waive any provision of this section.

(f) An escrow agreement used pursuant to this section shall be null, void, and unenforceable unless it is substantially similar to the following form:

ESCROW AGREEMENT FOR SECURITY DEPOSITS

This Escrow Agreement is made and entered into by and between

whose address is _____

hereinafter called "owner," _____

whose address is _____

hereinafter called "contractor," and _____

whose address is _____

hereinafter called "escrow agent."

(1) Pursuant to Section 6106.5 of the Public Contract Code of the State of California, upon written request of the contractor, the owner shall make payments of retention earnings required to be withheld by the owner pursuant to the professional consulting services agreement entered into between the owner and contractor for ____ in the amount of ____ dated ____ hereafter referred to as the "contract."

(2) When the owner makes payment of retentions earned directly to the escrow agent, the escrow agent shall hold them for the benefit of the contractor until such time as the escrow created under this contract is terminated. The contractor may direct the investment of the payments into securities pursuant to Section 6106.5(d) of the Public Contract Code. All terms and conditions of this agreement and the rights and responsibilities of the parties shall be equally applicable and binding when the owner pays the escrow agent directly.

(3) The contractor shall be responsible for paying all fees for the expenses incurred by the escrow agent in administering the escrow account. These expenses and payment terms shall be determined by the contractor and escrow agent.

(4) The contractor shall have the right to withdraw all or any part of the principal or interest in the escrow account only by written notice to the escrow agent accompanied by written authorization from the owner to the escrow agent that the owner consents to the withdrawal of the amount sought to be withdrawn by contractor.

(5) The owner shall have a right to draw upon the escrow account in the event of default by the contractor. Upon seven days' written notice to the escrow agent from the owner of the default, the escrow agent shall immediately distribute the cash as instructed by the owner.

(6) Upon receipt of written notification from the owner certifying that the contract is final and complete, and that the contractor has complied

with all requirements and procedures applicable to the contract, the escrow agent shall release to the contractor all deposits and interest on deposits less escrow fees and charges of the escrow account. The escrow shall be closed immediately upon disbursement of all moneys on deposit and payments of fees and charges.

(7) The escrow agent shall rely on the written notifications from the owner and the contractor pursuant to Sections (1) to (6), inclusive, of this agreement and the owner and contractor shall hold the escrow agent harmless from the escrow agent’s release, conversion, and disbursement of the securities and interest as set forth above.

(8) The names of the persons who are authorized to give written notice or to receive written notice on behalf of the owner and on behalf of the contractor in connection with the foregoing, and exemplars of their respective signatures are as follows:

On behalf of the owner:

On behalf of the contractor:

Title

Title

Name

Name

Address

Address

On behalf of the escrow agent:

Title

Name

Signature

Address

At the time the escrow account is opened, the owner and contractor shall deliver to the escrow agent a fully executed counterpart of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement by their proper officers on the date first set forth above.

Owner

Contractor

Title	Title
Name	Name
Signature	Signature

SEC. 155. Section 6108 of the Public Contract Code is amended to read:

6108. (a) (1) Every contract entered into by any state agency for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, shall require that a contractor certify that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor shall agree to comply with this provision of the contract.

(2) The contract shall specify that the contractor is required to cooperate fully in providing reasonable access to the contractor's records, documents, agents, employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice determine the contractor's compliance with the requirements under paragraph (1).

(b) (1) Any contractor contracting with the state who knew or should have known that the apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state were laundered or produced in violation of the conditions specified in subdivision (a) when entering into a contract pursuant to subdivision (a), may, subject to subdivision (c), have any or all of the following sanctions imposed:

(A) The contract under which the prohibited apparel, garments or corresponding accessories, equipment, materials, or supplies were laundered or provided may be voided at the option of the state agency to which the equipment, materials, or supplies were provided.

(B) The contractor may be assessed a penalty which shall be the greater of one thousand dollars (\$1,000) or an amount equaling 20 percent of the value of the apparel, garments or corresponding accessories, equipment, materials, or supplies that the state agency demonstrates were produced in violation of the conditions specified in paragraph (1)

of subdivision (a) and that were supplied to the state agency under the contract.

(C) The contractor may be removed from the bidder's list for a period not to exceed 360 days.

(2) Any moneys collected pursuant to this subdivision shall be deposited into the General Fund.

(c) (1) When imposing the sanctions described in subdivision (b), the contracting agency shall notify the contractor of the right to a hearing, if requested, within 15 days of the date of the notice. The hearing shall be before an administrative law judge of the Office of Administrative Hearings in accordance with the procedures specified in Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code. The administrative law judge shall take into consideration any measures the contractor has taken to ensure compliance with this section, and may waive any or all of the sanctions if it is determined that the contractor has acted in good faith.

(2) The agency shall be assessed the cost of the administrative hearing, unless the agency has prevailed in the hearing, in which case the contractor shall be assessed the cost of the hearing.

(d) (1) Any state agency that investigates a complaint against a contractor for violation of this section may limit its investigation to evaluating the information provided by the person or entity submitting the complaint and the information provided by the contractor.

(2) Whenever a contracting officer of the contracting agency has reason to believe that the contractor failed to comply with the requirements under paragraph (1) of subdivision (a), the agency shall refer the matter for investigation to the head of the agency and, as the head of the agency determines appropriate, to either the Director of Industrial Relations or the Department of Justice.

(e) (1) For purposes of this section, the term "forced labor" shall have the same meaning as in Section 1307 of Title 19 of the United States Code.

(2) "Abusive forms of child labor" means any of the following:

(A) All forms of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage, and serfdom and forced or compulsory labor, including forced or compulsory recruitment of children for use in armed conflict.

(B) The use, procuring, or offering of a child for prostitution, for the production of pornography, or for pornographic performances.

(C) The use, procuring, or offering of a child for illicit activities, in particular for the production and trafficking of illicit drugs.

(D) All work or service exacted from or performed by any person under the age of 18 either under the menace of any penalty for its

nonperformance and for which the worker does not offer oneself voluntarily, or under a contract, the enforcement of which can be accomplished by process or penalties.

(E) All work or service exacted from or performed by a child in violation of all applicable laws of the country of manufacture governing the minimum age of employment, compulsory education, and occupational health and safety.

(3) "Exploitation of children in sweatshop labor" means all work or service exacted from or performed by any person under the age of 18 years in violation of more than one law of the country of manufacture governing wage and benefits, occupational health and safety, nondiscrimination, and freedom of association.

(4) "Sweatshop labor" means all work or service extracted from or performed by any person in violation of more than one law of the country of manufacture governing wages, employee benefits, occupational health, occupational safety, nondiscrimination, or freedom of association.

(5) "Apparel, garments or corresponding accessories" includes, but is not limited to, uniforms.

(6) Notwithstanding any other provision of this section, "forced labor" and "convict labor" do not include work or services performed by an inmate or a person employed by the Prison Industry Authority.

(7) "State agency" means any state agency in this state.

(f) (1) On or before February 1, 2004, the Department of Industrial Relations shall establish a contractor responsibility program, including a Sweatfree Code of Conduct, to be signed by all bidders on state contracts and subcontracts. Any state agency responsible for procurement shall ensure that the Sweatfree Code of Conduct is available for public review at least 30 calendar days between the dates of receipt and the final award of the contract. The Sweatfree Code of Conduct shall list the requirements that contractors are required to meet, as set forth in subdivision (g).

(2) Upon implementation in the manner described in paragraph (4), every contract entered into by any state agency for the procurement or laundering of apparel, garments or corresponding accessories, or for the procurement of equipment or supplies, shall require that the contractor certify in accordance with the Sweatfree Code of Conduct that no apparel, garments or corresponding accessories, or equipment, materials, or supplies, furnished to the state pursuant to the contract have been laundered or produced, in whole or in part, by sweatshop labor.

(3) The appropriate procurement agency, in consultation with the Director of Industrial Relations, shall employ a phased and targeted approach to implementing the Sweatfree Code of Conduct. Sweatfree Code of Conduct procurement policies involving apparel, garments and

corresponding accessories may be permitted a phasein period of up to one year for purposes of feasibility and providing sufficient notice to contractors and the general public. The appropriate procurement agency, in consultation with the Director of Industrial Relations, shall target other procurement categories based on the magnitude of verified sweatshop conditions and the feasibility of implementation, and may set phasein goals and timetables of up to three years in order to achieve compliance with the principles of the Sweatfree Code of Conduct.

(4) In order to facilitate compliance with the Sweatfree Code of Conduct, the Department of Industrial Relations shall explore mechanisms employed by other governmental entities, including, but not limited to, New Jersey Executive Order 20 of 2002, to ensure that businesses that contract with this state are in compliance with this section and any regulations or requirements promulgated in conformance with this section, as amended by the act adding this paragraph. The mechanisms explored may include, but not be limited to, authorization to contract with a competent nonprofit organization that is neither funded nor controlled, in whole or in part, by a corporation that is engaged in the procurement or laundering of apparel, garments, or corresponding accessories, or the procurement of equipment, materials, or supplies. The Department of Industrial Relations, in complying with this paragraph, shall also consider any feasible and cost-effective monitoring measures that will encourage compliance with the Sweatfree Code of Conduct.

(5) To ensure public access and confidence, the Department of Industrial Relations shall ensure public awareness and access to proposed contracts by postings on the Internet and through communication to advocates for garment workers, unions, and other interested parties. The appropriate agencies shall establish a mechanism for soliciting and reviewing any information indicating violations of the Sweatfree Code of Conduct by prospective or current bidders, contractors, or subcontractors. The agencies shall make their findings public when they reject allegations against bidding or contracting parties.

(6) Contractors shall ensure that their subcontractors comply in writing with the Sweatfree Code of Conduct, under penalty of perjury. Contractors shall attach a copy of the Sweatfree Code of Conduct to the certification required by subdivision (a).

(g) No state agency may enter into a contract with any contractor unless the contractor meets the following requirements:

(1) Contractors and subcontractors in California shall comply with all appropriate state laws concerning wages, workplace safety, rights to association and assembly, and nondiscrimination standards, as well as appropriate federal laws. Contractors based in other states in the United States shall comply with all appropriate laws of their states and

appropriate federal laws. For contractors whose locations for manufacture or assembly are outside the United States, those contractors shall ensure that their subcontractors comply with the appropriate laws of countries where the facilities are located.

(2) Contractors and subcontractors shall maintain a policy of not terminating any employee except for just cause, and employees shall have access to a mediator or to a mediation process to resolve certain workplace disputes that are not regulated by the National Labor Relations Board.

(3) Contractors and subcontractors shall ensure that workers are paid, at a minimum, wages and benefits in compliance with applicable local, state, and national laws of the jurisdiction in which the labor, on behalf of the contractor or subcontractor, is performed. Whenever a state agency expends funds for the procurement or laundering of apparel, garments, or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, the applicable labor standards established by the local jurisdiction through the exercise of either local police powers or local spending powers in which the labor, in compliance with the contract or purchase order for which the expenditure is made, is performed shall apply with regard to the contract or purchase order for which the expenditure is made, unless the applicable local standards are in conflict with, or are explicitly preempted by, state law. A state agency may not require, as a condition for the receipt of state funds or assistance, that a local jurisdiction refrain from applying the labor standards that are otherwise applicable to that local jurisdiction. The Department of Industrial Relations may, without incurring additional expenses, access information from any nonprofit organization, including, but not limited to, the World Bank, that gathers and disseminates data with respect to wages paid throughout the world, to allow the Department of Industrial Relations to determine whether contractors and subcontractors are compensating their employees at a level that enables those employees to live above the applicable poverty level.

(4) All contractors and subcontractors shall comply with the overtime laws and regulations of the country in which their employees are working.

(5) All overtime hours shall be worked voluntarily. Workers shall be compensated for overtime at either (A) the rate of compensation for regular hours of work, or (B) as legally required in the country of manufacture, whichever is greater.

(6) No person may be employed who is younger than the legal age for children to work in the country in which the facility is located. In no case may children under the age of 15 years be employed in the manufacturing process. Where the age for completing compulsory

education is higher than the standard for the minimum age of employment, the age for completing education shall apply to this section.

(7) There may be no form of forced labor of any kind, including slave labor, prison labor, indentured labor, or bonded labor, including forced overtime hours.

(8) The work environment shall be safe and healthy and, at a minimum, be in compliance with relevant local, state, and national laws. If residential facilities are provided to workers, those facilities shall be safe and healthy as well.

(9) There may be no discrimination in hiring, salary, benefits, performance evaluation, discipline, promotion, retirement, or dismissal on the basis of age, sex, pregnancy, maternity leave status, marital status, race, nationality, country of origin, ethnic origin, disability, sexual orientation, gender identity, religion, or political opinion.

(10) No worker may be subjected to any physical, sexual, psychological, or verbal harassment or abuse, including corporal punishment, under any circumstances, including, but not limited to, retaliation for exercising his or her right to free speech and assembly.

(11) No worker may be forced to use contraceptives or take pregnancy tests. No worker may be exposed to chemicals, including glues and solvents, that endanger reproductive health.

(12) Contractors and bidders shall list the names and addresses of each subcontractor to be utilized in the performance of the contract, and list each manufacturing or other facility or operation of the contractor or subcontractor for performance of the contract. The list, which shall be maintained and updated to show any changes in subcontractors during the term of the contract, shall provide company names, owners or officers, addresses, telephone numbers, e-mail addresses, and the nature of the business association.

(h) Any person who certifies as true any material matter pursuant to this section that he or she knows to be false is guilty of a misdemeanor.

(i) The provisions of this section, as amended by Chapter 711 of the Statutes of 2003, shall be in addition to any other provisions that authorize the prosecution and enforcement of local labor laws and may not be interpreted to prohibit a local prosecutor from bringing a criminal or civil action against an individual or business that violates the provisions of this section.

SEC. 156. Section 10411 of the Public Contract Code is amended to read:

10411. (a) No retired, dismissed, separated, or formerly employed person of any state agency or department employed under the state civil service or otherwise appointed to serve in state government may enter into a contract in which he or she engaged in any of the negotiations,

transactions, planning, arrangements, or any part of the decisionmaking process relevant to the contract while employed in any capacity by any state agency or department. The prohibition of this subdivision shall apply to a person only during the two-year period beginning on the date the person left state employment.

(b) For a period of 12 months following the date of his or her retirement, dismissal, or separation from state service, no person employed under state civil service or otherwise appointed to serve in state government may enter into a contract with any state agency, if he or she was employed by that state agency in a policymaking position in the same general subject area as the proposed contract within the 12-month period prior to his or her retirement, dismissal, or separation. The prohibition of this subdivision shall not apply to a contract requiring the person's services as an expert witness in a civil case or to a contract for the continuation of an attorney's services on a matter with which he or she was involved prior to leaving state service.

SEC. 157. Section 5018.1 of the Public Resources Code is amended to read:

5018.1. (a) Notwithstanding any other provision of law, the Department of Finance may delegate to the department the right to exercise the same authority granted to the Division of the State Architect and the Real Estate Services Division in the Department of General Services, to plan, design, construct, and administer contracts and professional services for legislatively approved capital outlay projects.

(b) Any right afforded to the department pursuant to subdivision (a) to exercise project planning, design, construction, and administration of contracts and professional services may be revoked, in whole or in part, by the Department of Finance at any time prior to January 1, 2009.

(c) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.

SEC. 158. Section 14530.1 of the Public Resources Code is amended to read:

14530.1. There is hereby created within the department a recycling financial analysis and policy development unit, to develop, analyze, consolidate, and evaluate economic and policy proposals to carry out the objectives of this division, including, but not limited to, all of the following:

(a) Evaluate the solvency of the fund on an ongoing basis in order to make recommendations and report to the Legislature.

(b) Identify the fiscal impacts of proposed recycling programs, or changes to existing recycling programs.

(c) Assess the economic impacts of recycling proposals and programs on the state's citizens and businesses, including the impact of adding new container types into existing law.

(d) Develop recommendations to better integrate the various recycling alternatives available from state government, local government, and private industry with the objective of reducing recycling costs to citizens and businesses and meeting the 80-percent recycling goal established by this division.

SEC. 159. Section 14539 of the Public Resources Code is amended to read:

14539. (a) The department shall certify processors pursuant to this section. The director shall adopt, by regulation, requirements and standards for certification. The regulations shall require, but shall not be limited to requiring, that all of the following conditions be met for certification:

(1) The processor demonstrates to the satisfaction of the department that the processor will operate in accordance with this division.

(2) If one or more certified entities have operated at the same location within the past five years, the operations at the location of the processor exhibit, to the satisfaction of the department, a pattern of operation in compliance with the requirements of this division and regulations adopted pursuant to this division.

(3) The processor notifies the department promptly of any material change in the nature of the processor's operations that conflicts with the information submitted in the operator's application for certification.

(b) A certified processor shall comply with all of the following requirements for operation:

(1) The processor shall not pay a refund value for, or receive a refund value from the department for, any food or drink packaging material or any beverage container or other product that does not have a refund value established pursuant to Section 14560.

(2) The processor shall take those actions that satisfy the department to prevent the payment of a refund value for any food or drink packaging material or any beverage container or other product that does not have a refund value established pursuant to Section 14560.

(3) Unless exempted pursuant to subdivision (b) of Section 14572, the processor shall accept, and pay at least the refund value for, all empty beverage containers, regardless of type, for which the processor is certified.

(4) A processor shall not pay any refund values, processing payments, or administrative fees to a noncertified recycler. A processor may pay refund values, processing payments, or administrative fees to any entity

that is identified by the department on its list of certified recycling centers.

(5) A processor shall not pay any refund values, processing payments, or administrative fees on empty beverage containers or other containers that the processor knew, or should have known, were coming into the state from out of the state.

(6) A processor shall not claim refund values, processing payments, or administrative fees on empty beverage containers that the processor knew, or should have known, were received from noncertified recyclers or on beverage containers that the processor knew, or should have known, come from out of the state. A processor may claim refund values, processing payments, or administrative fees on any empty beverage container that does not come from out of the state and that is received from any entity that is identified by the department on its list of certified recycling centers.

(7) A processor shall take the actions necessary and approved by the department to cancel containers to render them unfit for redemption.

(8) A processor shall prepare or maintain the following documents involving empty beverage containers, as specified by the department by regulation:

(A) Shipping reports that are required to be prepared by the processor or that are required to be obtained from recycling centers.

(B) Processor invoice reports.

(C) Cancellation verification documents.

(D) Documents authorizing recycling centers to cancel empty beverage containers.

(E) Processor-to-processor transaction receipts.

(F) Rejected container receipts on materials subject to this division.

(G) Receipts for transactions with beverage manufacturers on materials subject to this division.

(H) Receipts for transactions with distributors on materials subject to this division.

(I) Weight tickets.

(9) In addition to the requirements of paragraph (7), a processor shall cooperate with the department and make available its records of scrap transactions when the review of these records is necessary for an audit or investigation by the department.

(c) The department may recover, in restitution pursuant to paragraph (5) of subdivision (c) of Section 14591.2, any payments made by the department to the processor pursuant to Section 14573 that are based on the documents specified in paragraph (8), that are not prepared or maintained in compliance with the department's regulations, and that do not allow the department to verify claims for program payments.

SEC. 160. Section 14551 of the Public Resources Code is amended to read:

14551. (a) The department shall establish reporting periods for the reporting of redemption rates and recycling rates. Each reporting period shall be six months. The department shall determine all of the following for each reporting period and shall issue a report on its determinations, within 130 days of the end of each reporting period:

(1) Sales of beverages in aluminum beverage containers, bimetal beverage containers, glass beverage containers, plastic beverage containers, and other beverage containers in this state, including refillable beverage containers.

(2) Returns for recycling, and returns not for recycling, of empty aluminum beverage containers, bimetal beverage containers, glass beverage containers, plastic beverage containers, and other beverage containers in this state, including refillable beverage containers returned to distributors pursuant to Section 14572.5. These numbers shall be calculated using the average current weights of beverage containers, as determined and reported by the department. To these numbers shall be added and separately reported the following, if greater than, or equal to, zero:

(A) All empty postfilled aluminum, glass, and plastic food or drink packaging materials sold in the state, returned for recycling, and reported by weight to the department which do not have a refund value less the number specified in subparagraph (B).

(B) The number of beverage containers which comprise the first five percentage points of the redemption rate without including the empty postfilled aluminum, glass, and plastic food or drink packaging materials sold in the state, returned for recycling and reported by weight to the department which do not have a refund value.

(3) An aluminum beverage container redemption rate, the numerator of which shall be the number of empty aluminum beverage containers returned, including refillable aluminum beverage containers and empty postfilled aluminum food or drink packaging material included in paragraph (2), and the denominator of which shall be the number of aluminum beverage containers sold in this state.

(4) An aluminum beverage container recycling rate, the numerator of which shall be the number of empty aluminum beverage containers returned for recycling, including refillable aluminum beverage containers, and the denominator of which shall be the number of aluminum beverage containers sold in this state.

(5) A bimetal beverage container redemption rate, the numerator of which shall be the number of empty bimetal beverage containers returned,

and the denominator of which shall be the number of bimetal beverage containers sold in this state.

(6) A bimetal beverage container recycling rate, the numerator of which shall be the number of empty bimetal containers returned for recycling, including refillable bimetal beverage containers, and the denominator of which shall be the number of bimetal beverage containers sold in this state.

(7) A glass beverage container redemption rate, the numerator of which shall be the number of empty glass beverage containers returned, including refillable glass beverage containers and empty postfilled food or drink packaging materials included in paragraph (2), and the denominator of which shall be the number of glass beverage containers sold in this state.

(8) A glass beverage container recycling rate, the numerator of which shall be the number of empty glass beverage containers returned for recycling, including refillable glass beverage containers, and the denominator of which shall be the number of glass beverage containers sold in this state.

(9) A plastic beverage container redemption rate, the numerator of which shall be the number of empty plastic beverage containers returned, including refillable plastic beverage containers and empty postfilled food or drink packaging materials included in paragraph (2), and the denominator of which shall be the number of plastic beverage containers sold in this state.

(10) A plastic beverage container recycling rate, the numerator of which shall be the number of empty plastic beverage containers returned for recycling, including refillable plastic beverage containers, and the denominator of which shall be the number of plastic beverage containers sold in this state.

(11) A redemption rate for other beverage containers, the numerator of which shall be the number of empty beverage containers other than those containers specified in paragraphs (1) to (10), inclusive, returned, and the denominator of which shall be the number of beverage containers, other than those containers specified in paragraphs (1) to (10), inclusive, sold in this state.

(12) A recycling rate for other beverage containers, the numerator of which shall be the number of empty beverage containers other than those containers specified in paragraphs (1) to (10), inclusive, returned for recycling, and the denominator of which shall be the number of beverage containers, other than those containers specified in paragraphs (1) to (10), inclusive, sold in this state.

(13) The department may define categories of other beverage containers, and report a redemption rate and a recycling rate for each such category of other beverage containers.

(14) The volumes of materials collected from certified recycling centers, by city or county, as requested by the city or county, if the reporting is consistent with the procedures established pursuant to Section 14554 to protect proprietary information.

(b) The department shall determine the manner of collecting the information for the reports specified in subdivision (a), including establishing procedures, to protect any proprietary information concerning the sales and purchases.

SEC. 161. 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 qualified 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. 162. Section 21159.24 of the Public Resources Code is amended to read:

21159.24. (a) Except as provided in subdivision (b), this division does not apply to a project if all of the following criteria are met:

(1) The project is a residential project on an infill site.
(2) The project is located within an urbanized area.
(3) The project satisfies the criteria of Section 21159.21.
(4) Within five years of the date that the application for the project is deemed complete pursuant to Section 65943 of the Government Code, community-level environmental review was certified or adopted.

(5) The site of the project is not more than four acres in total area.

(6) The project does not contain more than 100 residential units.

(7) Either of the following criteria are met:

(A) (i) At least 10 percent of the housing is sold to families of moderate income, or not less than 10 percent of the housing is rented to families of low income, or not less than 5 percent of the housing is rented to families of very low income.

(ii) The project developer provides sufficient legal commitments to the appropriate local agency to ensure the continued availability and use of the housing units for very low, low-, and moderate-income households

at monthly housing costs determined pursuant to paragraph (3) of subdivision (h) of Section 65589.5 of the Government Code.

(B) The project developer has paid or will pay in-lieu fees pursuant to a local ordinance in an amount sufficient to result in the development of an equivalent number of units that would otherwise be required pursuant to subparagraph (A).

(8) The project is within one-half mile of a major transit stop.

(9) The project does not include any single level building that exceeds 100,000 square feet.

(10) The project promotes higher density infill housing. A project with a density of at least 20 units per acre shall be conclusively presumed to promote higher density infill housing. A project with a density of at least 10 units per acre and a density greater than the average density of the residential properties within 1,500 feet shall be presumed to promote higher density housing unless the preponderance of the evidence demonstrates otherwise.

(b) Notwithstanding subdivision (a), this division shall apply to a development project that meets the criteria described in subdivision (a), if any of the following occur:

(1) There is a reasonable possibility that the project will have a project-specific, significant effect on the environment due to unusual circumstances.

(2) Substantial changes with respect to the circumstances under which the project is being undertaken that are related to the project have occurred since community-level environmental review was certified or adopted.

(3) New information becomes available regarding the circumstances under which the project is being undertaken and that is related to the project, that was not known, and could not have been known, at the time that community-level environmental review was certified or adopted.

(c) If a project satisfies the criteria described in subdivision (a), but is not exempt from this division as a result of satisfying the criteria described in subdivision (b), the analysis of the environmental effects of the project in the environmental impact report or the negative declaration shall be limited to an analysis of the project-specific effect of the projects and any effects identified pursuant to paragraph (2) or (3) of subdivision (b).

(d) For the purposes of this section, "residential" means a use consisting of either of the following:

(1) Residential units only.

(2) Residential units and primarily neighborhood-serving goods, services, or retail uses that do not exceed 15 percent of the total floor area of the project.

SEC. 163. Section 30310 of the Public Resources Code is amended to read:

30310. In making their appointments pursuant to this division, the Governor, the Senate Committee on Rules, and the Speaker of the Assembly shall make good faith efforts to assure that their appointments, as a whole, reflect, to the greatest extent feasible, the economic, social, and geographic diversity of the state.

SEC. 164. 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, and may electronically file with the Legislature, 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 Part 4 (commencing with Section 71300) of Division 34, 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 of General Services, 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. 165. Section 42648.6 of the Public Resources Code is amended to read:

42648.6. If a large venue or large event has contiguous parcels located in both the City of Los Angeles and the County of Los Angeles, the requirements of this chapter shall apply only to the local agency

containing the majority of the property for that large venue or large event.

SEC. 166. The heading of Chapter 4 (commencing with Section 71069) of Part 2 of Division 34 of the Public Resources Code, as added by Chapter 644 of the Statutes of 2004, is amended and renumbered to read:

CHAPTER 3.5. REPORT AND INFORMATION MANAGEMENT

SEC. 167. Section 353.2 of the Public Utilities Code is amended to read:

353.2. (a) As used in this article, “ultraclean and low-emission distributed generation” means any electric generation technology that meets both of the following criteria:

(1) Commences initial operation between January 1, 2003, and December 31, 2008.

(2) Produces zero emissions during its operation or produces emissions during its operation that are equal to or less than the 2007 State Air Resources Board emission limits for distributed generation, except that technologies operating by combustion must operate in a combined heat and power application with a 60-percent system efficiency on a higher heating value.

(b) In establishing rates and fees, the commission may consider energy efficiency and emissions performance to encourage early compliance with air quality standards established by the State Air Resources Board for ultraclean and low-emission distributed generation.

SEC. 168. Section 379.6 of the Public Utilities Code is amended to read:

379.6. (a) The commission, in consultation with the State Energy Resources Conservation and Development Commission, shall administer, until January 1, 2008, the self-generation incentive program for distributed generation resources originally established pursuant to Chapter 329 of the Statutes of 2000. Except as provided in subdivision (b), the program shall be administered in the same form as it existed on January 1, 2004.

(b) Eligibility for the self-generation incentive program’s level 3 incentive category shall be subject to the following conditions:

(1) Commencing January 1, 2005, all combustion-operated distributed generation projects using fossil fuel shall meet an oxides of nitrogen (NO_x) emissions rate standard of 0.14 pounds per megawatthour.

(2) Commencing January 1, 2007, all combustion-operated distributed generation projects using fossil fuel shall meet a NO_x emissions rate standard of 0.07 pounds per megawatthour and a minimum efficiency

of 60 percent. A minimum efficiency of 60 percent shall be measured as useful energy output divided by fuel input. The efficiency determination shall be based on 100 percent load.

(3) Combined heat and power units that meet the 60-percent efficiency standard may take a credit to meet the applicable NO_x emissions standard of 0.14 pounds per megawatthour or 0.07 pounds per megawatthour. Credit shall be at the rate of one megawatthour for each 3.4 million British thermal units (Btus) of heat recovered.

(4) Notwithstanding paragraphs (1) and (2), a project that does not meet the applicable NO_x emission standard is eligible if it meets both of the following requirements:

(A) The project operates solely on waste gas. The commission shall require a customer that applies for an incentive pursuant to this paragraph to provide an affidavit or other form of proof, that specifies that the project shall be operated solely on waste gas. Incentives awarded pursuant to this paragraph shall be subject to refund and shall be refunded by the recipient to the extent the project does not operate on waste gas. As used in this paragraph, "waste gas" means natural gas that is generated as a byproduct of petroleum production operations and is not eligible for delivery to the utility pipeline system.

(B) The air quality management district or air pollution control district, in issuing a permit to operate the project, determines that operation of the project will produce an onsite net air emissions benefit, compared to permitted onsite emissions if the project does not operate. The commission shall require the customer to secure the permit prior to receiving incentives.

(c) In administering the self-generation incentive program, the commission may adjust the amount of rebates, include other ultraclean and low-emission distributed generation technologies, as defined in Section 353.2, and evaluate other public policy interests, including, but not limited to, ratepayers, and energy efficiency and environmental interests.

SEC. 169. Section 394.25 of the Public Utilities Code is amended to read:

394.25. (a) The commission may enforce the provisions of 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 the provisions of 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 subdivision (a) of Section 25744 of the Public

Resources Code. 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 Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code. 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 electrical 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. 170. Section 2827.10 of the Public Utilities Code is amended to read:

2827.10. (a) As used in this section, the following terms have the following meanings:

(1) "Electrical corporation" means an electrical corporation, as defined in Section 218.

(2) "Eligible fuel cell electrical generating facility" means a facility that includes the following:

(A) Integrated powerplant systems containing a stack, tubular array, or other functionally similar configuration used to electrochemically convert fuel to electric energy.

(B) An inverter and fuel processing system where necessary.

(C) Other plant equipment, including heat recovery equipment, necessary to support the plant's operation or its energy conversion.

(3) "Eligible fuel cell customer-generator" means a customer of an electrical corporation that meets all the following criteria:

(A) Uses a fuel cell electrical generating facility with a capacity of not more than one megawatt that is located on or adjacent to the customer's owned, leased, or rented premises, is interconnected and operates in parallel with the electric grid while the grid is operational or in a grid independent mode when the grid is nonoperational, and is sized

to offset part or all of the eligible fuel cell customer-generator's own electrical requirements.

(B) Is the recipient of local, state, or federal funds, or who self-finances projects designed to encourage the development of eligible fuel cell electrical generating facilities.

(C) Uses technology that meets the definition of an "ultraclean and low-emission distributed generation" in subdivision (a) of Section 353.2.

(4) "Net energy metering" has the same meaning as that term is defined in Section 2827.9.

(b) Every electrical corporation shall, not later than March 1, 2004, file with the commission a standard tariff providing for net energy metering for eligible fuel cell customer-generators, consistent with this section. Every electrical corporation shall make this tariff available to eligible fuel cell customer-generators upon request, on a first-come, first-served basis, until the total cumulative rated generating capacity used by the eligible fuel cell customer-generators equals 45 megawatts within the service territory of the electrical corporation for an electrical corporation with a peak demand above 10,000 megawatts, or equals 22.5 megawatts within the service territory of the electrical corporation for an electrical corporation with a peak demand of 10,000 megawatts or below. The combined statewide cumulative rated generating capacity used by the eligible fuel cell customer-generators in the service territories of all electrical corporations in the state may not exceed 112.5 megawatts.

(c) In determining the eligibility for the cumulative rated generating capacity within an electrical service area, preference shall be given to facilities which, at the time of installation, are located in a community with significant exposure to air contaminants or localized air contaminants, or both, including, but not limited to, communities of minority populations or low-income populations, or both, based on the ambient air quality standards established pursuant to Section 39607 of the Health and Safety Code.

(d) Each net energy metering contract or tariff shall be identical, with respect to rate structure, all retail rate components, and any monthly charges, to the contract or tariff to which the customer would be assigned if the customer was not an eligible fuel cell customer-generator. Any new or additional demand charge, standby charge, customer charge, minimum monthly charge, interconnection charge, or other charge that would increase an eligible fuel cell customer-generator's costs beyond those of other customers in the rate class to which the eligible fuel cell customer-generator would otherwise be assigned are contrary to the intent of the Legislature in enacting Chapter 661 of the Statutes of 2003, and may not form a part of net energy metering tariffs.

(e) The net metering calculation shall be carried out in accordance with Section 2827.9.

(f) 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. 171. Section 2828 of the Public Utilities Code is amended to read:

2828. (a) As used in this section, the following terms have the following meanings:

(1) "Environmental attributes" associated with the Hetch Hetchy Water and Power solar generation include, but are not limited to, the credits, benefits, emissions reductions, environmental air quality credits, and emissions reduction credits, offsets, and allowances, however entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance attributable to the Hetch Hetchy Water and Power photovoltaic electricity generation facility owned by the City and County of San Francisco.

(2) "HHWP solar generation" means the electricity generated by Hetch Hetchy Water and Power photovoltaic electricity generation facilities owned by the City and County of San Francisco, designated by the City and County of San Francisco pursuant to subdivision (b) and not to exceed five megawatts of peak generation capacity in total.

(3) "Interconnection Agreement" means the 1987 agreement between Pacific Gas and Electric Company and the City and County of San Francisco, as filed with and accepted by the Federal Energy Regulatory Commission (FERC), and as amended from time to time with FERC approval, which provides for rates for transmission, distribution, and sales of supplemental electricity to the City and County of San Francisco. Nothing in this section shall waive or modify the rights of parties under the Interconnection Agreement or the jurisdiction of the FERC over rates set forth in the Interconnection Agreement.

(4) "Appropriate TOU tariff" means the Time-of-Use tariff that would be applicable to the City and County of San Francisco account at the photovoltaic project site if the facility at the site were a Pacific Gas and Electric Company bundled customer, as determined by Pacific Gas and Electric Company.

(b) The City and County of San Francisco may elect to designate specific photovoltaic electricity generation facilities as HHWP solar generation, if all of the following conditions are met:

(1) No single photovoltaic generation project exceeds one megawatt of peak generation capacity.

(2) The photovoltaic project utilizes a meter, or multiple meters, capable of separately measuring electricity flow in both directions. All

meters shall provide “time-of-use” measurement information. If the existing meter at the site of the photovoltaic project is not capable of providing time-of-use information or is not capable of separately measuring total flow of energy in both directions, the City and County of San Francisco is responsible for all expenses involved in purchasing and installing a meter or meters that are both capable of providing time-of-use information and able to separately measure total electricity flow in both directions.

(3) The amount of all electricity delivered to the electric grid by the designated HHWP solar generation is the property of Pacific Gas and Electric Company.

(4) The City and County of San Francisco does not sell electricity delivered to the electric grid from the designated HHWP solar generation to a third party.

(5) Ownership and use of the environmental attributes associated with the electricity delivered to the electric grid by HHWP solar generation shall be determined by the commission in accordance with Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1.

(c) For each site of a photovoltaic project that comprises the HHWP solar generation, Pacific Gas and Electric Company shall identify the appropriate TOU tariff for that site. Any electricity exported to the Pacific Gas and Electric Company grid at that site shall, for each time-of-use period, result in a monetary credit to be applied monthly as a credit or offset against the invoice created pursuant to the Interconnection Agreement and shall be valued at the generation component of the appropriate TOU tariff. The commission shall determine if it is appropriate to increase the credit to reflect any additional value derived from the location or the environmental attributes of, the designated HHWP solar generation.

(d) Monthly charges and credit amounts are interim and subject to an accounting true-up, consistent with commission policies and practices. The true-up shall be performed annually or upon the termination, for any reason, of the Interconnection Agreement. The true-up shall accomplish the following:

(1) If the total electricity delivered to the site by Pacific Gas and Electric Company since the previous true-up equals or exceeds the total electricity exported to the grid by the Hetch Hetchy photovoltaic electricity generation facility at the site, the City and County of San Francisco is a net electricity consumer at that site. For any site where the City and County of San Francisco is a net electricity consumer, a credit or offset shall be applied to reduce the obligations of the City and County of San Francisco to an invoice prepared pursuant to the

Interconnection Agreement. If there is no invoiced obligation to be reduced, there is no applicable credit.

(2) If the total electricity delivered to the site by Pacific Gas and Electric Company since the previous true-up is less than the total electricity exported to the grid by the Hetch Hetchy photovoltaic electricity generation facility at the site, the City and County of San Francisco is a net electricity producer at that site. For any site where the City and County of San Francisco is a net electricity producer, the City and County of San Francisco shall receive no credit or offset for the electricity exported to the grid in excess of the electricity delivered to the site from the grid. For any site where the City and County of San Francisco is a net electricity producer, the City and County of San Francisco shall receive a credit or offset up to the amount of electricity delivered to the site from the grid. The credit or offset shall be applied to reduce the obligations of the City and County of San Francisco to an invoice prepared pursuant to the Interconnection Agreement. If there is no invoiced obligation to be reduced, there is no applicable credit or offset. Pacific Gas and Electric Company shall use the last-in, first-out method to determine what electricity delivered to the grid from the site will not earn a credit or offset.

(e) Notwithstanding any other provision of this section, if the City and County of San Francisco engages in retail sales to customers within the service territory of Pacific Gas and Electric Company, as a result of becoming a community choice aggregator, as a result of municipalization, or otherwise, all other provisions of this section shall become inoperative.

(f) Pursuant to this section, the offset to charges under the Interconnection Agreement is the medium to convey credits earned under this section. Nothing in this section shall be construed to affect in any way the rights and obligations of the City and County of San Francisco and Pacific Gas and Electric Company under the Interconnection Agreement.

(g) Pacific Gas and Electric Company shall file an advice letter with the commission, that complies with this section, not later than 10 days after the City and County of San Francisco first designates the specific generation facilities that will comprise HHWP solar generation. The commission, within 30 days of the date of filing of the advice letter, shall approve the advice letter or specify conforming changes to be made by Pacific Gas and Electric Company to be filed in an amended advice letter within 30 days.

(h) The City and County of San Francisco may terminate its election pursuant to subdivisions (b), (c), and (d), upon providing Pacific Gas and Electric Company with a minimum of 60 days' written notice.

SEC. 172. Section 21661.5 of the Public Utilities Code is amended to read:

21661.5. (a) No political subdivision, any of its officers or employees, or any person may submit any application for the construction of a new airport to any local, regional, state, or federal agency unless the plan for construction is first approved by the board of supervisors of the county, or the city council of the city, in which the airport is to be located and unless the plan is submitted to the appropriate commission exercising powers pursuant to Article 3.5 (commencing with Section 21670) of Chapter 4 of Part 1 of Division 9, and acted upon by that commission in accordance with the provisions of that article.

(b) A county board of supervisors or a city council may, pursuant to Section 65100 of the Government Code, delegate its responsibility under this section for the approval of a plan for construction of new helicopter landing and takeoff areas, to the county or city planning agency.

SEC. 173. Section 90300 of the Public Utilities Code is amended to read:

90300. (a) Employees have the right to self-organize, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection. It is declared to be in the public interest that the district not express any preference for one union over another.

(1) (A) Notwithstanding any other provision of this act, if a majority of the employees employed by a district in a unit appropriate for collective bargaining indicate a desire to be represented by a labor organization, then the district, after determining pursuant to subdivision (f) that the labor organization represents the employees in the appropriate unit, shall enter into a written contract with the accredited representative of those employees governing wages, salaries, hours, and working conditions.

(B) (i) If a dispute arises over wages, salaries, hours, or working conditions that is not resolved by negotiations conducted in good faith between the district and the labor organization, then upon the request of either party, the district and the labor organization may submit the dispute to an arbitration board. The decision of a majority of the arbitration board shall be final.

(ii) The arbitration board shall be composed of two representatives of the district, two representatives of the labor organization, and a fifth member to be agreed upon by the representatives of the district and labor organization.

(iii) If the representatives of the district and labor organization are unable to agree on the fifth member, then the names of five persons

experienced in labor arbitration shall be obtained from the California State Mediation and Conciliation Service within the Department of Industrial Relations. The labor organization and the district shall, alternately, strike a name from the list supplied by the California State Mediation and Conciliation Service. The labor organization and the district shall determine by lot who shall first strike a name from the list. After the labor organization and the district have stricken four names, the name remaining shall be designated as the arbitrator. The decision of a majority of the arbitration board shall be final and binding upon the parties.

(iv) The expenses of arbitration shall be borne equally by the parties. Each party shall bear the party's own costs.

(b) If the board and the representatives of the employees do not agree to submit the dispute to an arbitration board as provided in subdivision (a), either party may notify the California State Mediation and Conciliation Service that a dispute exists and that there is no agreement to arbitrate. The California State Mediation and Conciliation Service shall determine whether or not the dispute can be resolved by the parties and, if not, the issues that are the subject of the dispute. After making its determination, the service shall certify its findings to the Governor who shall, within 10 days of receipt of certification, appoint a factfinding commission consisting of three persons. The factfinding commission shall immediately convene and investigate the issues involved in the dispute. The commission shall report to the Governor within 30 days of the date of its creation.

(c) After the creation of the commission and for 30 days after the date the commission made its report to the Governor, the parties to the controversy shall not make any change, except by mutual agreement, in the conditions out of which the dispute arose. Service to the public shall be provided during that time.

(d) A contract or agreement shall not be made, or assumed, with any labor organization, association, group, or individual that denies membership to, or in any manner discriminates against, any employee on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code. However, the organization may preclude from membership any individual who advocates the overthrow of the government by force or violence.

(e) The district shall not discriminate with regard to employment against any person on any basis listed in subdivision (a) of Section 12940 of the Government Code, as those bases are defined in Sections 12926 and 12926.1 of the Government Code, except as otherwise provided in Section 12940 of the Government Code.

(f) (1) Any questions regarding whether a labor organization represents a majority of employees or whether the proposed unit is or is not appropriate, shall be submitted to the California State Mediation and Conciliation Service for disposition. The California State Mediation and Conciliation Service shall promptly hold a public hearing after due notice to all interested parties to determine the unit appropriate for the purposes of collective bargaining. In making that determination and in establishing rules and regulations governing petitions and the conduct of hearings and elections, the California State Mediation and Conciliation Service shall be guided by relevant federal law and administrative practice, developed under the Labor-Management Relations Act of 1947 (29 U.S.C. Sec. 141 et seq.).

(2) The California State Mediation and Conciliation Service shall provide for an election to determine the question of representation and shall certify the results to the parties. A certification of a labor organization to represent or act for the employees in any collective bargaining unit shall not be subject to challenge on the grounds that a new substantial question of representation within the collective bargaining unit exists until the lapse of one year from the date of certification or the expiration of any collective bargaining agreement, whichever is later. However, no collective bargaining agreement shall be construed to be a bar to representation proceedings for a period of more than two years.

(g) If the district acquires existing facilities from a publicly or privately owned public utility, either in proceedings by eminent domain or otherwise, the district shall assume and observe all existing labor contracts.

(1) To the extent necessary for operation of facilities, all of the employees of the acquired public utility whose duties pertain to the facilities acquired shall be appointed to comparable positions in the district without examination, subject to all the rights and benefits of this act. Those employees shall be given sick leave, seniority, vacation, and pension credits in accordance with the records and labor agreements of the acquired public utility.

(2) Members and beneficiaries of any pension or retirement system, or other benefits established by the public utility, shall continue to have the rights, privileges, benefits, obligations, and status with respect to the established system. No employee of any acquired public utility may be subject to a reduction in wages, seniority, pension, vacation, or other benefits as a result of the acquisition.

(3) The district may extend the benefits of this section to officers or supervisory employees of the acquired utility.

(h) The district shall not do any of the following:

(1) Acquire any existing system or part of an existing system, whether by purchase, lease, condemnation, or otherwise.

(2) Dispose of or lease any transit system or part of the transit system.

(3) Merge, consolidate, or coordinate any transit system or part of the transit system.

(4) Reduce or limit the lines or service of any existing system or of the district's system unless the district has first made adequate provision for any employees who are or may be displaced. The terms and conditions of that provision shall be a proper subject of collective bargaining.

(i) Notwithstanding any provision of the Government Code, the district may make deductions from the wages and salaries of its employees who authorize the deductions for the following purposes:

(1) Pursuant to a collective bargaining agreement with a duly designated or certified labor organization, for the payment of union dues, fees, or assessments.

(2) For the payment of contributions pursuant to any health and welfare plan, or pension or retirement plan.

(3) For any purpose for which employees of any private employer may authorize deductions.

(j) (1) The obligation of the district to bargain in good faith with a duly designated or certified labor organization and to execute a written collective bargaining agreement with that labor organization covering the wages, hours, and working conditions of the employees represented by that labor organization in an appropriate unit, and to comply with the terms of the collective bargaining agreement, shall not be limited or restricted by any provision of law. The obligation of the district to bargain collectively shall extend to all subjects of collective bargaining that are or may be proper subjects of collective bargaining with a private employer, including retroactive provisions.

(2) Notwithstanding any other provision of law, the district shall make deductions from the wages and salaries of its employees, upon receipt of authorization to make those deductions, for the payment of union dues, fees, or assessments, for the payment of contributions pursuant to any health and welfare plan or pension plan, or for any other purpose for which employees of any private employer may authorize deductions, where those deductions are pursuant to a collective bargaining agreement with a duly designated or certified labor organization.

(k) The district may provide for a retirement system, provided that the adoption, terms, and conditions of any retirement system covering employees of the district represented by a labor organization in accordance with this section shall be pursuant to a collective bargaining agreement between the labor organization and the district.

(l) The district shall take any steps that may be necessary to obtain coverage for the district and its employees under Title II of the Federal Social Security Act (42 U.S.C. Sec. 401 et seq.), and the related provisions of the Federal Insurance Contributions Act (26 U.S.C. Sec. 3101 et seq.).

(m) The district shall take any steps that may be necessary to obtain coverage for the district and its employees under the workers' compensation (Division 4 (commencing with Section 3200) and Division 4.5 (commencing with Section 6100) of the Labor Code), unemployment compensation disability (Part 2 (commencing with Section 2691) of Division 1 of the Unemployment Insurance Code), and unemployment insurance (Part 1 (commencing with Section 100) of Division 1 of the Unemployment Insurance Code) laws of the State of California.

SEC. 174. Section 130054.1 of the Public Utilities Code is amended to read:

130054.1. The Ventura County Transportation Commission shall consist of the following members:

(a) Five members of the Ventura County Board of Supervisors.

(b) One member from each incorporated city within Ventura County who shall be the mayor of the city or a member of its city council. The term of a member under this subdivision terminates when he or she ceases to hold that office or when replaced by the city council.

(c) One citizen member appointed by the Ventura County Board of Supervisors, who shall not be an elected official, but who shall be a resident of Ventura County.

(d) One citizen member appointed by the Ventura County City Selection Committee, who shall not be an elected official, but who shall be a resident of Ventura County.

(e) One nonvoting member appointed by the Governor.

SEC. 175. Section 130630 of the Public Utilities Code is amended to read:

130630. The role of the board as it relates to the MTA is as follows:

(a) The board provides counsel and direction to management and shall not be involved in the day-to-day affairs of the MTA.

(b) Board members do not have individual power or authority over the MTA. That power and decisionmaking authority lie with the full board.

SEC. 176. Section 170042 of the Public Utilities Code is amended to read:

170042. (a) The board may act only by ordinance or resolution for the regulation of the authority and undertaking all acts necessary and convenient for the exercise of the authority's powers.

(b) The authority may adopt and enforce rules and regulations for the administration, maintenance, operation, and use of its facilities and services.

(c) (1) A person who violates a rule, regulation, or ordinance adopted by the board is guilty of a misdemeanor punishable pursuant to Section 19 of the Penal Code, or an infraction under the circumstances set forth in paragraph (1) or (2) of subdivision (d) of Section 17 of the Penal Code.

(2) The authority may employ necessary personnel to enforce this section.

(d) A majority of the membership of the board shall constitute a quorum for the transaction of business.

SEC. 177. Section 69.4 of the Revenue and Taxation Code is amended to read:

69.4. (a) (1) Notwithstanding any other provision of law, pursuant to the authority of subdivision (i) of Section 2 of Article XIII A of the California Constitution, the base year value of qualified contaminated property may be transferred, subject to the conditions and limitations of that subdivision and this section, to a comparable replacement property of equal or lesser value that is located in the same county and is acquired or newly constructed as a replacement for the contaminated property, pursuant to subparagraph (A) of paragraph (1) of that subdivision.

(2) The limitation in paragraph (1) requiring that the qualified contaminated property and the replacement property be located in the same county does not apply in a county in which the county board of supervisors adopts a resolution making the provisions of this section applicable to replacement properties acquired to replace qualified contaminated properties located in another county within this state. The resolution shall specify the date on and after which its provisions are applicable. The specified date may be a date earlier than the date on which the county adopts the ordinance, but no earlier than November 3, 1998.

(b) The replacement property shall be acquired or newly constructed within five years after the original property is sold or otherwise transferred.

(c) (1) Upon the sale or transfer of the original property, the assessor shall determine a new base year value for that property in accordance with subdivision (a) of Section 2 of Article XIII A of the California Constitution and Section 110.1.

(2) This section does not apply unless the sale or transfer of the original property is a change in ownership that does either of the following:

(A) Subjects the original property to reappraisal at its current fair market value in accordance with Section 110.1 or 5803.

(B) Results in a base year value determined in accordance with this section, Section 69, Section 69.3, or Section 69.5 because the property qualifies under this section, Section 69, Section 69.3, or Section 69.5 as a replacement dwelling or property.

(d) Property tax relief under this section is not available for a replacement property if the owner or owners of the original property do either of the following:

(1) Receive property tax relief under Section 74.7.

(2) Sign a claim under Section 63.1 allowing the base year value to stay with the original property.

(e) For purposes of this section:

(1) The “original property” means the qualified contaminated property.

(2) “Equal or lesser value” means the amount of the full cash value of a replacement property that does not exceed one of the following:

(A) One hundred five percent of the amount of the full cash value of the original property, if the replacement property is purchased or newly constructed within the first year following the date of the sale of the original property.

(B) One hundred ten percent of the amount of the full cash value of the original property, if the replacement property is purchased or newly constructed within the second year following the date of the sale of the original property.

(C) One hundred fifteen percent of the amount of the full cash value of the original property, if the replacement property is purchased or newly constructed within the third year following the date of the sale of the original property.

(D) One hundred twenty percent of the amount of the full cash value of the original property, if the replacement property is purchased or newly constructed within the fourth year following the date of the sale of the original property.

(E) One hundred twenty-five percent of the amount of the full cash value of the original property, if the replacement property is purchased or newly constructed within the fifth year following the date of the sale of the original property.

For purposes of this paragraph, if the replacement property is, in part, purchased and, in part, newly constructed, the date the replacement property is “acquired or newly constructed” is the date of acquisition or the date of completion of construction, whichever is later.

(3) The base year value of the original property shall be the base year value of the original property as determined in accordance with Section 110.1, with the inflation factor adjustments permitted by subdivision (f) of Section 110.1. The base year value of the original property shall also include any inflation factor adjustments permitted by subdivision (f) of

Section 110.1 up to the date the replacement property is acquired or newly constructed, regardless of whether the claimant continued to own the original property during this entire period. The base year or years used to compute the base year value of the original property shall be deemed to be the base year or years of any property to which that base year value is transferred pursuant to this section.

(4) "Fair market value of the replacement property" means the full cash value of the replacement property determined in accordance with Section 110.1 as of the date on which that property was acquired or new construction was completed. If the replacement property is, in part, acquired and, in part, newly constructed, "fair market value of the replacement property" means the fair market value of the land and the improvements as of the date of completion.

(5) "Fair market value of the qualified contaminated property" means the full cash value of the qualified contaminated property, as if that property was not contaminated, determined in accordance with Section 110.1, as of the date of its sale or transfer by the claimant.

(6) "Claimant" means any owner of qualified contaminated property claiming the property tax relief provided by this section.

(7) "Comparable replacement property" means a property that is similar in utility and function to the property that it replaces. Property is similar in function and utility if it is, or is intended to be, used in the same manner as the qualified contaminated property.

(f) (1) A claimant is not eligible for the property tax relief provided by this section unless a claim is filed within three years of the date the replacement property was purchased or the new construction of the replacement property was completed.

(2) The claimant shall provide to the assessor the following information:

(A) Proof that the claimant did not participate or acquiesce in any act or omission that rendered the real property uninhabitable or unusable, as applicable, or is related to any individual or entity that committed that act or omission.

(B) Proof that the qualified contaminated property 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.

(3) The State Board of Equalization shall design the form for claiming eligibility.

(g) (1) Upon the timely filing of a claim, the assessor shall adjust the new base year value as of the date the replacement property is acquired or the date the new construction of the replacement property is completed, whichever is later.

(2) Any taxes that were levied on the replacement property prior to the filing of the claim on the basis of the replacement property's new base year value, and any allowable annual adjustments thereto, shall be canceled or refunded to the claimant to the extent that the taxes exceed the amount that would be due when determined on the basis of the adjusted new base year value.

(3) Notwithstanding Section 75.10, Chapter 3.5 (commencing with Section 75) of Part 0.5 of Division 1 shall be utilized for purposes of implementing this subdivision, including adjustments of the new base year value of replacement properties acquired prior to the sale or transfer of the qualified contaminated property.

(h) This section applies only to replacement property that is acquired or newly constructed on or after January 1, 1995.

SEC. 178. Section 214 of the Revenue and Taxation Code is amended to read:

214. (a) Property used exclusively for religious, hospital, scientific, or charitable purposes owned and operated by community chests, funds, foundations, limited liability companies, or corporations organized and operated for religious, hospital, scientific, or charitable purposes is exempt from taxation, including ad valorem taxes to pay the interest and redemption charges on any indebtedness approved by the voters prior to July 1, 1978, or any bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition, if:

(1) The owner is not organized or operated for profit. However, in the case of hospitals, the organization shall not be deemed to be organized or operated for profit if, during the immediately preceding fiscal year, operating revenues, exclusive of gifts, endowments and grants-in-aid, did not exceed operating expenses by an amount equivalent to 10 percent of those operating expenses. As used herein, operating expenses include depreciation based on cost of replacement and amortization of, and interest on, indebtedness.

(2) No part of the net earnings of the owner inures to the benefit of any private shareholder or individual.

(3) The property is used for the actual operation of the exempt activity, and does not exceed an amount of property reasonably necessary to the accomplishment of the exempt purpose.

(A) For the purposes of determining whether the property is used for the actual operation of the exempt activity, consideration shall not be given to use of the property for either or both of the following described activities if that use is occasional:

(i) The owner conducts fundraising activities on the property and the proceeds derived from those activities are not unrelated business taxable

income, as defined in Section 512 of the Internal Revenue Code, of the owner and are used to further the exempt activity of the owner.

(ii) The owner permits any other organization that meets all of the requirements of this subdivision, other than ownership of the property, to conduct fundraising activities on the property and the proceeds derived from those activities are not unrelated business taxable income, as defined in Section 512 of the Internal Revenue Code, of the organization, are not subject to the tax on unrelated business taxable income that is imposed by Section 511 of the Internal Revenue Code, and are used to further the exempt activity of the organization.

(B) For purposes of subparagraph (A):

(i) "Occasional use" means use of the property on an irregular or intermittent basis by the qualifying owner or any other qualifying organization described in clause (ii) of subparagraph (A) that is incidental to the primary activities of the owner or the other organization.

(ii) "Fundraising activities" means both activities involving the direct solicitation of money or other property and the anticipated exchange of goods or services for money between the soliciting organization and the organization or person solicited.

(C) Subparagraph (A) shall have no application in determining whether paragraph (3) has been satisfied unless the owner of the property and any other organization using the property as provided in subparagraph (A) have filed with the assessor a valid organizational clearance certificate issued pursuant to Section 254.6.

(D) For the purposes of determining whether the property is used for the actual operation of the exempt activity, consideration shall not be given to the use of the property for meetings conducted by any other organization if the meetings are incidental to the other organization's primary activities, are not fundraising meetings or activities as defined in subparagraph (B), are held no more than once per week, and the other organization and its use of the property meet all other requirements of paragraphs (1) to (5), inclusive. The owner of the other organization also shall file with the assessor a valid organizational clearance certificate issued pursuant to Section 254.6.

(E) Nothing in subparagraph (A), (B), (C), or (D) shall be construed to either enlarge or restrict the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(4) The property is not used or operated by the owner or by any other person so as to benefit any officer, trustee, director, shareholder, member, employee, contributor, or bondholder of the owner or operator, or any other person, through the distribution of profits, payment of excessive

charges or compensations, or the more advantageous pursuit of their business or profession.

(5) The property is not used by the owner or members thereof for fraternal or lodge purposes, or for social club purposes except where that use is clearly incidental to a primary religious, hospital, scientific, or charitable purpose.

(6) The property is irrevocably dedicated to religious, charitable, scientific, or hospital purposes and upon the liquidation, dissolution, or abandonment of the owner will not inure to the benefit of any private person except a fund, foundation, or corporation organized and operated for religious, hospital, scientific, or charitable purposes.

(7) The property, if used exclusively for scientific purposes, is used by a foundation or institution that, in addition to complying with the foregoing requirements for the exemption of charitable organizations in general, has been chartered by the Congress of the United States (except that this requirement shall not apply when the scientific purposes are medical research), and whose objects are the encouragement or conduct of scientific investigation, research, and discovery for the benefit of the community at large.

The exemption provided for herein shall be known as the "welfare exemption." This exemption shall be in addition to any other exemption now provided by law, and the existence of the exemption provision in paragraph (2) of subdivision (a) of Section 202 shall not preclude the exemption under this section for museum or library property. Except as provided in subdivision (e), this section shall not be construed to enlarge the college exemption.

(b) Property used exclusively for school purposes of less than collegiate grade and owned and operated by religious, hospital, or charitable funds, foundations, limited liability companies, or corporations, which property and funds, foundations, limited liability companies, or corporations meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(c) Property used exclusively for nursery school purposes and owned and operated by religious, hospital, or charitable funds, foundations, limited liability companies, or corporations, which property and funds, foundations, limited liability companies, or corporations meet all the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(d) Property used exclusively for a noncommercial educational FM broadcast station or an educational television station, and owned and

operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations meeting all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

(e) Property used exclusively for religious, charitable, scientific, or hospital purposes and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations or educational institutions of collegiate grade, as defined in Section 203, which property and funds, foundations, limited liability companies, corporations, or educational institutions meet all of the requirements of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section. As to educational institutions of collegiate grade, as defined in Section 203, the requirements of paragraph (6) of subdivision (a) shall be deemed to be met if both of the following are met:

(1) The property of the educational institution is irrevocably dedicated in its articles of incorporation to charitable and educational purposes, to religious and educational purposes, or to educational purposes.

(2) The articles of incorporation of the educational institution provide for distribution of its property upon its liquidation, dissolution, or abandonment to a fund, foundation, or corporation organized and operated for religious, hospital, scientific, charitable, or educational purposes meeting the requirements for exemption provided by Section 203 or this section.

(f) Property used exclusively for housing and related facilities for elderly or handicapped families and financed by, including, but not limited to, the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013), and owned and operated by religious, hospital, scientific, or charitable funds, foundations, or corporations meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section.

The amendment of this paragraph made by Chapter 1102 of the Statutes of 1984 does not constitute a change in, but is declaratory of, existing law. However, no refund of property taxes shall be required as a result of this amendment for any fiscal year prior to the fiscal year in which the amendment takes effect.

Property used exclusively for housing and related facilities for elderly or handicapped families at which supplemental care or services designed to meet the special needs of elderly or handicapped residents are not provided, or that is not financed by the federal government pursuant to Section 202 of Public Law 86-372 (12 U.S.C. Sec. 1701q), as amended, Section 231 of Public Law 73-479 (12 U.S.C. Sec. 1715v), Section 236 of Public Law 90-448 (12 U.S.C. Sec. 1715z), or Section 811 of Public Law 101-625 (42 U.S.C. Sec. 8013), shall not be entitled to exemption pursuant to this subdivision unless the property is used for housing and related facilities for low- and moderate-income elderly or handicapped families. Property that would otherwise be exempt pursuant to this subdivision, except that it includes some housing and related facilities for other than low- or moderate-income elderly or handicapped families, shall be entitled to a partial exemption. The partial exemption shall be equal to that percentage of the value of the property that is equal to the percentage that the number of low- and moderate-income elderly and handicapped families occupying the property represents of the total number of families occupying the property.

As used in this subdivision, “low and moderate income” has the same meaning as the term “persons and families of low or moderate income” as defined by Section 50093 of the Health and Safety Code.

(g) (1) Property used exclusively for rental housing and related facilities and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations, including limited partnerships in which the managing general partner or eligible limited liability company is an eligible nonprofit corporation, meeting all of the requirements of this section, or by veterans’ organizations, as described in Section 215.1, meeting all the requirements of paragraphs (1) to (7), inclusive, of subdivision (a), shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section and shall be entitled to a partial exemption equal to that percentage of the value of the property that the portion of the property serving lower income households represents of the total property in any year in which either of the following criteria applies:

(A) The acquisition, rehabilitation, development, or operation of the property, or any combination of these factors, is financed with tax-exempt mortgage revenue bonds or general obligation bonds, or is financed by local, state, or federal loans or grants and the rents of the occupants who are lower income households do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

(B) The owner of the property is eligible for and receives low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code of 1986, as added by Public Law 99-514.

(C) In the case of a claim, other than a claim with respect to property owned by a limited partnership in which the managing general partner is an eligible nonprofit corporation, that is filed for the 2000-01 fiscal year or any fiscal year thereafter, 90 percent or more of the occupants of the property are lower income households whose rent does not exceed the rent prescribed by Section 50053 of the Health and Safety Code. The total exemption amount allowed under this subdivision to a taxpayer, with respect to a single property or multiple properties for any fiscal year on the sole basis of the application of this subparagraph, may not exceed twenty thousand dollars (\$20,000) of tax.

(2) In order to be eligible for the exemption provided by this subdivision, the owner of the property shall do both of the following:

(A) (i) For any claim filed for the 2000-01 fiscal year or any fiscal year thereafter, certify and ensure, subject to the limitation in clause (ii), that there is an enforceable and verifiable agreement with a public agency, a recorded deed restriction, or other legal document that restricts the project's usage and that provides that the units designated for use by lower income households are continuously available to or occupied by lower income households at rents that do not exceed those prescribed by Section 50053 of the Health and Safety Code, or, to the extent that the terms of federal, state, or local financing or financial assistance conflicts with Section 50053, rents that do not exceed those prescribed by the terms of the financing or financial assistance.

(ii) In the case of a limited partnership in which the managing general partner is an eligible nonprofit corporation, the restriction and provision specified in clause (i) shall be contained in an enforceable and verifiable agreement with a public agency, or in a recorded deed restriction to which the limited partnership certifies.

(B) Certify that the funds that would have been necessary to pay property taxes are used to maintain the affordability of, or reduce rents otherwise necessary for, the units occupied by lower income households.

(3) As used in this subdivision, "lower income households" has the same meaning as the term "lower income households" as defined by Section 50079.5 of the Health and Safety Code.

(h) Property used exclusively for an emergency or temporary shelter and related facilities for homeless persons and families and owned and operated by religious, hospital, scientific, or charitable funds, foundations, limited liability companies, or corporations meeting all of the requirements of this section shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII

of the California Constitution and this section. Property that otherwise would be exempt pursuant to this subdivision, except that it includes housing and related facilities for other than an emergency or temporary shelter, shall be entitled to a partial exemption.

As used in this subdivision, “emergency or temporary shelter” means a facility that would be eligible for funding pursuant to Chapter 11 (commencing with Section 50800) of Part 2 of Division 31 of the Health and Safety Code.

(i) Property used exclusively for housing and related facilities for employees of religious, charitable, scientific, or hospital organizations that meet all the requirements of subdivision (a) and owned and operated by funds, foundations, limited liability companies, or corporations that meet all the requirements of subdivision (a) shall be deemed to be within the exemption provided for in subdivision (b) of Section 4 and Section 5 of Article XIII of the California Constitution and this section to the extent the residential use of the property is institutionally necessary for the operation of the organization.

(j) For purposes of this section, charitable purposes include educational purposes. For purposes of this subdivision, “educational purposes” means those educational purposes and activities for the benefit of the community as a whole or an unascertainable and indefinite portion thereof, and do not include those educational purposes and activities that are primarily for the benefit of an organization’s shareholders. Educational activities include the study of relevant information, the dissemination of that information to interested members of the general public, and the participation of interested members of the general public.

(k) In the case of property used exclusively for the exempt purposes specified in this section, owned and operated by limited liability companies that are organized and operated for those purposes, the State Board of Equalization shall adopt regulations to specify the ownership, organizational, and operational requirements for those companies to qualify for the exemption provided by this section.

(l) The amendments made by Chapter 354 of the Statutes of 2004 shall apply with respect to lien dates occurring on and after January 1, 2005.

SEC. 179. Section 217 of the Revenue and Taxation Code is amended to read:

217. (a) Except as provided in subdivision (d), the following articles of personal property that have been made available for display in a publicly owned art gallery or museum, or a museum that is regularly open to the public and that is operated by a nonprofit organization that qualifies for exemption pursuant to Section 23701d, shall be exempt from taxation:

(1) Original paintings in oil, mineral, water, vitreous enamel, or other colors, pastels, original mosaics, original drawings and sketches in pen, ink, pencil, or watercolors, or works of the free fine arts in any other media including applied paper and other materials, manufactured or otherwise, that are used on collages, artists' proof etchings unbound, and engravings and woodcuts unbound, lithographs, or prints made by other hand transfer processes unbound, or original sculptures or statuary. As used in this subdivision:

(A) "Sculpture" and "statuary" shall include professional productions of sculptors only whether in round or in relief, in bronze, marble, stone, terra cotta, ivory, wood, metal, or other materials, or whether cut, carved, or otherwise wrought by hand from the solid block or mass of marble, stone, alabaster, or from metal, or other materials, or cast in bronze or other metal or substance, or from wax or plaster, or constructed from any material or made in any form as the professional productions of sculptors, only.

(B) "Original" when used to modify the words "sculptures" and "statuary" shall include the original work or model and the first 10 castings, replicas, or reproductions made from the sculptor's original work or model, with or without a change in scale, regardless of whether or not the sculptor is alive at the time the castings, replicas, or reproductions are completed.

(C) "Painting," "mosaic," "drawing," "work of the free fine arts," "sketch," "sculpture," and "statuary" shall not include any articles of utility, articles designed for industrial use, or any articles that are made wholly or in part by stenciling or any other mechanical process.

(D) "Etchings," "engravings," "woodcuts," "lithographs," or "prints made by other hand transfer processes," shall include only works that are printed by hand from plates, stones or blocks etched, drawn, or engraved with handtools and do not include works that are printed from plates, stones or blocks etched, drawn, or engraved by photochemical or other mechanical processes.

(2) Original works of the free fine arts, that are not described in paragraph (1), are subject to regulations, as the board may prescribe, to prove that the article represents some school, kind, or medium of the free fine arts. As used in this paragraph, "original works of the free fine arts" shall not include any article of utility or any article designed for industrial use.

(b) When making a claim for an exemption pursuant to this section, a person claiming the exemption shall provide all information required and answer all questions in an affidavit, under penalty of perjury. The assessor may require other proof of the facts stated before allowing the exemption. The affidavit shall be accompanied by a certificate of the

director or other officer of the art gallery or museum in which the property for which an exemption is claimed under this section was made available for display that the property was available for public display in the art gallery or museum for the period specified in subdivision (e).

(c) Sections 255 and 260 shall be applicable to the exemption provided by this section.

(d) The exemption provided by subdivision (a) shall not apply to any work of art loaned by any person who holds works of art primarily for purposes of sale.

(e) The exemption provided by this section shall not apply unless the property was made available for public display in the art gallery or museum for a period of 90 days during the 12-month period immediately preceding the lien date for the year for which the exemption is claimed.

If the property was first made available for public display less than 90 days prior to the lien date, the exemption may be granted if the person claiming the exemption certifies in writing that the property will be made available for public display for at least 90 days during the 12-month period commencing with the first day the property was made available for public display.

(f) For purposes of this section, “regularly open to the public” means that the gallery or museum was open to the public not less than 20 hours per week for not less than 35 weeks of the 12-month period immediately preceding the lien date for the year for which the exemption is claimed.

If the gallery or museum has been open for less than 35 weeks during the 12-month period immediately preceding the lien date or for less than 20 hours per week during that period, the exemption may be granted if the director or other officer of the gallery or museum certifies in writing that the gallery or museum will be open for not less than 20 hours per week for not less than 35 weeks during the 12-month period beginning with the day the gallery or museum was first opened.

(g) If a person certifies in writing that the property will be made available and the gallery or museum open for the periods specified in subdivisions (e) and (f), and the property is not so made available or the gallery or museum is not so opened, the exemption shall be canceled, and an escape assessment may be made as provided in Section 531.1.

SEC. 180. Section 2508 of the Revenue and Taxation Code is amended to read:

2508. If any negotiable paper is returned unpaid to the bank with which it was deposited pursuant to any requirement of this division, the bank shall return it to the officer who deposited it and, if its amount has been included in any cashier’s check given by the bank, the bank is entitled to a refund in the amount of the unpaid negotiable paper. Any negotiable paper redeemed by or charged back to the county treasurer

by reason of nonpayment shall be returned to the officer who deposited it in exchange for currency or other negotiable paper or for the warrant of the county auditor drawn on the fund into which the original deposit was made.

SEC. 181. Section 3811 of the Revenue and Taxation Code is amended to read:

3811. On execution of the deed to the taxing agency or nonprofit organization, the tax collector shall report the following to the Controller, the assessor, and the auditor:

- (a) The name of the purchaser.
- (b) The effective date of the sale and the date of the transfer of the deed to the taxing agency or nonprofit organization.
- (c) The amount for which the property was sold.
- (d) The description of the property conveyed.

SEC. 182. Section 7105 of the Revenue and Taxation Code is amended to read:

7105. (a) The Transportation Deferred Investment Fund is hereby created in the State Treasury.

(b) On or before June 30, 2009, the Controller shall transfer an amount from the General Fund to the Transportation Deferred Investment Fund that is equal to the amount that was not transferred from the General Fund to the Transportation Investment Fund for the 2003-04 fiscal year because of the partial suspension of the transfer pursuant to Section 14557 of the Government Code, plus interest calculated at the Pooled Money Investment Account rate relative to the amounts that would otherwise have been available for the transportation programs described in paragraphs (2) to (5), inclusive, of subdivision (c) of Section 7104. The amount to be transferred from the General Fund to the Transportation Deferred Investment Fund shall be reduced by the amount of any payment made to the Transportation Deferred Investment Fund from any funding source, excluding subdivision (d). The moneys deposited in the Transportation Deferred Investment Fund pursuant to this subdivision is continuously appropriated without regard to fiscal years for disbursement in the manner and for the purposes set forth in this section.

(c) The Controller, from the moneys deposited in the Transportation Deferred Investment Fund pursuant to subdivision (b), shall make transfers and apportionments of those funds in the same manner and amounts that would have been made in the 2003-04 fiscal year from the Transportation Investment Fund pursuant to Section 7104, as that section read on January 1, 2003, if the transfer of funds from the General Fund to the Transportation Investment Fund had not been partially suspended for the 2003-04 fiscal year pursuant to Section 14557 of the Government Code. However, in making those transfers and apportionments, the

Controller shall take into account and deduct therefrom any transfers and apportionments that were made from the Transportation Investment Fund in the 2003-04 fiscal year from funds made available pursuant to subdivision (b) of Section 14557 of the Government Code. It is the intent of the Legislature that, upon completion of the transfer of funds pursuant to subdivision (b) from the General Fund to the Transportation Deferred Investment Fund, each of the transportation programs that was to have been funded during the 2003-04 fiscal year from the Transportation Investment Fund pursuant to Section 7104 of this code shall have received the amount of funding that the program would have received in the absence of the suspension of the transfer pursuant to Section 14557 of the Government Code.

(d) To the extent that funds are provided under clauses (iii) and (v) of subparagraph (A) of paragraph (1) of subdivision (c) of Section 63048.65 of the Government Code to the Traffic Congestion Relief Fund for apportionment pursuant to subparagraphs (B) and (C) of paragraph (2) of subdivision (c) of Section 7104, paragraph (4) of subdivision (c) of Section 7104, and paragraph (5) of subdivision (c) of Section 7104, the Controller shall deduct an equal amount from any transfer of funds from the Transportation Deferred Investment Fund made for those apportionments and transfer that amount instead to the Traffic Congestion Relief Fund.

(e) The interest that is to be deposited in the Transportation Deferred Investment Fund pursuant to subdivision (b) shall be allocated proportionately to each program element in paragraphs (2) to (5), inclusive, of subdivision (c) of Section 7104, based on the amount that each program did not receive in the 2003-04 fiscal year due to suspension of the transfer pursuant to Section 14557 of the Government Code.

(f) The Legislature finds and declares that continued investment in transportation is essential for the California economy. That investment reduces traffic congestion, assists in economic development, improves the condition of local streets and roads, and provides high-quality public transportation.

SEC. 183. 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 (c) 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 17301) 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 which, 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 includable or allowable to the extent that the carryover item, deferred income, suspended loss, or suspended deduction was derived from sources within this state, calculated as if the nonresident or part-year resident, for the portion of the year he or she was a nonresident, had been a nonresident for all prior years.

SEC. 184. 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 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 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, adjusted gross income means adjusted gross income as computed for purposes of paragraph (2) of subdivision (h) of Section 17024.5.

(e) The credit authorized by this section shall be limited to employment-related expenses, within the meaning of Section 21 of the Internal Revenue Code, but only for child care services or care provided in this state and only to the extent of earned income (within the meaning of Section 21(d) of the Internal Revenue Code) from sources 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 Chapter 757 of the Statutes of 2002 shall apply only to taxable years beginning on or after January 1, 2002.

SEC. 185. Section 18648 of the Revenue and Taxation Code is amended to read:

18648. (a) Section 6112 of the Internal Revenue Code, relating to organizers and sellers of potentially abusive tax shelters that must keep lists of investors, applies except as otherwise provided.

(b) Section 6112 of the Internal Revenue Code is modified by substituting the phrase “Secretary or the Franchise Tax Board” for the word “Secretary” each place it appears.

(c) The requirement to maintain lists under this section shall apply to any organizer, seller, or material advisor of a potentially abusive tax shelter (within the meaning of Section 6112 of the Internal Revenue Code, as modified by this section) that additionally satisfies any of the following conditions:

- (1) Organized in this state.
- (2) Doing business in this state.
- (3) Deriving income from sources in this state.
- (4) At least one of its investors is a California taxpayer.

(d) (1) Notwithstanding any regulation issued under Section 6112 of the Internal Revenue Code, the list required to be maintained by this section for listed transactions, as defined in subdivision (a) of Section 18407, shall be maintained in the form and manner prescribed by the Franchise Tax Board.

(2) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code does not apply to any requirement prescribed by the Franchise Tax Board under this section.

(3) For transactions entered into on or after February 28, 2000, that become listed transactions (as defined under Section 6011(a) of the Internal Revenue Code) at any time, the lists shall be provided to the Franchise Tax Board by the later of:

- (A) Sixty days after entering into the transaction.
- (B) Sixty days after the transaction becomes a listed transaction.
- (C) April 30, 2004.

(4) For transactions entered into on or after September 2, 2003, that are specifically identified by the Franchise Tax Board for California income or franchise tax purposes (under the authority of paragraph (4) of subdivision (a) of Section 18407) as a “listed transaction” at any time, the list shall be provided to the Franchise Tax Board by the later of:

- (A) Sixty days after entering into the transaction.
- (B) Sixty days after the transaction becomes a listed transaction.
- (C) April 30, 2004.

(e) The terms “organizer,” “seller,” and “material advisor” mean a person that meets any of the requirements of this section or of Section 6112 of the Internal Revenue Code or regulations issued thereunder.

SEC. 186. Section 18706 of the Revenue and Taxation Code is amended to read:

18706. There is in the State Treasury the California Military Family Relief Fund to receive contributions made pursuant to Section 18705. The Franchise Tax Board shall notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money that taxpayers have designated pursuant to Section 18705 to be transferred to the California Military Family Relief Fund. The Controller shall transfer from the Personal Income Tax Fund to the California Military Family Relief Fund an amount not in excess of the sum of the amounts designated by individuals pursuant to Section 18705 for payment into that fund. The California Military Family Relief Fund shall also accept contributions from sources other than the tax form, at any time.

SEC. 187. Section 19164 of the Revenue and Taxation Code is amended to read:

19164. (a) (1) (A) An accuracy-related penalty shall be imposed under this part and shall be determined in accordance with Section 6662 of the Internal Revenue Code, relating to imposition of accuracy-related penalty, except as otherwise provided.

(B) (i) Except for understatements relating to tax shelter items to which paragraph (5) applies, in the case of any proposed deficiency

assessment issued after the last date of the amnesty period specified in Chapter 9.1 (commencing with Section 19730) for any taxable year beginning prior to January 1, 2003, the penalty specified in Section 6662(a) of the Internal Revenue Code shall be computed by substituting “40 percent” for “20 percent.”

(ii) Clause (i) shall not apply to any taxable year of a taxpayer beginning prior to January 1, 2003, if, as of the start date of the amnesty program period specified in Section 19731, the taxpayer is then under audit by the Franchise Tax Board, or the taxpayer has filed a protest under Section 19041, or the taxpayer has filed an appeal under Section 19045, or the taxpayer is engaged in settlement negotiations under Section 19442, or the taxpayer has a pending judicial proceeding in any court of this state or in any federal court relating to the tax liability of the taxpayer for that taxable year.

(2) With respect to corporations, this subdivision shall apply to all of the following:

(A) All taxable years beginning on or after January 1, 1990.

(B) Any other taxable year for which an assessment is made after July 16, 1991.

(C) For purposes of this section, references in Section 6662(e) of the Internal Revenue Code and the regulations thereunder, relating to treatment of an affiliated group that files a consolidated federal return, are modified to apply to those entities required to be included in a combined report under Section 25101 or 25110. For these purposes, entities included in a combined report pursuant to paragraph (4) or (6) of subdivision (a) of Section 25110 shall be considered only to the extent required to be included in the combined report.

(3) Section 6662(d)(1)(B) of the Internal Revenue Code is modified to provide that in the case of a corporation, other than an “S” corporation, that has been contacted by the Franchise Tax Board regarding the use of a potentially abusive tax shelter (within the meaning of Section 19777), there is a substantial understatement of tax for any taxable year if the amount of the understatement for the taxable year exceeds the lesser of:

(A) Ten percent of the tax required to be shown on the return for the taxable year (or, if greater, two thousand five hundred dollars (\$2,500)).

(B) Five million dollars (\$5,000,000).

(4) Section 6662(d)(2)(A) of the Internal Revenue Code is modified to additionally provide that the excess determined under Section 6662(d)(2)(A) of the Internal Revenue Code shall be determined without regard to items to which Section 19773 applies and without regard to items with respect to which a penalty is imposed by Section 19774.

(5) For taxpayers that have been contacted by the Franchise Tax Board regarding the use of a potentially abusive tax shelter (within the meaning

of Section 19777), Section 6662(d)(2)(B)(i) of the Internal Revenue Code is modified to substitute the phrase “the tax treatment of any item by the taxpayer if the taxpayer had reasonable belief that the tax treatment was more likely than not the proper treatment” for the phrase “the tax treatment of any item by the taxpayer if there is or was substantial authority for such treatment” contained therein.

(b) For purposes of Section 6662(d) of the Internal Revenue Code, Section 6664 of the Internal Revenue Code (as modified by subdivision (d)), Section 6694(a)(1) of the Internal Revenue Code, and this part, the Franchise Tax Board may prescribe a list of positions for which the Franchise Tax Board believes there is not substantial authority or there is no reasonable belief that the tax treatment is more likely than not the proper tax treatment. That list (and any revisions thereof) shall be published through the use of Franchise Tax Board Notices or other published positions. In addition, the “listed transactions” identified and published pursuant to the preceding sentence shall be published on the Web site of the Franchise Tax Board. This subdivision applies only to a list of positions relating to abusive tax shelters, within the meaning of Section 19777.

(c) A fraud penalty shall be imposed under this part and shall be determined in accordance with Section 6663 of the Internal Revenue Code, relating to imposition of fraud penalty, except as otherwise provided.

(d) Section 6664 of the Internal Revenue Code, relating to definitions and special rules, shall apply, except as otherwise provided.

(1) For taxpayers that have been contacted by the Franchise Tax Board regarding the use of a potentially abusive tax shelter (within the meaning of Section 19777), Section 6664 of the Internal Revenue Code is modified to additionally provide that no penalty shall be imposed under Section 19773 with respect to any portion of a reportable transaction understatement if it is shown that there was a reasonable cause for that portion and that the taxpayer acted in good faith with respect to that portion.

(2) Paragraph (1) does not apply to any reportable transaction understatement unless all of the following requirements are met:

(A) (i) The relevant facts affecting the tax treatment of the item are adequately disclosed in accordance with the regulations prescribed under Section 6011 of the Internal Revenue Code, as modified by Section 18407.

(ii) A taxpayer failing to adequately disclose in accordance with Section 6011 of the Internal Revenue Code, as modified by Section 18407, shall be treated as meeting the requirements of this subparagraph,

if the penalty for that failure was rescinded under subdivision (e) of Section 19772.

(iii) For taxable years beginning on or before January 1, 2003, “adequately disclosed” includes the disclosure of the tax shelter identification number on the taxpayer’s return, as required by subdivision (c) of Section 18628.

(B) There is or was substantial authority for that treatment.

(C) The taxpayer reasonably believed that treatment was more likely than not the proper treatment.

(3) For purposes of subparagraph (C) of paragraph (2) all of the following shall apply:

(A) A taxpayer shall be treated as having a reasonable belief with respect to the tax treatment of an item only if that belief meets both of the following requirements:

(i) Is based on the facts and law that exist at the time the return of tax that includes that tax treatment is filed.

(ii) Relates solely to the taxpayer’s chances of success on the merits of that treatment and does not take into account the possibility that the return will not be audited, that the treatment will not be raised on audit, or that the treatment will be resolved through settlement if it is raised.

(B) (i) An opinion of a tax advisor may not be relied upon to establish the reasonable belief of a taxpayer if either of the following conditions are met:

(I) The tax advisor is described in clause (ii).

(II) The opinion is described in clause (iii).

(ii) A tax advisor is described in this clause if the tax advisor meets any of the following conditions:

(I) Is a material advisor (within the meaning of subdivision (d) of Section 18648) who participates in the organization, management, promotion, or sale of the transaction or who is related (within the meaning of Section 267(b) or 707(b)(1) of the Internal Revenue Code) to any person who so participates.

(II) Is compensated directly or indirectly by a material advisor with respect to the transaction.

(III) Has a fee arrangement with respect to the transaction that is contingent on all or part of the intended tax benefits from the transaction being sustained.

(IV) As determined under regulations prescribed by either the Secretary of the Treasury for federal income tax purposes or the Franchise Tax Board, has a continuing financial interest with respect to the transaction.

(iii) For purposes of clause (i), an opinion is disqualified if the opinion meets any of the following conditions:

(I) Is based on unreasonable, factual, or legal assumptions (including assumptions as to future events).

(II) Unreasonably relies on representations, statements, findings, or agreements of the taxpayer or any other person.

(III) Does not identify and consider all relevant facts.

(IV) Fails to meet any other requirement as either the Secretary of the Treasury for federal income tax purposes or the Franchise Tax Board may by forms and instructions prescribe.

(e) Section 6665 of the Internal Revenue Code, relating to applicable rules, shall apply, except as otherwise provided.

(f) For taxpayers that have been contacted by the Franchise Tax Board regarding the use of a potentially abusive tax shelter (within the meaning of Section 19777), Section 461(i)(3)(C) of the Internal Revenue Code is modified by substituting a reference to “Section 1274(b)(3)(B) of the Internal Revenue Code, as modified by subdivision (g) of Section 19164” instead of the reference to “Section 6662(d)(2)(C)(iii)” contained therein.

(g) For taxpayers that have been contacted by the Franchise Tax Board regarding the use of a potentially abusive tax shelter (within the meaning of Section 19777), Section 1274(b)(3)(B)(i) of the Internal Revenue Code is modified to provide that for purposes of Section 1274(b)(3)(B) of the Internal Revenue Code, the term “tax shelter” means (1) a partnership or other entity, (2) any investment plan or arrangement, or (3) any other plan or arrangement, if a significant purpose of the partnership, entity, plan, or arrangement is the avoidance or evasion of federal income tax or the tax imposed under Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001).

SEC. 188. Section 20583 of the Revenue and Taxation Code is amended to read:

20583. (a) “Residential dwelling” means a dwelling occupied as the principal place of residence of the claimant, and so much of the land surrounding it as is reasonably necessary for use of the dwelling as a home, owned by the claimant, the claimant and spouse, or by the claimant and either another individual eligible for postponement under this chapter or an individual described in subdivision (a), (b), or (c) of Section 20511 and located in this state. It shall include condominiums and mobilehomes that are assessed as realty for local property tax purposes. It also includes part of a multidwelling or multipurpose building and a part of the land upon which it is built. In the case of a mobilehome not assessed as real property that is located on land owned by the claimant, “residential dwelling” includes the land on which the mobilehome is situated and so much of the land surrounding it as reasonably necessary for use of the mobilehome as a home.

(b) As used in this chapter in reference to ownership interests in residential dwellings, “owned” includes (1) the interest of a vendee in possession under a land sale contract provided that the contract or memorandum thereof is recorded and only from the date of recordation of the contract or memorandum thereof in the office of the county recorder where the residential dwelling is located, (2) the interest of the holder of a life estate provided that the instrument creating the life estate is recorded and only from the date of recordation of the instrument creating the life estate in the office of the county recorder where the residential dwelling is located, but “owned” does not include the interest of the holder of any remainder interest or the holder of a reversionary interest in the residential dwelling, (3) the interest of a joint tenant or a tenant in common in the residential dwelling or the interest of a tenant where title is held in tenancy by the entirety or a community property interest where title is held as community property, and (4) the interest in the residential dwelling in which the title is held in trust, as described in subdivision (d) of Section 62, provided that the Controller determines that the state’s interest is adequately protected.

(c) For purposes of this chapter, the registered owner of a mobilehome shall be deemed to be the owner of the mobilehome.

(d) Except as provided in subdivision (c), and Chapter 3 (commencing with Section 20625), ownership must be evidenced by an instrument duly recorded in the office of the county where the residential dwelling is located.

(e) “Residential dwelling” does not include any of the following:

(1) Any residential dwelling in which the owners do not have an equity of at least 20 percent of the full value of the property as determined for purposes of property taxation or at least 20 percent of the fair market value as determined by the Controller and where the Controller determines that the state’s interest is adequately protected. The 20-percent equity requirement shall be met at the time the claimant or authorized agent files an initial postponement claim and tenders to the tax collector the initial certificate of eligibility described in Sections 20602, 20639.6, and 20640.6.

(2) Any residential dwelling in which the claimant’s interest is held pursuant to a contract of sale or under a life estate, unless the claimant obtains the written consent of the vendor under the contract of sale, or the holder of the reversionary interest upon termination of the life estate, for the postponement of taxes and the creation of a lien on the real property in favor of the state for amounts postponed pursuant to this act.

(3) Any residential dwelling on which the claimant does not receive a secured tax bill.

(4) Any residential dwelling in which the claimant's interest is held as a possessory interest, except as provided in Chapter 3.5 (commencing with Section 20640).

(5) (A) Except as provided in this section, any residential dwelling on which the property taxes, as defined in Section 20584, are delinquent at the time the application for postponement under this chapter is made or on which any other property tax or special assessment imposed by a special district or other tax code area is delinquent at the time the application for postponement under this chapter is made.

(B) Any taxes or assessments described in subparagraph (A) that are delinquent on July 1, 1977, will not disqualify an otherwise eligible dwelling for postponement under this chapter. An application for postponement under this chapter to postpone the payment of property taxes for the 1977-78 fiscal year, shall also constitute an application for the postponement of all those delinquent taxes and assessments, together with any penalties, interest, fees, or other charges resulting from that delinquency and those amounts shall, unless otherwise paid by the claimant, be paid out of the amount appropriated by Section 16100 of the Government Code and shall be added to and become part of the obligation secured by the lien provided by Section 16182 of the Government Code; provided, however, that upon payment of delinquent taxes and assessments for the 1976-77 fiscal year out of the amount appropriated by Section 16100, any delinquent penalties, interest, fees or other charges resulting from the delinquency of those taxes and assessments for the 1976-77 fiscal year shall be canceled.

(C) For the 1978-79 fiscal year and each fiscal year thereafter, any taxes or assessments described in subparagraph (A) that became delinquent after the claimant was 62 and before the claimant first has established a lien pursuant to Section 16182 of the Government Code will not disqualify an otherwise eligible dwelling for postponement under this chapter. An application to postpone taxes for the 1978-79 fiscal year or for any fiscal year thereafter shall also constitute an application for the postponement of all delinquent taxes and assessments, together with any penalties, interest, fees, or other charges resulting from the delinquency and those amounts shall, unless otherwise paid by the claimant, be paid out of the amount appropriated by Section 16100 of the Government Code and shall be added to and become part of the obligation secured by the lien provided by Section 16182 of the Government Code.

(6) All taxes or assessments described in subparagraph (A) of paragraph (5) that are delinquent on the date this bill takes effect will not disqualify an otherwise eligible blind or disabled applicant's dwelling from postponement under this chapter. A blind or disabled citizen's

application for postponement of property taxes will not constitute an application for the postponement of any delinquent taxes and assessments, or any penalties, interest, fees or other charges resulting from delinquency. Delinquent taxes of blind or disabled applicants are not subject to postponement under this chapter.

SEC. 189. Section 527 of the Streets and Highways Code is amended to read:

527. (a) Route 227 is from Route 1 south of Oceano to Route 101 in San Luis Obispo.

(b) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of Arroyo Grande the portion of Route 227 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, including, but not limited to, a condition that the City of Arroyo Grande maintain within its jurisdiction signs directing motorists to the continuation of Route 227.

(2) A relinquishment under this subdivision shall become effective immediately following the recording 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 227 relinquished under this subdivision shall cease to be a state highway.

(B) The portion of Route 227 relinquished under this subdivision may not be considered for future adoption under Section 81.

(c) (1) Notwithstanding subdivision (a), the commission may relinquish to the City of San Luis Obispo the portion of Route 227 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, including, but not limited to, a condition that the City of San Luis Obispo maintain within its jurisdiction signs directing motorists to the continuation of Route 227.

(2) A relinquishment under this subdivision shall become effective immediately following the recording 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 227 relinquished under this subdivision shall cease to be a state highway.

(B) The portion of Route 227 relinquished under this subdivision may not be considered for future adoption under Section 81.

(4) For the portions of Route 227 that are relinquished, the City of San Luis Obispo shall maintain within its jurisdiction signs directing motorists to the continuation of Route 227.

SEC. 190. Section 36705 of the Streets and Highways Code is amended to read:

36705. As used in this part:

- (a) "Activities" means, but is not limited to, all of the following:
- (1) Providing security services supplemental to those normally provided by the city.
 - (2) Maintaining, including irrigating, landscaping.
 - (3) Providing sanitation, graffiti removal, street and sidewalk cleaning, and other public services supplemental to those normally provided by the city.
 - (4) Marketing, advertising, and promoting economic development, including the retention and recruitment of businesses and tenants.
 - (5) Providing managerial services for multifamily residential businesses.
 - (6) Providing building inspection and code enforcement services for multifamily residential businesses supplemental to those normally provided by the city.
- (b) "Assessment" means a levy for the purpose of acquiring, constructing, installing, or maintaining improvements and promoting activities which will benefit the properties or businesses located within a multifamily improvement district.
- (c) "Business" means all types of businesses, including, but not limited to, the operation of multifamily residential properties, retail stores, commercial properties, financial institutions, and professional offices.
- (d) "City" means a city, county, city and county, or an agency or entity created pursuant to the Joint Exercise of Powers Act, Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code, the public member agencies of which includes only cities, counties, or a city and county.
- (e) "City council" means the city council of a city or the board of supervisors of a county, or the agency, commission, or board created pursuant to a joint powers agreement and which is a city within the meaning of this part.
- (f) "Improvement" means the acquisition, construction, installation, or maintenance of any tangible property with an estimated useful life of five years or more, including, but not limited to:
- (1) Parking facilities.
 - (2) Benches, booths, kiosks, display cases, pedestrian shelters, signs, and entry monuments.
 - (3) Trash receptacles.

- (4) Street lighting.
- (5) Street decorations.
- (6) Parks.
- (7) Fountains.
- (8) Planting areas.
- (9) Closing, opening, widening, or narrowing of existing streets.
- (10) Facilities or equipment, or both, to enhance the security of persons and property within the district.
- (11) Ramps, sidewalks, plazas, and pedestrian malls.
- (12) Rehabilitation or removal of existing structures.
- (g) "Management district plan" or "plan" means a proposal as described in Section 36713.
- (h) "Multifamily improvement district," or "district," means a multifamily improvement district established pursuant to this part.
- (i) "Owners' association" means a private nonprofit entity that is under contract with a city to administer or implement activities and improvements specified in the management district plan. An owners' association may be an existing nonprofit entity or a newly formed nonprofit entity. An owners' association is a private entity and may not be considered a public entity for any purpose, nor may its board members or staff be considered to be public officials for any purpose.
- (j) "Property" means real property situated within a multifamily improvement district.
- (k) "Property owner" or "owner" means any person shown as the owner of land on the last equalized assessment roll or otherwise known to be the owner of land by the city council. The city council has no obligation to obtain other information as to the ownership of land, and its determination of ownership shall be final and conclusive for the purposes of this part. Wherever this subdivision requires the signature of the property owner, the signature of the authorized agent of the property owner shall be sufficient.
- (l) "Tenant" means an occupant pursuant to a lease or a rental agreement of commercial space or a dwelling unit, other than an owner.

SEC. 191. Section 36733 of the Streets and Highways Code is amended to read:

36733. The city council may execute baseline service contracts that would establish levels of city services that would continue after a district has been formed.

SEC. 192. Section 36737 of the Streets and Highways Code is amended to read:

36737. (a) The city council may, by resolution, determine and declare that bonds shall be issued to finance the estimated cost of some or all of the proposed improvements described in the resolution of formation

adopted pursuant to Section 36716, if the resolution of formation adopted pursuant to that section provides for the issuance of bonds, under the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500)) or in conjunction with Marks-Roos Local Bond Pooling Act of 1985 (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code). Either act, as the case may be, shall govern the proceedings relating to the issuance of bonds, although proceedings under the Improvement Bond Act of 1915 may be modified by the city council as necessary to accommodate assessments levied upon business pursuant to this part.

(b) The resolution adopted pursuant to subdivision (a) shall generally describe the proposed improvements specified in the resolution of formation adopted pursuant to Section 36716, set forth the estimated cost of those improvements, specify the number of annual installments and the fiscal years during which they are to be collected. The amount of debt service to retire the bonds shall not exceed the amount of revenue estimated to be raised from assessments over 20 years.

(c) Notwithstanding any other provision of this part, assessments levied to pay the principal and interest on any bond issued pursuant to this section shall not be reduced or terminated if doing so would interfere with the timely retirement of the debt.

SEC. 193. Section 1052 of the Unemployment Insurance Code is amended to read:

1052. Upon receipt of the application the separate account, actual contribution and benefit experience and payrolls of the predecessor or that part thereof, as determined by authorized regulations, which pertains to the organization, trade, or business, or portion thereof acquired, shall be transferred to the successor employer for the purpose of determining its rate of contribution after the acquisition with the same effect for that purpose as if the operations of the predecessor had at all times been carried on by the successor. The separate account shall be transferred by the director to the successor employer and, as of the date of the acquisition, shall become the separate account or part of the separate account, as the case may be, of the successor employer, and the benefits thereafter chargeable to the predecessor employer on account of employment relating to the transferred organization, trade, or business or transferred portion thereof prior to the date of the acquisition shall be charged to the separate account. This section shall not apply to any acquisition which is determined by the director to have been made for the purpose of obtaining a more favorable rate of contributions under Section 977.

SEC. 194. Section 4000.1 of the Vehicle Code, as amended by Section 3 of Chapter 704 of the Statutes of 2004, is amended to read:

4000.1. (a) Except as otherwise provided in subdivision (b), (c), or (d) of this section, or subdivision (b) of Section 43654 of the Health and Safety Code, the department shall require upon initial registration, and upon transfer of ownership and registration, of any motor vehicle subject to Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, a valid certificate of compliance or a certificate of noncompliance, as appropriate, issued in accordance with Section 44015 of the Health and Safety Code.

(b) With respect to new motor vehicles certified pursuant to Chapter 2 (commencing with Section 43100) of Part 5 of Division 26 of the Health and Safety Code, the department shall accept a statement completed pursuant to subdivision (b) of Section 24007 in lieu of the certificate of compliance.

(c) For purposes of determining the validity of a certificate of compliance or noncompliance submitted in compliance with the requirements of this section, the definitions of new and used motor vehicle contained in Chapter 2 (commencing with Section 39010) of Part 1 of Division 26 of the Health and Safety Code shall control.

(d) Subdivision (a) does not apply to a transfer of ownership and registration under any of the following circumstances:

(1) The initial application for transfer is submitted within the 90-day validity period of a smog certificate as specified in Section 44015 of the Health and Safety Code.

(2) The transferor is the parent, grandparent, sibling, child, grandchild, or spouse of the transferee.

(3) A motor vehicle registered to a sole proprietorship is transferred to the proprietor as owner.

(4) The transfer is between companies the principal business of which is leasing motor vehicles, if there is no change in the lessee or operator of the motor vehicle or between the lessor and the person who has been, for at least one year, the lessee's operator of the motor vehicle.

(5) The transfer is between the lessor and lessee of the motor vehicle, if there is no change in the lessee or operator of the motor vehicle.

(6) The motor vehicle was manufactured prior to the 1976 model-year.

(7) Beginning January 1, 2005, the transfer is for a motor vehicle that is four or less model-years old. The department shall impose a fee of eight dollars (\$8) on the transferee of a motor vehicle that is four or less model-years old. Revenues generated from the imposition of that fee shall be deposited into the Vehicle Inspection and Repair Fund.

(e) The State Air Resources Board, under Part 5 (commencing with Section 43000) of Division 26 of the Health and Safety Code, may exempt designated classifications of motor vehicles from subdivision (a) as it deems necessary, and shall notify the department of that action.

(f) Subdivision (a) does not apply to a motor vehicle when an additional individual is added as a registered owner of the motor vehicle.

(g) For purposes of subdivision (a), any collector motor vehicle, as defined in Section 259, is exempt from those portions of the test required by subdivision (f) of Section 44012 of the Health and Safety Code, if the collector motor vehicle meets all of the following criteria:

(1) Submission of proof that the motor vehicle is insured as a collector motor vehicle, as shall be required by regulation of the bureau.

(2) The motor vehicle is at least 35 model-years old.

(3) The motor vehicle complies with the exhaust emissions standards for that motor vehicle's class and model year as prescribed by the department, and the motor vehicle passes a functional inspection of the fuel cap and a visual inspection for liquid fuel leaks.

SEC. 195. Section 4466 of the Vehicle Code, as amended by Section 1 of Chapter 430 of the Statutes of 2004, is amended to read:

4466. (a) The department shall not issue a duplicate or substitute certificate of title or license plate if, after a search of the records of the department, the registered owner's address, as submitted on the application, is different from that which appears in the records of the department, unless the registered owner applies in person and presents all of the following:

(1) Proof of ownership of the vehicle that is acceptable to the department. Proof of ownership may be the certificate of title, registration certificate, or registration renewal notice, or a facsimile of any of those documents, if the facsimile matches the vehicle record of 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.

(A) If the registered owner is a resident of another state or country, the registered owner shall present a driver's license or identification card issued by that state or country. In addition, the registered owner shall provide photo documentation in the form of a valid passport, military identification card, identification card issued by a state or United States government agency, student identification card issued by a college or university, or identification card issued by a California-based employer. If a resident of another state is unable to present the required photo identification, the department shall verify the authenticity of the driver's license or identification card by contacting the state that issued the driver's license or identification card.

(B) If the registered owner is not an individual, the person submitting the application shall submit the photo identification required under this

paragraph, as well as documentation acceptable to the department that demonstrates that the person is employed by an officer of the registered owner.

(3) If the application is for the purpose of replacing a license plate that was stolen, a copy of a police report identifying the plate as stolen.

(4) If the application is for the purpose of replacing a certificate of title or license plate that was mutilated or destroyed, the remnants of the mutilated or destroyed document or plate.

(5) If the department has a record of a prior issuance of a duplicate or substitute certificate of title or license plate for the vehicle within the past 90 days, a copy of a report from the Department of the California Highway Patrol verifying the vehicle identification number of the vehicle.

(b) Subdivision (a) does not apply if either of the following apply:

(1) The registered owner's name, address, and driver's license or identification card number submitted on the application match the name, address, and driver's license or identification card number contained in the department's records.

(2) An application for a duplicate or substitute certificate of title or license plate is submitted by or through one of the following:

(A) A legal owner, if the legal owner is not the same person as the registered owner or as the lessee under Section 4453.5.

(B) A dealer or an agent of the dealer.

(C) A dismantler.

(D) An insurer or an agent of the insurer.

(E) A salvage pool.

(c) At the discretion of the department, the requirements of subdivision (a) shall not apply in any of the following circumstances:

(1) An application for a duplicate or substitute certificate of title or license plate is submitted by a licensed registration service representing any of the following:

(A) A person, including, but not limited to, a person listed in subparagraphs (A) to (E), inclusive, of paragraph (2) of subdivision (b).

(B) A business entity recognized under the laws of this state or the laws of any foreign or domestic jurisdiction whose laws are in parity with the laws of this state.

(C) A court-appointed bankruptcy referee.

(D) A person who is an individual, is not included in subparagraphs (A) to (C), inclusive, and submits to the licensed registration service an application with a signature that is validated by a notary public. The licensed registration service shall maintain full and complete records of its transactions conducted pursuant to this subparagraph and shall make those records available for inspection by an investigator of the Department of Motor Vehicles, investigator of the Department of the

California Highway Patrol, a city police department, a county sheriff's office, or a district attorney's office, if the investigator requests access to the record and the request is for the purpose of a criminal investigation.

(2) The vehicle is registered under the International Registration Plan pursuant to Section 8052 or under the Permanent Fleet Registration program pursuant to Article 9.5 (commencing with Section 5301) of Chapter 1.

(3) The vehicle is an implement of husbandry, as defined in Section 36000, or a tow dolly, or has been issued an identification plate under Section 5014 or 5014.1.

(d) The department shall issue one or more license plates only to the registered owner or lessee. The department shall issue the certificate of title only to the legal owner, or if none, then to the registered owner, as shown on the department's records.

(e) This section 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.

SEC. 196. Section 5205.5 of the Vehicle Code is amended to read:

5205.5. (a) For the purposes of implementing Section 21655.9, the department shall make available for issuance, for a fee determined by the department to be sufficient to reimburse the department for the actual costs incurred pursuant to this section, distinctive decals, labels, and other identifiers that clearly distinguish the following vehicles from other vehicles:

(1) A vehicle that meets California's super ultra-low emission vehicle (SULEV) standard for exhaust emissions and the federal inherently low-emission vehicle (ILEV) evaporative emission standard, as defined in Part 88 (commencing with Section 88.101-94) of Title 40 of the Code of Federal Regulations.

(2) A vehicle that was produced during the 2004 model year or earlier and meets California ultra-low emission vehicle (ULEV) standard for exhaust emissions and the federal ILEV standard.

(3) A hybrid vehicle or an alternative fuel vehicle that meets California's advanced technology partial zero-emission vehicle (AT PZEV) standard for criteria pollutant emissions and has a 45 miles per gallon or greater fuel economy highway rating.

(4) A hybrid vehicle that was produced during the 2004 model year or earlier and has a 45 miles per gallon or greater fuel economy highway rating, and meets California's ultra-low emission vehicle (ULEV), super ultra-low emission vehicle (SULEV), or partial zero-emission vehicle (PZEV) standards.

(b) Neither an owner of a hybrid vehicle that meets the AT PZEV standard, with the exception of a vehicle that meets the federal ILEV

standard, nor an owner of a hybrid vehicle described in paragraph (4) of subdivision (a), is entitled to a decal, label, or other identifier pursuant to this section unless, and until, the federal government acts to approve the use of high-occupancy vehicle lanes by vehicles of the types identified in paragraph (3) or (4) of subdivision (a), regardless of the number of occupants.

(c) The department shall include a summary of the provisions of this section on each motor vehicle registration renewal notice, or on a separate insert, if space is available and the summary can be included without incurring additional printing or postage costs.

(d) The Department of Transportation shall remove individual high-occupancy vehicle (HOV) lanes, or portions of those lanes, during periods of peak congestion from the access provisions provided in subdivision (a), following a finding by the Department of Transportation as follows:

(1) The lane, or portion thereof, exceeds a level of service C, as discussed in subdivision (b) of Section 65089 of the Government Code.

(2) The operation or projected operation of the vehicles described in subdivision (a) in these lanes, or portions thereof, will significantly increase congestion.

The finding also shall demonstrate the infeasibility of alleviating the congestion by other means, including, but not limited to, reducing the use of the lane by noneligible vehicles, or further increasing vehicle occupancy.

(e) The State Air Resources Board shall publish and maintain a listing of all vehicles eligible for participation in the programs described in this section. The board shall provide that listing to the department.

(f) For purposes of subdivision (a), the Department of the California Highway Patrol and the department, in consultation with the Department of Transportation, shall design and specify the placement of the decal, label, or other identifier on the vehicle. Each decal, label, or other identifier issued for a vehicle shall display a unique number, which number shall be printed on, or affixed to, the vehicle registration.

(g) (1) For purposes of subdivision (a), the department shall issue no more than 75,000 distinctive decals, labels, or other identifiers that clearly distinguish the vehicles specified in paragraphs (3) and (4) of subdivision (a).

(2) The department shall notify the Department of Transportation immediately after the date on which the department has issued 50,000 decals, labels, and other identifiers under this section for the vehicles described in paragraphs (3) and (4) of subdivision (a).

(3) The Department of Transportation shall determine whether significant high-occupancy vehicle lane breakdown has occurred throughout the state, in accordance with the following timeline:

(A) For lanes that are nearing capacity, the Department of Transportation shall make the determination not later than 90 days after the date provided by the department under paragraph (2).

(B) For lanes that are not nearing capacity, the Department of Transportation shall make the determination not later than 180 days after the date provided by the department under paragraph (2).

(4) In making the determination that significant high-occupancy vehicle lane breakdown has occurred, the Department of Transportation shall consider the following factors in the HOV lane:

(A) Reduction in level of service.

(B) Sustained stop-and-go conditions.

(C) Slower than average speed than the adjacent mixed flow lanes.

(D) Consistent increase in travel time.

(5) After making the determinations pursuant to subparagraphs (A) and (B) of paragraph (3), if the Department of Transportation determines that significant high-occupancy vehicle lane breakdown has occurred throughout the state, the Department of Transportation shall immediately notify the department of that determination, and the department, on the date of receiving that notification, shall discontinue issuing the decals, labels, or other identifiers for the vehicles described in paragraphs (3) and (4) of subdivision (a).

(h) If the Metropolitan Transportation Commission, serving as the Bay Area Toll Authority, grants toll-free and reduced-rate passage on toll bridges under its jurisdiction to any vehicle pursuant to Section 30102.5 of the Streets and Highways Code, it shall also grant the same toll-free and reduced-rate passage to a vehicle displaying an identifier issued by the department pursuant to paragraph (1) or (2) of subdivision (a) and to a vehicle displaying a valid identifier issued by the department pursuant to paragraph (3) or (4) of subdivision (a) if either of the following apply:

(1) The vehicle is registered to an address outside of the region identified in Section 66502 of the Government Code.

(2) If the vehicle is registered to an address inside the region, the owner of the vehicle complies with subdivision (i) unless subdivision (j) is applicable.

(i) An owner of a vehicle specified in paragraph (3) or (4) of subdivision (a) whose vehicle is registered to an address in the region identified in Section 66502 of the Government Code and who seeks a vehicle identifier under subdivision (a) shall obtain an account to operate within the automatic vehicle identification system described in Section

27565 of the Streets and Highways Code and shall submit to the department a form, approved by the department and issued by the Bay Area Toll Authority, that contains the vehicle owner's name, the license plate number and vehicle identification number of the vehicle, the vehicle make and year model, and the automatic vehicle identification system account number, as a condition to obtaining a vehicle identifier pursuant to subdivision (a) that allows for the use of that vehicle in high-occupancy vehicle lanes regardless of the number of occupants.

(j) If the automatic vehicle identification system readers on all high-occupancy vehicle lanes on all of the toll bridges identified in subdivision (a) of Section 30910 of the Streets and Highways Code are not fully operational and fully funded with bridge tolls controlled by the Bay Area Toll Authority within 90 days of the federal government approval described in subdivision (b), then subdivision (i) shall not be applicable and both of the following shall apply:

(1) The Metropolitan Transportation Commission, acting as the Bay Area Toll Authority, shall grant toll-free and reduced-rate passage to all vehicles displaying an identifier issued by the department pursuant to subdivision (a).

(2) The department shall not require documentation that the owner of a vehicle registered to an address in the region identified in Section 66502 of the Government Code has obtained an automatic vehicle identification system account as a condition to the issuance of an identifier under subdivision (a).

(k) 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. 197. Section 9400.1 of the Vehicle Code is amended to read:

9400.1. (a) (1) In addition to any other required fee, there shall be paid the fees set forth in this section for the registration of commercial motor vehicles operated either singly or in combination with a declared gross vehicle weight of 10,001 pounds or more. Pickup truck and electric vehicle weight fees are not calculated under this section.

(2) The weight of a vehicle issued an identification plate pursuant to an application under Section 5014, and the weight of an implement of husbandry as defined in Section 36000, shall not be considered when calculating, pursuant to this section, the declared gross vehicle weight of a towing commercial motor vehicle that is owned and operated exclusively by a farmer or an employee of a farmer in the conduct of agricultural operations.

(3) Tow trucks that are utilized to render assistance to the motoring public or to tow or carry impounded vehicles shall pay fees in accordance with this section, except that the fee calculation shall be based only on

the gross vehicle weight rating of the towing or carrying vehicle. Upon each initial or transfer application for registration of a tow truck described in this paragraph, the registered owner or lessee or that owner's or lessee's designee, shall certify to the department the gross vehicle weight rating of the tow truck:

Gross Vehicle Weight Range	Fee
10,001-15,000.....	\$ 257
15,001-20,000.....	353
20,001-26,000.....	435
26,001-30,000.....	552
30,001-35,000.....	648
35,001-40,000.....	761
40,001-45,000.....	837
45,001-50,000.....	948
50,001-54,999.....	1,039
55,000-60,000.....	1,173
60,001-65,000.....	1,282
65,001-70,000.....	1,398
70,001-75,000.....	1,650
75,001-80,000.....	1,700

(b) The fees specified in subdivision (a) apply to both of the following:
 (1) An initial or original registration occurring on or after December 31, 2001, to December 30, 2003, inclusive, of a commercial motor vehicle operated either singly or in combination with a declared gross vehicle weight of 10,001 pounds or more.

(2) The renewal of registration of a commercial motor vehicle operated either singly or in combination, with a declared gross vehicle weight of 10,001 pounds or more for which registration expires on or after December 31, 2001, to December 30, 2003, inclusive.

(c) (1) For both an initial or original registration occurring on or after December 31, 2003, of a commercial motor vehicle operated either singly or in combination with a declared gross vehicle weight of 10,001 pounds or more, and the renewal of registration of a commercial motor vehicle operated either singly or in combination, with a declared gross vehicle weight of 10,001 pounds or more for which registration expires on or after December 31, 2003, there shall be paid fees as follows:

Gross Vehicle Weight Range	Weight Code	Fee
10,001-15,000	A	\$ 332
15,001-20,000	B	447
20,001-26,000	C	546

Gross Vehicle Weight Range	Weight Code	Fee
26,001-30,000	D	586
30,001-35,000	E	801
35,001-40,000	F	937
40,001-45,000	G	1,028
45,001-50,000	H	1,161
50,001-54,999	I	1,270
55,000-60,000	J	1,431
60,001-65,000	K	1,562
65,001-70,000	L	1,701
70,001-75,000	M	2,004
75,001-80,000	N	2,064

(2) For the purpose of obtaining “revenue neutrality” as described in Sections 1 and 59 of Senate Bill 2084 of the 1999-2000 Regular Session (Chapter 861 of the Statutes of 2000), the Director of Finance shall review the final 2003-04 Statement of Transactions of the State Highway Account. If that review indicates that the actual truck weight fee revenues deposited in the State Highway Account do not total at least seven hundred eighty-nine million dollars (\$789,000,000), the Director of Finance shall instruct the department to adjust the schedule set forth in paragraph (1), but not to exceed the following fee amounts:

Gross Vehicle Weight Range	Weight Code	Fee
10,001-15,000	A	\$ 354
15,001-20,000	B	482
20,001-26,000	C	591
26,001-30,000	D	746
30,001-35,000	E	874
35,001-40,000	F	1,024
40,001-45,000	G	1,125
45,001-50,000	H	1,272
50,001-54,999	I	1,393
55,000-60,000	J	1,571
60,001-65,000	K	1,716
65,001-70,000	L	1,870
70,001-75,000	M	2,204
75,001-80,000	N	2,271

(d) (1) In addition to the fees set forth in subdivision (a), a Cargo Theft Interdiction Program fee of three dollars (\$3) shall be paid at the time of initial or original registration or renewal of registration of each motor vehicle subject to weight fees under this section.

(2) This subdivision does not apply to vehicles used or maintained for the transportation of persons for hire, compensation or profit, and tow trucks.

(3) For vehicles registered under Article 4 (commencing with Section 8050) of Chapter 4, the fee imposed under this subdivision shall be apportioned as required for registration fees under that article.

(4) Funds collected pursuant to the Cargo Theft Interdiction Program shall not be proportionately reduced for each month and shall be transferred to the Motor Carriers Safety Improvement Fund.

(e) Notwithstanding Section 42270 or any other provision of law, of the moneys collected by the department under this section, one hundred twenty-two dollars (\$122) for each initial, original, and renewal registration shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Motor Vehicle Account in the State Transportation Fund. All other moneys collected by the department under this section shall be deposited to the credit of the State Highway Account in the State Transportation Fund. One hundred twenty-two dollars (\$122) of the fee imposed under this section shall not be proportionately reduced for each month. For vehicles registered under Article 4 (commencing with Section 8050) of Chapter 4, the fee shall be apportioned as required for registration under that article.

(f) (1) The department, in consultation with the Department of the California Highway Patrol, shall design and make available a set of distinctive weight decals that reflect the declared gross combined weight or gross operating weight reported to the department at the time of initial registration, registration renewal, or when a weight change is reported to the department pursuant to Section 9406.1. A new decal shall be issued on each renewal or when the weight is changed pursuant to Section 9406.1. The decal for a tow truck that is subject to this section shall reflect the gross vehicle weight rating or weight code.

(2) The department may charge a fee, not to exceed ten dollars (\$10), for the department's actual cost of producing and issuing each set of decals issued under paragraph (1).

(3) The weight decal shall be in sharp contrast to the background and shall be of a size, shape, and color that is readily legible during daylight hours from a distance of 50 feet.

(4) Each vehicle subject to this section shall display the weight decal on both the right and left sides of the vehicle.

(5) A person may not display upon a vehicle a decal issued pursuant to this subdivision that does not reflect the declared weight reported to the department.

(6) Notwithstanding subdivision (e) or any other provision of law, the moneys collected by the department under this subdivision shall be deposited in the State Treasury to the credit of the Motor Vehicle Account in the State Transportation Fund.

(7) This subdivision shall apply to vehicles subject to this section at the time of an initial registration, registration renewal, or reported weight change that occurs on or after July 1, 2004.

(8) The following shall apply to vehicles registered under the permanent fleet registration program pursuant to Article 9.5 (commencing with Section 5301) of Chapter 1:

(A) The department, in consultation with the Department of the California Highway Patrol, shall distinguish the weight decals issued to permanent fleet registration vehicles from those issued to other vehicles.

(B) The department shall issue the distinguishable weight decals only to the following:

(i) A permanent fleet registration vehicle that is registered with the department on January 1, 2005.

(ii) On and after January 1, 2005, a vehicle for which the department has an application for initial registration as a permanent fleet registration vehicle.

(iii) On and after January 1, 2005, a permanent fleet registration vehicle that has a weight change pursuant to Section 9406.1.

(C) The weight decal issued under this paragraph shall comply with the applicable provisions of paragraphs (1) to (6), inclusive.

SEC. 198. 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, and 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 and 6 months and enrolled and participating in an integrated driver education program as provided in subparagraph (B) of paragraph (3) of subdivision (a) of Section 12814.6.

(4) Is over the age of 16 years and is applying for a restricted driver's license pursuant to Section 12814.7.

(5) Is over the age of 17 years and 6 months.

(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, a person, while having in his or her immediate possession a valid permit issued pursuant to paragraphs (1) to (3), inclusive, of subdivision (a), may operate a motor vehicle, other than a motorcycle, motorized scooter, 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) A person, while having in his or her immediate possession a valid permit issued pursuant to paragraphs (1) to (3), 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 a 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, motorized scooter, or a motorized bicycle, except that the person shall not operate a motorcycle, motorized scooter, 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) A person while having in his or her immediate possession a valid permit issued pursuant to paragraph (4) of subdivision (a), may only operate a government-owned motor vehicle, other than a motorcycle, motorized scooter, or a motorized bicycle, when taking a driver training instruction administered by the California National Guard.

(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. 199. Section 13352 of the Vehicle Code, as added by Chapter 595 of the Statutes of 2004, is amended to read:

13352. (a) The department shall immediately suspend or revoke the privilege of a person to operate a motor vehicle upon the 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 the receipt of a report of a judge of the juvenile court, a juvenile traffic hearing officer, or a referee of a juvenile court showing that the person has been found to have committed a violation of Section 23152 or 23153 or subdivision (a) of Section 23109. If any offense specified in this section occurs in a vehicle defined in Section 15210, the suspension or revocation specified below shall apply to the noncommercial driving privilege. The commercial driving privilege shall be disqualified as specified in Sections 15300 to 15302, inclusive. For the purposes of this section, suspension or revocation shall be as follows:

(1) Except as required under Section 13352.4, 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. If the court, as authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll in, participate in, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in subdivision (b) of Section 23538. For the purposes of this paragraph, enrollment in, participation in, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(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 subdivision (b) of Section 23556. If the court, as

authorized under paragraph (3) of subdivision (b) of Section 23646, elects to order a person to enroll in, participate in, and complete either program described in paragraph (4) of subdivision (b) of Section 23542, the department shall require that program in lieu of the program described in Section 23556. For the purposes of this paragraph, enrollment in, participation in, and completion of an approved program shall be subsequent to the date of the current violation. Credit may not be given to any program activities completed prior to the date of the current violation.

(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 subdivision (b) of Section 23542. For the purposes of this paragraph, enrollment in, participation in, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not 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, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, 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 violation date of 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 subdivision (b) of Section 23562. For the purposes of this paragraph, enrollment in, participation in, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not 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, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, 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 violation date of 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 may 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, as described in subdivision (b) or (c) of Section 23548, 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 in, participation in, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not 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, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, 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 violation date of 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) An 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 23550.5 or 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, as described in subdivision (b) of Section 23568 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 in, participation in, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not 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, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, 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 violation date of 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 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.

(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 in, participation in, and completion of an approved program shall be subsequent to the date of the current violation. Credit shall not 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, which may include credit for any suspension period served under subdivision (c) of Section 13353.3, 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 violation date of 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) An 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 that is punishable under subdivision (e) of that section, the privilege shall be suspended for a period of 90 days to six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(9) Upon a conviction or finding of a violation of subdivision (a) of Section 23109 that is punishable under subdivision (f) of that section, the privilege shall be suspended for a period of six months, if ordered by the court. The privilege may not be reinstated until the person gives proof of financial responsibility, as defined in Section 16430.

(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) A 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 driving-under-the-influence 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 original suspension or revocation imposed under this section and until all reinstatement requirements described in this section are met.

(f) For the 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.

(g) The holder of a commercial driver's license who was operating a commercial motor vehicle, as defined in Section 15210, at the time of a violation that resulted in a suspension or revocation of the person's noncommercial driving privilege under this section is not eligible for the restricted driver's license authorized under paragraphs (3) to (7), inclusive, of subdivision (a).

(h) This section shall become operative on September 20, 2005.

SEC. 200. Section 15250 of the Vehicle Code is amended to read:

15250. (a) (1) A person may not operate a commercial motor vehicle unless that person has in his or her immediate possession a valid commercial driver's license of the appropriate class.

(2) A person may not operate a commercial motor vehicle while transporting hazardous materials unless that person has in his or her possession a valid commercial driver's license with a hazardous materials endorsement. An instruction permit does not authorize the operation of a vehicle transporting hazardous materials.

(b) (1) Before an application for an original or renewal of a commercial driver's license with a hazardous materials endorsement is submitted to the United States Transportation Security Administration for the processing of a security threat assessment, as required under Part 1572 of Title 49 of the Code of Federal Regulations, the department shall complete a check of the applicant's driving record to ensure that the person is not subject to a disqualification under Part 383.51 of Title 49 of the Code of Federal Regulations.

(2) A person may not be issued a commercial driver's license until he or she has passed a written and driving test for the operation of a

commercial motor vehicle which complies with the minimum federal standards established by the federal Commercial Motor Vehicle Safety Act of 1986 (P.L. 99-570) and Part 383 of Title 49 of the Code of Federal Regulations, and has satisfied all other requirements of that act as well as any other requirements imposed by this code.

(c) The tests shall be prescribed and conducted by or under the direction of the department. The department may allow a third-party tester to administer the driving test part of the examination required under this section and Section 15275 if all of the following conditions are met:

(1) The tests given by the third party are the same as those that would otherwise be given by the department.

(2) The third party has an agreement with the department that includes, but is not limited to, the following provisions:

(A) Authorization for the United States Secretary of Transportation, or his or her representative, and the department, or its representative, to conduct random examinations, inspections, and audits without prior notice.

(B) Permission for the department, or its representative, to conduct onsite inspections at least annually.

(C) A requirement that all third-party testers meet the same qualification and training standards as the department's examiners, to the extent necessary to conduct the driving skill tests in compliance with the requirements of Part 383 of Title 49 of the Code of Federal Regulations.

(D) The department may cancel, suspend, or revoke the agreement with a third-party tester if the third-party tester fails to comply with the standards for the commercial driver's license testing program, or with any other term of the third-party agreement, upon 15 days' prior written notice of the action to cancel, suspend, or revoke the agreement by the department to the third party. Any action to appeal or review any order of the department canceling, suspending, or revoking a third-party testing agreement shall be brought in a court of competent jurisdiction under Section 1085 of the Code of Civil Procedure, or as otherwise permitted by the laws of this state. The action shall be commenced within 90 days from the effective date of the order.

(E) Any third-party tester whose agreement has been canceled pursuant to subparagraph (D) may immediately apply for a third-party testing agreement.

(F) A suspension of a third-party testing agreement pursuant to subparagraph (D) shall be for a term of less than 12 months as determined by the department. After the period of suspension, the agreement shall be reinstated upon request of the third-party tester.

(G) A revocation of a third-party testing agreement pursuant to subparagraph (D) shall be for a term of not less than one year. A third-party tester may apply for a new third-party testing agreement after the period of revocation and upon submission of proof of correction of the circumstances causing the revocation.

(H) Authorization for the department to charge the third-party tester a fee, as determined by the department, which is sufficient to defray the actual costs incurred by the department for administering and evaluating the third-party testing program, and for carrying out any other activities deemed necessary by the department to ensure sufficient training for the drivers participating in the program.

(3) Except as provided in Section 15250.3, the tests given by the third party shall not be accepted in lieu of tests prescribed and conducted by the department for applicants for a passenger vehicle endorsement specified in paragraph (2) of subdivision (a) of Section 15278, if the applicant operates or will operate a tour bus.

(d) Commercial driver's license applicants who take and pass driving tests administered by a third party shall provide the department with certificates of driving skill satisfactory to the department that the applicant has successfully passed the driving tests administered by the third party.

(e) Implementation dates for the issuance of a commercial driver's license pursuant to this chapter may be established by the department as it determines is necessary to accomplish an orderly commercial driver's license program.

SEC. 201. Section 15275 of the Vehicle Code is amended to read:

15275. (a) A person may not operate a commercial motor vehicle described in this chapter unless that person has in his or her possession a valid commercial driver's license for the appropriate class, and an endorsement issued by the department to permit the operation of the vehicle unless exempt from the requirement to obtain an endorsement pursuant to subdivision (b) of Section 15278.

(b) (1) An endorsement to drive vehicles specified in this article shall be issued only to applicants who are qualified by examinations prescribed by the department and who meet the minimum standards established in Part 383 of Title 49 of the Code of Federal Regulations.

(2) A hazardous materials endorsement shall be issued only to applicants who comply with paragraph (1) and the requirements set forth in Part 1572 of Title 49 of the Code of Federal Regulations.

(c) The department may deny, suspend, revoke, or cancel an endorsement to drive vehicles specified in this article when the applicant does not meet the qualifications for the issuance or retention of the endorsement.

(d) If the department denies, suspends, revokes, or cancels a hazardous materials endorsement because the department received notification that the applicant poses a security threat pursuant to Part 1572 of Title 49 of the Code of Federal Regulations, and, upon appeal by the United States Transportation Security Administration, that endorsement is ordered reinstated, the department shall issue or restore the hazardous materials endorsement to the applicant within the period specified under those federal regulations.

SEC. 202. Section 23575 of the Vehicle Code is amended to read:

23575. (a) (1) In addition to any other provisions of law, the court may require that a person convicted of a first offense violation of Section 23152 or 23153 to install a certified ignition interlock device on any vehicle that the person owns or operates and prohibit that person from operating a motor vehicle unless that vehicle is equipped with a functioning, certified ignition interlock device. The court shall give heightened consideration to applying this sanction to a first offense violator with 0.20 percent or more, by weight, of alcohol in his or her blood at arrest, or with two or more prior moving traffic violations, or to persons who refused the chemical tests at arrest. If the court orders the ignition interlock device restriction, the term shall be determined by the court for a period not to exceed three years from the date of conviction. The court shall notify the Department of Motor Vehicles, as specified in subdivision (a) of Section 1803, of the terms of the restrictions in accordance with subdivision (a) of Section 1804. The Department of Motor Vehicles shall place the restriction in the person's records in the Department of Motor Vehicles.

(2) The court shall require a person convicted of a violation of Section 14601.2 to install an ignition interlock device on any vehicle that the person owns or operates and prohibit the person from operating a motor vehicle unless the vehicle is equipped with a functioning, certified ignition interlock device. The term of the restriction shall be determined by the court for a period not to exceed three years from the date of conviction. The court shall notify the Department of Motor Vehicles, as specified in subdivision (a) of Section 1803, of the terms of the restrictions in accordance with subdivision (a) of Section 1804. The Department of Motor Vehicles shall place the restriction in the person's records in the Department of Motor Vehicles.

(b) The court shall include on the abstract of conviction or violation submitted to the Department of Motor Vehicles under Section 1803 or 1816, the requirement and term for the use of a certified ignition interlock device. The records of the department shall reflect mandatory use of the device for the term ordered by the court.

(c) The court shall advise the person that installation of an ignition interlock device on a vehicle does not allow the person to drive without a valid driver's license.

(d) A person whose driving privilege is restricted by the court pursuant to this section shall arrange for each vehicle with an ignition interlock device to be serviced by the installer at least once every 60 days in order for the installer to recalibrate and monitor the operation of the device. The installer shall notify the court if the device is removed or indicates that the person has attempted to remove, bypass, or tamper with the device, or if the person fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device. There is no obligation for the installer to notify the court if the person has complied with all of the requirements of this article.

(e) The court shall monitor the installation and maintenance of any ignition interlock device restriction ordered pursuant to subdivision (a) or (l). If a person fails to comply with the court order, the court shall give notice of the fact to the department pursuant to Section 40509.1.

(f) (1) Pursuant to Section 13352, if a person is convicted of a violation of Section 23152 or 23153, and the offense occurred within 10 years of one or more separate violations of Section 23152 or 23153 that resulted in a conviction, the person may apply to the Department of Motor Vehicles for a restricted driver's license pursuant to Section 13352 that prohibits the person from operating a motor vehicle unless that vehicle is equipped with a functioning ignition interlock device, certified pursuant to Section 13386. The restriction shall remain in effect for at least the remaining period of the original suspension or revocation and until all reinstatement requirements in Section 13352 are met.

(2) Pursuant to subdivision (g), the Department of Motor Vehicles shall immediately terminate the restriction issued pursuant to Section 13352 and shall immediately suspend or revoke the privilege to operate a motor vehicle of a person who attempts to remove, bypass, or tamper with the device, who has the device removed prior to the termination date of the restriction, or who fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device ordered pursuant to Section 13352. The privilege shall remain suspended or revoked for the remaining period of the originating suspension or revocation and until all reinstatement requirements in Section 13352 are met.

(g) A person whose driving privilege is restricted by the Department of Motor Vehicles pursuant to Section 13352 shall arrange for each vehicle with an ignition interlock device to be serviced by the installer at least once every 60 days in order for the installer to recalibrate the device and monitor the operation of the device. The installer shall notify

the Department of Motor Vehicles if the device is removed or indicates that the person has attempted to remove, bypass, or tamper with the device, or if the person fails three or more times to comply with any requirement for the maintenance or calibration of the ignition interlock device. There is no obligation on the part of the installer to notify the department or the court if the person has complied with all of the requirements of this section.

(h) Nothing in this section permits a person to drive without a valid driver's license.

(i) The Department of Motor Vehicles shall include information along with the order of suspension or revocation for repeat offenders informing them that after a specified period of suspension or revocation has been completed, the person may either install an ignition interlock device on any vehicle that the person owns or operates or remain with a suspended or revoked driver's license.

(j) Pursuant to this section, an out-of-state resident who otherwise would qualify for an ignition interlock device restricted license in California shall be prohibited from operating a motor vehicle in California unless that vehicle is equipped with a functioning ignition interlock device. An ignition interlock device is not required to be installed on any vehicle owned by the defendant that is not driven in California.

(k) If a person has a medical problem that does not permit the person to breathe with sufficient strength to activate the device, then that person shall only have the suspension option.

(l) This section does not restrict a court from requiring installation of an ignition interlock device and prohibiting operation of a motor vehicle unless that vehicle is equipped with a functioning, certified ignition interlock device for a person to whom subdivision (a) or (b) does not apply. The term of the restriction shall be determined by the court for a period not to exceed three years from the date of conviction. The court shall notify the Department of Motor Vehicles, as specified in subdivision (a) of Section 1803, of the terms of the restrictions in accordance with subdivision (a) of Section 1804. The Department of Motor Vehicles shall place the restriction in the person's records in the Department of Motor Vehicles.

(m) For the purposes of this section, "vehicle" does not include a motorcycle until the state certifies an ignition interlock device that can be installed on a motorcycle. Any person subject to an ignition interlock device restriction shall not operate a motorcycle for the duration of the ignition interlock device restriction period.

(n) For the purposes of this section, "owned" means solely owned or owned in conjunction with another person or legal entity. For purposes

of this section, “operates” includes operating vehicles that are not owned by the person subject to this section.

(o) For the purposes of this section, “bypass” includes, but is not limited to, either of the following:

(1) Any combination of failing or not taking the ignition interlock device rolling retest three consecutive times.

(2) Any incidence of failing or not taking the ignition interlock device rolling retest, when not followed by an incidence of passing the ignition interlock rolling retest prior to turning off the vehicle’s engine.

SEC. 203. Section 23593 of the Vehicle Code is amended to read:

23593. (a) The court shall advise a person convicted of a violation of Section 23103, as specified in Section 23103.5, or a violation of Section 23152 or 23153, as follows:

“You are hereby advised that being under the influence of alcohol or drugs, or both, impairs your ability to safely operate a motor vehicle. Therefore, it is extremely dangerous to human life to drive while under the influence of alcohol or drugs, or both. If you continue to drive while under the influence of alcohol or drugs, or both, and, as a result of that driving, someone is killed, you can be charged with murder.”

(b) The advisory statement may be included in a plea form, if used, or the fact that the advice was given may be specified on the record.

(c) The court shall include on the abstract of the conviction or violation submitted to the department under Section 1803 or 1816, the fact that the person has been advised as required under subdivision (a).

SEC. 204. Section 27362 of the Vehicle Code is amended to read:

27362. (a) A manufacturer, wholesaler, or retailer shall not sell, offer for sale, or install in a motor vehicle, a child passenger restraint system that does not conform to all applicable federal motor vehicle safety standards on the date of manufacture. Responsibility for compliance with this section shall rest with the individual selling the system, offering the system for sale, or installing the system. A person who violates this section is guilty of a misdemeanor and shall be punished as follows:

(1) Upon a first conviction, by a fine not exceeding four hundred dollars (\$400), or by imprisonment in a county jail for a period of not more than 90 days, or both.

(2) Upon a second or subsequent conviction, by a fine not exceeding one thousand dollars (\$1,000), or by imprisonment in a county jail for a period of not more than 180 days, or both.

(b) The fines collected for a violation of this section shall be allocated as follows:

(1) (A) Sixty percent to the county or city health department where the violation occurred, to be used for a child passenger restraint low-cost

purchase or loaner program which shall include, but not be limited to, education on the proper installation and use of a child passenger restraint system. The county health department shall designate a coordinator to facilitate the creation of a special account and to develop a relationship with the superior court to facilitate the transfer of funds to the program. The county may contract for the implementation of the program. Prior to obtaining possession of a child passenger restraint system pursuant to this section, a person shall receive information relating to the importance of utilizing that system.

(B) As the proceeds from fines become available, county health departments shall prepare and maintain a listing of all child passenger restraint low-cost purchase or loaner programs in their counties, including a semiannual verification that all programs listed are in existence. Each county shall forward the listing to the Office of Traffic Safety in the Business, Transportation and Housing Agency and the courts, birthing centers, community child health and disability prevention programs, and county hospitals in that county, who shall make the listing available to the public. The Office of Traffic Safety shall maintain a listing of all of the programs in the state.

(2) Twenty-five percent to the county for the administration of the program.

(3) Fifteen percent to the city, to be deposited in its general fund except that, if the violation occurred in an unincorporated area, this amount shall be allocated to the county for purposes of paragraph (1).

SEC. 205. Section 521 of the Water Code is amended to read:

521. The Legislature further finds and declares all of the following:

(a) Water furnished or used without any method of determination of the quantities of water used by the person to whom the water is furnished has caused, and will continue to cause, waste and unreasonable use of water, and that this waste and unreasonable use should be identified, isolated, and eliminated.

(b) Water metering and volumetric pricing are among the most efficient conservation tools, providing information on how much water is being used and pricing to encourage conservation.

(c) Without water meters, it is impossible for homeowners and businesses to know how much water they are using, thereby inhibiting conservation, punishing those who conserve, and rewarding those who waste water.

(d) Existing law requires the installation of a water meter as a condition of water service provided pursuant to a connection installed on or after January 1, 1992, but the continuing widespread absence of water meters and the lack of volumetric pricing could result in the inefficient use of water for municipal and industrial uses.

(e) The benefits to be gained from metering infrastructure are not recovered if urban water suppliers do not use this infrastructure.

(f) This chapter addresses a subject matter of statewide concern. It is the intent of the Legislature that this chapter supersede and preempt all enactments and other local action of cities and counties, including charter cities and charter counties, and other local public agencies that conflict with this chapter, other than enactments or local actions that impose additional or more stringent requirements regarding matters set forth in this chapter.

(g) An urban water supplier should take any available necessary step consistent with state law to ensure that the implementation of this chapter does not place an unreasonable burden on low-income families.

SEC. 206. Section 525 of the Water Code is amended to read:

525. (a) Notwithstanding any other provision of law, every water purveyor who sells, leases, rents, furnishes, or delivers water service to any person shall require, as a condition of new water service on and after January 1, 1992, that a suitable water meter to measure the water service shall be installed on the water service facilities in accordance with this chapter. The cost of installation of the meter shall be paid by the user of the water, and any water purveyor may impose and collect charges for those costs.

(b) Subdivision (a) applies only to potable water.

(c) Subdivision (a) does not apply to a community water system which serves fewer than 15 service connections used by yearlong residents or regularly serves fewer than 25 yearlong residents, or a single well that services the water supply of a single-family residential home.

SEC. 207. Section 527 of the Water Code is amended to read:

527. (a) An urban water supplier that is not subject to Section 526 shall do both of the following:

(1) Install water meters on all municipal and industrial service connections located within its service area on or before January 1, 2025.

(2) (A) Charge each customer that has a service connection for which a water meter has been installed based on the actual volume of deliveries as measured by the water meter, beginning on or before January 1, 2010.

(B) Notwithstanding subparagraph (A), in order to provide customers with experience in volume-based water service charges, an urban water supplier that is subject to this subdivision may delay, for one annual seasonal cycle of water use, the use of meter-based charges for service connections that are being converted from nonvolume-based billing to volume-based billing.

(b) A water purveyor, including an urban water supplier, may recover the cost of providing services related to the purchase, installation, and operation of a water meter from rates, fees, or charges.

SEC. 208. 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 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 and its water delivery obligations under subdivision (c) of Section 2081.7 of the Fish and Game Code, 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) During the initial term in which the Quantification Settlement Agreement is in effect, any water transferred by the Imperial Irrigation District shall be subject to an ecosystem restoration fee established by the Department of Fish and Game, in consultation with the board, to cover the proportional impacts to the Salton Sea of the additional water transfer. The fee shall not exceed 10 percent of the amount of any compensation received for the transfer of the water. The fee shall be deposited in the Salton Sea Restoration Fund. This fee shall not apply to the following transfers:

(1) Transfers to meet water delivery obligations under the Quantification Settlement Agreement and related agreements, as defined in that agreement.

(2) Transfers to comply with subdivision (c) of Section 2081.7 of the Fish and Game Code.

(3) Transfers pursuant to a Defensive Transfer Agreement as defined in the Agreement for Acquisition of Conserved Water between the Imperial Irrigation District and the Metropolitan Water District of Southern California.

(g) Subdivisions (c), (d), (e), and (f) shall not become operative unless the parties have executed the Quantification Settlement Agreement on or before October 12, 2003.

(h) 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. 209. Section 12997 of the Water Code is amended to read:

12997. (a) Not later than June 30, 2005, the director shall establish the Alluvial Fan Task Force with broad membership, to the maximum extent possible, from local, state, and federal government and other stakeholders to review the state of knowledge regarding alluvial fan flood plains, determine future research needs, and prepare recommendations relating to alluvial fan flood plain management, with an emphasis on alluvial fan flood plains that are being considered for development in accordance with local general plans. The director, in consultation with representatives of the Counties of San Bernardino, Riverside, Los Angeles, Ventura, Santa Barbara, San Luis Obispo, Kern,

Orange, Imperial, and San Diego, may enter into an interagency agreement with the California State University, the University of California, or other appropriate agency, to oversee the task force.

(b) The director shall determine the composition of the task force. The task force may include, but need not be limited to, representatives from all of the following entities or groups, subject to the consent of those entities or groups:

(1) City and county governments in the Counties of San Bernardino, Riverside, Los Angeles, Ventura, Santa Barbara, San Luis Obispo, Kern, Orange, Imperial, and San Diego.

(2) The department.

(3) Other local, state, and federal government agencies and stakeholders that represent relevant environmental, agricultural, and construction interests.

(c) The Alluvial Fan Task Force shall develop a model ordinance on alluvial fan flooding to be made available to communities subject to alluvial fan flooding.

(d) The Alluvial Fan Task Force shall prepare and submit a report, with findings and recommendations, to the Legislature not later than June 30, 2006.

SEC. 210. Section 13305 of the Water Code is amended to read:

13305. (a) Upon determining that a condition of pollution or nuisance exists that has resulted from a nonoperating industrial or business location within its region, a regional board may cause notice of the condition to be posted upon the property in question. The notice shall state that the condition constitutes either a condition of pollution or nuisance that is required to be abated by correction of the condition, or a condition that will be corrected by the city, county, other public agency, or regional board at the property owner's expense. The notice shall further state that all property owners having any objections to the proposed correction of the condition may attend a hearing to be held by the regional board at a time not less than 10 days from the posting of the notice.

(b) Notice of the hearing prescribed in this section shall be given in the county where the property is located pursuant to Section 6061 of the Government Code.

(c) In addition to posting and publication, notice as required in this section shall be mailed to the property owners as their names and addresses appear from the last equalized assessment roll.

(d) At the time stated in the notices, the regional board shall hear and consider all objections or protests, if any, to the proposed correction of the condition, and may continue the hearing from time to time.

(e) (1) After final action is taken by the regional board on the disposition of any protests or objections, or if no protests or objections

are received, the regional board shall request the city, county, or other public agency in which the condition of pollution or nuisance exists to abate the condition or nuisance.

(2) If the city, county, or other public agency does not abate the condition within a reasonable time, the regional board shall cause the condition to be abated. The regional board may proceed by force account, contract or other agreement, or any other method deemed most expedient by the regional board, and shall apply to the state board for the necessary funds.

(3) The regional board shall be permitted reasonable access to the affected property as necessary to perform any cleanup, abatement, or other remedial work. Access shall be obtained with the consent of the owner or possessor of the property, or, if the consent is withheld, with a warrant duly issued pursuant to the procedure described in Title 13 (commencing with Section 1822.50) of Part 3 of the Code of Civil Procedure. However, in the event of an emergency affecting public health or safety, the regional board may enter the property without consent or the issuance of a warrant.

(f) The owner of the property on which the condition exists, or is created, is liable for all reasonable costs incurred by the regional board or any city, county, or public agency in abating the condition. The amount of the cost for abating the condition upon the property in question constitutes a lien upon the property so posted upon the recordation of a notice of lien, which identifies the property on which the condition was abated, the amount the lien, and the owner of record of the property, in the office of the county recorder of the county in which the property is located. Upon recordation, the lien has the same force, effect, and priority as a judgment lien, except that it attaches only to the property so posted and described in the notice of lien, and shall continue for 10 years from the time of the recording of the notice unless sooner released or otherwise discharged. The lien may be foreclosed by an action brought by the city, county, other public agency, or state board, on behalf of the regional board, for a money judgment. Money recovered by a judgment in favor of the state board shall be returned to the State Water Pollution Cleanup and Abatement Account.

(g) The city, county, other public agency, or state board on behalf of a regional board, may, at any time, release all, or any portion, of the property subject to a lien imposed pursuant to subdivision (f) from the lien or subordinate the lien to other liens and encumbrances if it determines that the amount owed is sufficiently secured by a lien on other property or that the release or subordination of the lien will not jeopardize the collection of the amount owed. A certificate by the state board, city, county, or other public agency to the effect that any property

has been released from the lien or that the lien has been subordinated to other liens and encumbrances is conclusive evidence that the property has been released or that the lien has been subordinated as provided in the certificate.

(h) As used in this section, the words “nonoperating” or “not in operation” mean the business is not conducting routine operations usually associated with that kind of business.

(i) Nothing in this section limits the authority of any state agency under any other law or regulation to enforce or administer any cleanup or abatement activity.

SEC. 211. Section 13387 of the Water Code is amended to read:

13387. (a) Any person who knowingly or negligently does any of the following is subject to criminal penalties as provided in subdivisions (b), (c), and (d):

- (1) Violates Section 13375 or 13376.
- (2) Violates any waste discharge requirements or dredged or fill material permit issued pursuant to this chapter or any water quality certification issued pursuant to Section 13160.
- (3) Violates any order or prohibition issued pursuant to Section 13243 or 13301, if the activity subject to the order or prohibition is subject to regulation under this chapter.
- (4) Violates any requirement of Section 301, 302, 306, 307, 308, 318, 401, or 405 of the Clean Water Act (33 U.S.C. Sec. 1311, 1312, 1316, 1317, 1318, 1328, 1341, or 1345), as amended.
- (5) Introduces into a sewer system or into a publicly owned treatment works any pollutant or hazardous substances that the person knew or reasonably should have known could cause personal injury or property damage.
- (6) Introduces any pollutant or hazardous substance into a sewer system or into a publicly owned treatment works, except in accordance with any applicable pretreatment requirements, which causes the treatment works to violate waste discharge requirements.

(b) Any person who negligently commits any of the violations set forth in subdivision (a) shall, upon conviction, be punished by a fine of not less than five thousand dollars (\$5,000), nor more than twenty-five thousand dollars (\$25,000), for each day in which the violation occurs, or by imprisonment for not more than one year in a county jail, or both. If a conviction of a person is for a violation committed after a first conviction of the person under this subdivision, subdivision (c), or subdivision (d), punishment shall be by a fine of not more than fifty thousand dollars (\$50,000) for each day in which the violation occurs, or by imprisonment for not more than two years, or by both.

(c) Any person who knowingly commits any of the violations set forth in subdivision (a) shall, upon conviction, be punished by a fine of not less than five thousand dollars (\$5,000), nor more than fifty thousand dollars (\$50,000), for each day in which the violation occurs, or by imprisonment in the state prison for not more than three years, or by both. If a conviction of a person is for a violation committed after a first conviction of the person under this subdivision or subdivision (d), punishment shall be by a fine of not more than one hundred thousand dollars (\$100,000) for each day in which the violation occurs, or by imprisonment in the state prison for not more than six years, or by both.

(d) (1) Any person who knowingly commits any of the violations set forth in subdivision (a), and who knows at the time that the person thereby places another person in imminent danger of death or serious bodily injury, shall, upon conviction, be subject to a fine of not more than two hundred fifty thousand dollars (\$250,000) or imprisonment in the state prison for not more than 15 years, or both. A person that is an organization shall, upon conviction under this subdivision, be subject to a fine of not more than one million dollars (\$1,000,000). If a conviction of a person is for a violation committed after a first conviction of the person under this subdivision, the maximum punishment shall be a fine of not more than five hundred thousand dollars (\$500,000) or imprisonment in the state prison for not more than 30 years, or both. A person that is an organization shall, upon conviction for a violation committed after a first conviction of the person under this subdivision, be subject to a fine of not more than two million dollars (\$2,000,000). Any fines imposed pursuant to this subdivision shall be in addition to any fines imposed pursuant to subdivision (c).

(2) In determining whether a defendant who is an individual knew that the defendant's conduct placed another person in imminent danger of death or serious bodily injury, the defendant is responsible only for actual awareness or actual belief that the defendant possessed, and knowledge possessed by a person other than the defendant, but not by the defendant personally, cannot be attributed to the defendant.

(e) Any person who knowingly makes any false statement, representation, or certification in any record, report, plan, notice to comply, or other document filed with a regional board or the state board, or who knowingly falsifies, tampers with, or renders inaccurate any monitoring device or method required under this division shall be punished by a fine of not more than twenty-five thousand dollars (\$25,000), or by imprisonment in the state prison for not more than two years, or by both. If a conviction of a person is for a violation committed after a first conviction of the person under this subdivision, punishment shall be by a fine of not more than twenty-five thousand dollars (\$25,000)

per day of violation, or by imprisonment in the state prison for not more than four years, or by both.

(f) For purposes of this section, a single operational upset which leads to simultaneous violations of more than one pollutant parameter shall be treated as a single violation.

(g) For purposes of this section, “organization,” “serious bodily injury,” “person,” and “hazardous substance” shall have the same meaning as in Section 309(c) of the Clean Water Act (33 U.S.C. Sec. 1319(c)), as amended.

(h) (1) Subject to paragraph (2), funds collected pursuant to this section shall be deposited in the State Water Pollution Cleanup and Abatement Account.

(2) (A) Notwithstanding any other provision of law, fines collected for a violation of a water quality certification in accordance with paragraph (2) of subdivision (a) or for a violation of Section 401 of the Clean Water Act (33 U.S.C. Sec. 1341) in accordance with paragraph (4) of subdivision (a) shall be deposited in the Water Discharge Permit Fund and separately accounted for in that fund.

(B) The funds described in subparagraph (A) shall be expended by the state board, upon appropriation by the Legislature, to assist regional boards, and other public agencies with authority to clean up waste or abate the effects of the waste, in cleaning up or abating the effects of the waste on waters of the state, or for the purposes authorized in Section 13443.

SEC. 212. Section 35539.13 of the Water Code is amended to read:

35539.13. (a) The districts may convey water in a drainage course within the boundaries of each respective district for the purposes of treating and reusing that water, if the conveyance, treatment, and reuse meet the requirements of state and federal law.

(b) For purposes of this section, “drainage course” refers to a drainage course with regard to which each respective district has a right of use.

(c) For purposes of this section, “water” refers to water with regard to which each respective district has a right of use.

SEC. 213. Section 294 of the Welfare and Institutions Code is amended to read:

294. The social worker or probation officer shall give notice of a selection and implementation hearing held pursuant to Section 366.26 in the following manner:

(a) Notice of the hearing shall be given to the following persons:

(1) The mother.

(2) The fathers, presumed and alleged.

(3) The child, if the child is 10 years of age or older.

(4) Any known sibling of the child who is the subject of the hearing if that sibling either is the subject of a dependency proceeding or has been adjudged to be a dependent child of the juvenile court. If the sibling is 10 years of age or older, the sibling, the sibling's caregiver, and the sibling's attorney. If the sibling is under 10 years of age, the sibling's caregiver and the sibling's attorney. However, notice is not required to be given to any sibling whose matter is calendared in the same court on the same day.

(5) The grandparents of the child, if their address is known and if the parent's whereabouts are unknown.

(6) All counsel of record.

(7) If the court knows or has reason to know that an Indian child is involved, then to the Indian custodian and the tribe of that child. If the identity or location of the parent or Indian custodian and the tribe cannot be determined, notice shall be given to the Bureau of Indian Affairs.

(b) The following persons shall not be notified of the hearing:

(1) A parent who has relinquished the child to the State Department of Social Services or to a licensed adoption agency for adoption, and the relinquishment has been accepted and filed with notice as required under Section 8700 of the Family Code.

(2) An alleged father who has denied paternity and has executed a waiver of the right to notice of further proceedings.

(3) A parent whose parental rights have been terminated.

(c) (1) Service of the notice shall be completed at least 45 days before the hearing date. Service is deemed complete at the time the notice is personally delivered to the person named in the notice or 10 days after the notice has been placed in the mail, or at the expiration of the time prescribed by the order for publication.

(2) In the case of an Indian child, notice to the Indian custodian and the tribe shall be completed at least 10 days before the hearing.

(3) In the case of an Indian child, if notice is given to the Bureau of Indian Affairs, the bureau shall have 15 days after receipt to provide the requisite notice to the parent or Indian custodian and the tribe.

(4) Service of notice in cases where publication is ordered shall be completed at least 30 days before the date of the hearing.

(d) Regardless of the type of notice required, or the manner in which it is served, once the court has made the initial finding that notice has properly been given to the parent, or to any person entitled to receive notice pursuant to this section, subsequent notice for any continuation of a Section 366.26 hearing may be by first-class mail to any last known address, by an order made pursuant to Section 296, or by any other means that the court determines is reasonably calculated, under any circumstance, to provide notice of the continued hearing. However, if

the recommendation changes from the recommendation contained in the notice previously found to be proper, notice shall be provided to the parent, and to any person entitled to receive notice pursuant to this section, regarding that subsequent hearing.

(e) The notice shall contain the following information:

- (1) The date, time, and place of the hearing.
- (2) The right to appear.
- (3) The parents' right to counsel.
- (4) The nature of the proceedings.
- (5) The recommendation of the supervising agency.
- (6) A statement that, at the time of hearing, the court is required to select a permanent plan of adoption, legal guardianship, or long-term foster care for the child.

(7) In the case of an Indian child, the notice shall contain a statement that the parent or Indian custodian and the tribe have a right to intervene at any point in the proceedings. The notice shall also include a statement that the parent or Indian custodian and the tribe shall, upon request, be granted up to 20 additional days to prepare for the proceedings.

(f) Notice to the parents may be given in any one of the following manners:

(1) If the parent is present at the hearing at which the court schedules a hearing pursuant to Section 366.26, the court shall advise the parent of the date, time, and place of the proceedings, his or her right to counsel, the nature of the proceedings, and that at the proceedings the court shall select and implement a plan of adoption, legal guardianship, or long-term foster care for the child. The court shall direct the parent to appear for the proceedings and then direct that the parent be notified thereafter by first-class mail to the parent's usual place of residence or business only.

(2) Certified mail, return receipt requested, to the parent's last known mailing address. This notice shall be sufficient if the child welfare agency receives a return receipt signed by the parent.

(3) Personal service to the parent named in the notice.

(4) Delivery to a competent person who is at least 18 years of age at the parent's usual place of residence or business, and thereafter mailed to the parent named in the notice by first-class mail at the place where the notice was delivered.

(5) If the residence of the parent is outside the state, service may be made as described in paragraph (1), (3), or (4) or by certified mail, return receipt requested.

(6) If the recommendation of the probation officer or social worker is legal guardianship or long-term foster care, service may be made by first-class mail to the parent's usual place of residence or business.

(7) If the parent's whereabouts are unknown and the parent cannot, with reasonable diligence, be served in any manner specified in paragraphs (1) to (6), inclusive, the petitioner shall file an affidavit with the court at least 75 days before the hearing date, stating the name of the parent and describing the efforts made to locate and serve the parent.

(A) If the court determines that there has been due diligence in attempting to locate and serve the parent and the probation officer or social worker recommends adoption, service shall be to that parent's attorney of record, if any, by certified mail, return receipt requested. If the parent does not have an attorney of record, the court shall order that service be made by publication of citation requiring the parent to appear at the date, time, and place stated in the citation, and that the citation be published in a newspaper designated as most likely to give notice to the parent. Publication shall be made once a week for four consecutive weeks. Whether notice is to the attorney of record or by publication, the court shall also order that notice be given to the grandparents of the child by first-class mail.

(B) If the court determines that there has been due diligence in attempting to locate and serve the parent and the probation officer or social worker recommends legal guardianship or long-term foster care, no further notice is required to the parent, but the court shall order that notice be given to the grandparents of the child by first-class mail.

(C) In any case where the residence of the parent becomes known, notice shall immediately be served upon the parent as provided for in either paragraph (2), (3), (4), (5), or (6).

(8) If the identity of one or both of the parents, or alleged parents, of the child is unknown, or if the name of one or both parents is uncertain, then that fact shall be set forth in the affidavit and the court, if ordering publication, shall order the published citation to be directed to either the father or mother, or both, of the child, and to all persons claiming to be the father or mother of the child, naming and otherwise describing the child.

(g) Notice to the child and all counsel of record shall be by first-class mail.

(h) In the case of an Indian child, notice to the tribe shall be by registered mail, return receipt requested.

(i) Notwithstanding subdivision (a), if the attorney of record is present at the time the court schedules a hearing pursuant to Section 366.26, no further notice is required, except as required by subparagraph (A) of paragraph (7) of subdivision (f).

(j) This section shall also apply to children adjudged wards pursuant to Section 727.31.

SEC. 214. Section 366.21 of the Welfare and Institutions Code is amended to read:

366.21. (a) Every hearing conducted by the juvenile court reviewing the status of a dependent child shall be placed on the appearance calendar. The court shall advise all persons present at the hearing of the date of the future hearing and of their right to be present and represented by counsel.

(b) Except as provided in Sections 294 and 295, notice of the hearing shall be provided pursuant to Section 293.

(c) At least 10 calendar days prior to the hearing, the social worker shall file a supplemental report with the court regarding the services provided or offered to the parent or legal guardian to enable him or her to assume custody and the efforts made to achieve legal permanence for the child if efforts to reunify fail, including, but not limited to, efforts to maintain relationships between a child who is 10 years of age or older and has been in out-of-home placement in a group home for six months or longer from the date the child entered foster care and individuals who are important to the child, consistent with the child's best interests; the progress made; and, where relevant, the prognosis for return of the child to the physical custody of his or her parent or legal guardian; and shall make his or her recommendation for disposition. If the child is a member of a sibling group described in paragraph (3) of subdivision (a) of Section 361.5, the report and recommendation may also take into account those factors described in subdivision (e) relating to the child's sibling group. If the recommendation is not to return the child to a parent or legal guardian, the report shall specify why the return of the child would be detrimental to the child. The social worker shall provide the parent or legal guardian, counsel for the child, and any court-appointed child advocate with a copy of the report, including his or her recommendation for disposition, at least 10 calendar days prior to the hearing. In the case of a child removed from the physical custody of his or her parent or legal guardian, the social worker shall, at least 10 calendar days prior to the hearing, provide a summary of his or her recommendation for disposition to any foster parents, relative caregivers, and certified foster parents who have been approved for adoption by 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 or by a licensed county adoption agency, community care facility, or foster family agency having the physical custody of the child.

(d) Prior to any hearing involving a child in the physical custody of a community care facility or a foster family agency that may result in the return of the child to the physical custody of his or her parent or legal guardian, or in adoption or the creation of a legal guardianship, the

facility or agency shall file with the court a report containing its recommendation for disposition. Prior to the hearing involving a child in the physical custody of a foster parent, a relative caregiver, or a certified foster parent who has been approved for adoption by the State Department of Social Services when it is acting as an adoption agency or by a licensed adoption agency, the foster parent, relative caregiver, or the certified foster parent who has been approved for adoption by 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 or by a licensed county adoption agency, may file with the court a report containing his or her recommendation for disposition. The court shall consider the report and recommendation filed pursuant to this subdivision prior to determining any disposition.

(e) At the review hearing held six months after the initial dispositional hearing, the court shall order the return of the child to the physical custody of his or her parent or legal guardian unless the court finds, by a preponderance of the evidence, that the return of the child to his or her parent or legal guardian would create a substantial risk of detriment to the safety, protection, or physical or emotional well-being of the child. The social worker shall have the burden of establishing that detriment. The failure of the parent or legal guardian to participate regularly and make substantive progress in court-ordered treatment programs shall be prima facie evidence that return would be detrimental. In making its determination, the court shall review and consider the social worker's report and recommendations and the report and recommendations of any child advocate appointed pursuant to Section 356.5; and shall consider the efforts or progress, or both, demonstrated by the parent or legal guardian and the extent to which he or she availed himself or herself of services provided.

Whether or not the child is returned to a parent or legal guardian, the court shall specify the factual basis for its conclusion that the return would be detrimental or would not be detrimental. The court also shall make appropriate findings pursuant to subdivision (a) of Section 366; and, where relevant, shall order any additional services reasonably believed to facilitate the return of the child to the custody of his or her parent or legal guardian. The court shall also inform the parent or legal guardian that if the child cannot be returned home by the 12-month permanency hearing, a proceeding pursuant to Section 366.26 may be instituted. This section does not apply in a case where, pursuant to Section 361.5, the court has ordered that reunification services shall not be provided.

If the child was under the age of three years on the date of the initial removal, or is a member of a sibling group described in paragraph (3)

of subdivision (a) of Section 361.5, and the court finds by clear and convincing evidence that the parent failed to participate regularly and make substantive progress in a court-ordered treatment plan, the court may schedule a hearing pursuant to Section 366.26 within 120 days. If, however, the court finds there is a substantial probability that the child, who was under the age of three years on the date of initial removal or is a member of a sibling group described in paragraph (3) of subdivision (a) of Section 361.5, may be returned to his or her parent or legal guardian within six months or that reasonable services have not been provided, the court shall continue the case to the 12-month permanency hearing.

For the purpose of placing and maintaining a sibling group together in a permanent home, the court, in making its determination to schedule a hearing pursuant to Section 366.26 for some or all members of a sibling group, as described in paragraph (3) of subdivision (a) of Section 361.5, shall review and consider the social worker's report and recommendations. Factors the report shall address, and the court shall consider, may include, but need not be limited to, whether the sibling group was removed from parental care as a group, the closeness and strength of the sibling bond, the ages of the siblings, the appropriateness of maintaining the sibling group together, the detriment to the child if sibling ties are not maintained, the likelihood of finding a permanent home for the sibling group, whether the sibling group is currently placed together in a preadoptive home or has a concurrent plan goal of legal permanency in the same home, the wishes of each child whose age and physical and emotional condition permits a meaningful response, and the best interest of each child in the sibling group. The court shall specify the factual basis for its finding that it is in the best interest of each child to schedule a hearing pursuant to Section 366.26 in 120 days for some or all of the members of the sibling group.

If the child was removed initially under subdivision (g) of Section 300 and the court finds by clear and convincing evidence that the whereabouts of the parent are still unknown, or the parent has failed to contact and visit the child, the court may schedule a hearing pursuant to Section 366.26 within 120 days. If the court finds by clear and convincing evidence that the parent has been convicted of a felony indicating parental unfitness, the court may schedule a hearing pursuant to Section 366.26 within 120 days.

If the child had been placed under court supervision with a previously noncustodial parent pursuant to Section 361.2, the court shall determine whether supervision is still necessary. The court may terminate supervision and transfer permanent custody to that parent, as provided for by paragraph (1) of subdivision (b) of Section 361.2.

In all other cases, the court shall direct that any reunification services previously ordered shall continue to be offered to the parent or legal guardian pursuant to the time periods set forth in subdivision (a) of Section 361.5, provided that the court may modify the terms and conditions of those services.

If the child is not returned to his or her parent or legal guardian, the court shall determine whether reasonable services that were designed to aid the parent or legal guardian in overcoming the problems that led to the initial removal and the continued custody of the child have been provided or offered to the parent or legal guardian. The court shall order that those services be initiated, continued, or terminated.

(f) The permanency hearing shall be held no later than 12 months after the date the child entered foster care, as that date is determined pursuant to subdivision (a) of Section 361.5. At the permanency hearing, the court shall determine the permanent plan for the child, which shall include a determination of whether the child will be returned to the child's home and, if so, when, within the time limits of subdivision (a) of Section 361.5. The court shall order the return of the child to the physical custody of his or her parent or legal guardian unless the court finds, by a preponderance of the evidence, that the return of the child to his or her parent or legal guardian would create a substantial risk of detriment to the safety, protection, or physical or emotional well-being of the child. The social worker shall have the burden of establishing that detriment. The court shall also determine whether reasonable services that were designed to aid the parent or legal guardian to overcome the problems that led to the initial removal and continued custody of the child have been provided or offered to the parent or legal guardian. For each youth 16 years of age and older, the court shall also determine whether services have been made available to assist him or her in making the transition from foster care to independent living. The failure of the parent or legal guardian to participate regularly and make substantive progress in court-ordered treatment programs shall be prima facie evidence that return would be detrimental. In making its determination, the court shall review and consider the social worker's report and recommendations and the report and recommendations of any child advocate appointed pursuant to Section 356.5, shall consider the efforts or progress, or both, demonstrated by the parent or legal guardian and the extent to which he or she availed himself or herself of services provided, and shall make appropriate findings pursuant to subdivision (a) of Section 366.

Whether or not the child is returned to his or her parent or legal guardian, the court shall specify the factual basis for its decision. If the child is not returned to a parent or legal guardian, the court shall specify

the factual basis for its conclusion that the return would be detrimental. The court also shall make a finding pursuant to subdivision (a) of Section 366.

(g) If the time period in which the court-ordered services were provided has met or exceeded the time period set forth in paragraph (1), (2), or (3) of subdivision (a) of Section 361.5, as appropriate, and a child is not returned to the custody of a parent or legal guardian at the permanency hearing held pursuant to subdivision (f), the court shall do one of the following:

(1) Continue the case for up to six months for a permanency review hearing, provided that the hearing shall occur within 18 months of the date the child was originally taken from the physical custody of his or her parent or legal guardian. The court shall continue the case 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 legal guardian and safely maintained in the home within the extended period of time or that reasonable services have not been provided to the parent or legal guardian. For the purposes of this section, in order to find a substantial probability that the child will be returned to the physical custody of his or her parent or legal guardian and safely maintained in the home within the extended period of time, the court shall be required to find all of the following:

(A) That the parent or legal guardian has consistently and regularly contacted and visited with the child.

(B) That the parent or legal guardian has made significant progress in resolving problems that led to the child's removal from the home.

(C) The parent or legal guardian has demonstrated the capacity and ability both to complete the objectives of his or her treatment plan and to provide for the child's safety, protection, physical and emotional well-being, and special needs.

For purposes of this subdivision, the court's decision to continue the case based on a finding or substantial probability that the child will be returned to the physical custody of his or her parent or legal guardian is a compelling reason for determining that a hearing held pursuant to Section 366.26 is not in the best interests of the child.

The court shall inform the parent or legal guardian that if the child cannot be returned home by the next permanency review hearing, a proceeding pursuant to Section 366.26 may be instituted. The court may not order that a hearing pursuant to Section 366.26 be held unless there is clear and convincing evidence that reasonable services have been provided or offered to the parent or legal guardian.

(2) Order that a hearing be held within 120 days, pursuant to Section 366.26, but only if the court does not continue the case to the permanency

planning review hearing and there is clear and convincing evidence that reasonable services have been provided or offered to the parents or legal guardians.

(3) Order that the child remain in long-term foster care, but only if the court finds by clear and convincing evidence, based upon the evidence already presented to it, including a recommendation by 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 or by a licensed county adoption agency, that there is a compelling reason for determining that a hearing held pursuant to Section 366.26 is not in the best interest of the child because the child is not a proper subject for adoption and has no one willing to accept legal guardianship. For purposes of this section, a recommendation by 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 or by a licensed county adoption agency that adoption is not in the best interest of the child shall constitute a compelling reason for the court's determination. That recommendation shall be based on the present circumstances of the child and may not preclude a different recommendation at a later date if the child's circumstances change.

If the court orders that a child who is 10 years of age or older remain in long-term foster care at a group home, the court shall determine whether the agency has made reasonable efforts to maintain the child's relationships with individuals other than the child's siblings who are important to the child, consistent with the child's best interests, and may make any appropriate order to ensure that those relationships are maintained.

(h) In any case in which the court orders that a hearing pursuant to Section 366.26 shall be held, it shall also order the termination of reunification services to the parent or legal guardian. The court shall continue to permit the parent or legal guardian to visit the child pending the hearing unless it finds that visitation would be detrimental to the child. The court shall make any other appropriate orders to enable the child to maintain relationships with individuals, other than the child's siblings, who are important to the child, consistent with the child's best interests.

(i) Whenever a court orders that a hearing pursuant to Section 366.26 shall be held, 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 all of the following:

(1) Current search efforts for an absent parent or parents or legal guardians.

(2) A review of the amount of and nature of any contact between the child and his or her parents or legal guardians 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 legal 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.

(5) The relationship of the child to any identified prospective adoptive parent or legal 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) A description of efforts to be made to identify a prospective adoptive parent or legal guardian, including, but not limited to, child-specific recruitment and listing on an adoption exchange.

(7) An analysis of the likelihood that the child will be adopted if parental rights are terminated.

(j) If, at any hearing held pursuant to Section 366.26, a guardianship is established for the minor with a relative, and juvenile court dependency is subsequently dismissed, the relative shall be eligible for aid under the Kin-GAP program as provided in Article 4.5 (commencing with Section 11360) of Chapter 2 of Part 3 of Division 9.

(k) As used in this section, "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.

(l) For purposes of this section, evidence of any of the following circumstances may not, in and of itself, be deemed a failure to provide or offer reasonable services:

(1) The child has been placed with a foster family that is eligible to adopt a child, or has been placed in a preadoptive home.

(2) The case plan includes services to make and finalize a permanent placement for the child if efforts to reunify fail.

(3) Services to make and finalize a permanent placement for the child, if efforts to reunify fail, are provided concurrently with services to reunify the family.

SEC. 215. Section 387 of the Welfare and Institutions Code is amended to read:

387. (a) An order changing or modifying a previous order by removing a child from the physical custody of a parent, guardian, relative, or friend and directing placement in a foster home, or commitment to a private or county institution, shall be made only after noticed hearing upon a supplemental petition.

(b) The supplemental petition shall be filed by the social worker in the original matter and shall contain a concise statement of facts sufficient to support the conclusion that the previous disposition has not been effective in the rehabilitation or protection of the child or, in the case of a placement with a relative, sufficient to show that the placement is not appropriate in view of the criteria in Section 361.3.

(c) Notwithstanding subdivision (a), dependency jurisdiction shall be resumed for a child as to whom dependency jurisdiction has been suspended pursuant to Section 366.5 if the jurisdiction established pursuant to Section 601 or 602 is terminated and if, after the issuance of a joint assessment pursuant to Section 366.5, the court determines that the court's dependency jurisdiction should be resumed.

(d) Upon the filing of the supplemental petition, the clerk of the juvenile court shall immediately set the same for hearing within 30 days, and the social worker shall cause notice thereof to be served upon the persons and in the manner prescribed by Sections 290.1 and 291.

(e) An order for the detention of the child pending adjudication of the petition may be made only after a hearing is conducted pursuant to Article 7 (commencing with Section 305).

SEC. 216. Section 636 of the Welfare and Institutions Code is amended to read:

636. (a) If it appears upon the hearing that the minor has violated an order of the juvenile court or has escaped from a commitment of the juvenile court or that it is a matter of immediate and urgent necessity for the protection of the minor or reasonably necessary for the protection of the person or property of another that he or she be detained or that

the minor is likely to flee to avoid the jurisdiction of the court, and that continuance in the home is contrary to the minor's welfare, the court may make its order that the minor be detained in the juvenile hall or other suitable place designated by the juvenile court for a period not to exceed 15 judicial days and shall enter said order together with its findings of fact in support thereof in the records of the court. The circumstances and gravity of the alleged offense may be considered, in conjunction with other factors, to determine whether it is a matter of immediate and urgent necessity for the protection of the minor or the person or property of another that the minor be detained.

(b) If the court finds that the criteria of Section 628.1 are applicable, the court shall place the minor on home supervision for a period not to exceed 15 judicial days, and shall enter the order together with its findings of fact in support thereof in the records of the court. If the court releases the minor on home supervision, the court may continue, modify, or augment any conditions of release previously imposed by the probation officer, or may impose new conditions on a minor released for the first time. If there are new or modified conditions, the minor shall be required to sign a written promise to obey those conditions pursuant to Section 628.1.

(c) If the probation officer is recommending that the minor be detained, the probation officer shall submit to the court documentation, as follows:

(1) Documentation that continuance in the home is contrary to the minor's welfare shall be submitted to the court as part of the detention report prepared pursuant to Section 635.

(2) Documentation that reasonable efforts were made to prevent or eliminate the need for removal of the minor from the home and documentation of the nature and results of the services provided shall be submitted to the court either as part of the detention report prepared pursuant to Section 635, or as part of a case plan prepared pursuant to Section 636.1, but in no case later than 60 days from the date of detention.

(d) Before detaining the minor, the court shall determine whether continuance in the home is contrary to the minor's welfare and whether there are available services that would prevent the need for further detention. The court shall make that determination on a case-by-case basis and shall make reference to the documentation provided by the probation officer or other evidence relied upon in reaching its decision.

(1) If the minor can be returned to the custody of his or her parent or legal guardian at the detention hearing, through the provision of services to prevent removal, the court shall release the minor to the physical custody of his or her parent or legal guardian and order that those services be provided.

(2) If the minor cannot be returned to the custody of his or her parent or legal guardian at the detention hearing, the court shall state the facts upon which the detention is based. The court shall make the following findings on the record and reference the probation officer's report or other evidence relied upon to make its determinations:

(A) Whether continuance in the home of the parent or legal guardian is contrary to the minor's welfare.

(B) Whether reasonable efforts have been made to safely maintain the minor in the home of his or her parent or legal guardian and to prevent or eliminate the need for removal of the minor from his or her home. This finding shall be made at the detention hearing if possible, but in no case later than 60 days following the minor's removal from the home.

(3) If the minor cannot be returned to the custody of his or her parent or legal guardian at the detention hearing, the court shall make the following orders:

(A) The probation officer shall provide services as soon as possible to enable the minor's parent or legal guardian to obtain any assistance as may be needed to enable the parent or guardian to effectively provide the care and control necessary for the minor to return to the home.

(B) The minor's placement and care shall be the responsibility of the probation department pending disposition or further order of the court.

(4) If the matter is set for rehearing pursuant to Section 637, or continued pursuant to Section 638, or continued for any other reason, the court shall find that the continuance of the minor in the parent's or guardian's home is contrary to the minor's welfare at the initial petition hearing or order the release of the minor from custody.

(e) Whether the minor is returned home or detained, the court shall order the minor's parent or guardian to cooperate with the probation officer in obtaining those services described in paragraph (1) or in subparagraph (A) of paragraph (3).

SEC. 217. Section 740 of the Welfare and Institutions Code is amended to read:

740. (a) Any minor adjudged to be a ward of the court on the basis that he or she is a person described in Section 602 and who is placed in a community care facility shall be placed in a community care facility within his or her county of residence, unless both of the following apply:

(1) He or she has identifiable needs requiring specialized care that cannot be provided in a local facility, or his or her needs dictate physical separation from his or her family.

(2) The county of residence agrees to pay the placement county the costs of providing services to the minor, pursuant to Section 1566.25 of the Health and Safety Code.

(b) (1) Before the placement of a minor adjudged to be a ward of the court on the basis that he or she is a person described in Section 602 in any community care facility outside the ward's county of residence, the probation officer of the county making the placement, or in the case of a Youth Authority ward, the parole officer in charge of his or her case, shall send written notice of the placement, including the name of the ward, the juvenile record of the ward (including any known prior offenses), and the ward's county of residence, to the probation officer of the county in which the community care facility is located. It is the intention of the Legislature, in regard to this requirement, that the probation officer of the county making the placement, or in the case of a Youth Authority ward, the parole officer in charge of his or her case, shall make his or her best efforts to send, or to hand deliver, the notice at the same time the placement is made. When that placement is terminated, the probation officer of the county making the placement, or in the case of a Youth Authority ward, the parole officer in charge of his or her case, shall send notice thereof to any person or agency receiving notification of the placement.

(2) When it has been determined that it is necessary for a ward whose board and care is funded through the Aid to Families with Dependent Children-Foster Care program to be placed in a county other than the ward's parents' or guardians' county of residence, the specific reason the out-of-county placement is necessary shall be documented in the ward's case plan. If the reason is lack of resources in the sending county to meet the specific needs of the ward, those specific resources needs shall be documented in the case plan.

(3) When it has been determined that a ward whose board and care is funded through the Aid to Families with Dependent Children-Foster Care program is to be placed out-of-county and that the sending county is to maintain responsibility for supervision and visitation of the ward, the sending county shall develop a plan of supervision and visitation activities to be performed, and shall specify that the sending county is responsible for performing those activities. The sending county shall send to the receiving county a copy of the plan of supervision and visitation, in addition to the notice of placement required in paragraph (1), prior to placement of the ward. If placement occurs on a holiday or weekend, the plan of supervision and visitation and the notice of placement shall be provided to the receiving county on or before the end of the next business day.

(4) When it has been determined that a ward whose placement is funded through the Aid to Families with Dependent Children-Foster Care program is to be placed out-of-county and the sending county plans that the receiving county shall be responsible for the supervision and

visitation of the ward, the sending county shall develop a formal agreement between the sending and receiving counties. The formal agreement shall specify the supervision and visitation to be provided the ward, and shall specify that the receiving county is responsible for providing the supervision and visitation. The formal agreement shall be approved and signed by the sending and receiving counties prior to placement of the ward in the receiving county. Additionally, the notice of placement required by paragraph (1) shall be provided to the receiving county prior to placement of the ward in that county. Upon completion of the case plan, the sending county shall provide a copy of the completed case plan to the receiving county.

(5) The probation department of a receiving county that has a group home in which a minor is placed by the probation department of another county, after adjudication of the minor for any felony offense, may disclose to the sheriff of the receiving county or to the municipal police department of the city in which the group home is located, the name of the minor, the felony offense or offenses for which the minor has been adjudicated, and the address of the group home. This information shall be utilized only for law enforcement purposes and may not be utilized in any manner that is inconsistent with the rehabilitative program in which the minor has been placed or with the progress the minor may be making in the placement program. Notwithstanding any other provision of law, the information provided by the probation department to a law enforcement agency under this paragraph may be provided to other law enforcement personnel for the limited law enforcement purposes described in this paragraph, but shall otherwise remain confidential.

(c) A minor, the parent or guardian of any minor, and counsel representing a minor or the parent or guardian of a minor may petition the juvenile court for the review of any placement decision concerning the minor made by the probation officer pursuant to subdivision (a). The petition shall state the petitioner's relationship to the minor and shall set forth in concise language the grounds on which the review is sought. The court shall order that a hearing shall be held on the petition and shall give prior notice, or cause prior notice to be given, to the persons and by the means as prescribed by Section 776, and, in instances in which the means of giving notice is not prescribed by that section, then by any means as the court prescribes.

(d) If a minor is placed in a community care facility out of his or her county of residence and is then arrested and placed in juvenile hall pending a jurisdictional hearing, the county of residence shall pay to the probation department of the county of placement all reasonable costs resulting directly from the minor's stay in the juvenile hall, provided that these costs exceed one hundred dollars (\$100).

(e) If, as a result of the hearing in subdivision (d), the minor is remanded back to his or her county of residence, the county of residence shall pay to the probation department of the county of placement, in addition to any payment made pursuant to subdivision (d), all reasonable costs resulting directly from transporting the minor to the county of residency, provided that these costs exceed one hundred dollars (\$100).

(f) Claims made by the probation department in the county of placement to the county of residence, pursuant to subdivisions (d) and (e), shall be paid within 30 days of the submission of these claims and the probation department in the county of placement shall bear the remaining expense.

(g) As used in this section:

(1) "Community care facility" shall be defined as provided in Section 1502 of the Health and Safety Code.

(2) "Group home" has the same meaning as provided in paragraph (1) of subdivision (g) of Section 80001 of Title 22 of the California Code of Regulations.

SEC. 218. Section 827 of the Welfare and Institutions Code is amended to read:

827. (a) (1) Except as provided in Section 828, a case file may be inspected only by the following:

(A) Court personnel.

(B) The district attorney, a city attorney, or city prosecutor authorized to prosecute criminal or juvenile cases under state law.

(C) The minor who is the subject of the proceeding.

(D) His or her parents or guardian.

(E) The attorneys for the parties, judges, referees, other hearing officers, probation officers, and law enforcement officers who are actively participating in criminal or juvenile proceedings involving the minor.

(F) The superintendent or designee of the school district where the minor is enrolled or attending school.

(G) Members of the child protective agencies as defined in Section 11165.9 of the Penal Code.

(H) The State Department of Social Services to carry out its duties pursuant to Division 9 (commencing with Section 10000), and Part 5 (commencing with Section 7900) of Division 12, of the Family Code to oversee and monitor county child welfare agencies, children in foster care or receiving foster care assistance, and out-of-state placements.

(I) Authorized legal staff or special investigators who are peace officers who are employed by, or who are authorized representatives of, the State Department of Social Services, as necessary to the performance of their duties to inspect, license, and investigate community care facilities, and to ensure that the standards of care and services provided

in those facilities are adequate and appropriate and to ascertain compliance with the rules and regulations to which the facilities are subject. The confidential information shall remain confidential except for purposes of inspection, licensing, or investigation pursuant to Chapter 3 (commencing with Section 1500) and Chapter 3.4 (commencing with Section 1596.70) of Division 2 of the Health and Safety Code, or a criminal, civil, or administrative proceeding in relation thereto. The confidential information may be used by the State Department of Social Services in a criminal, civil, or administrative proceeding. The confidential information shall be available only to the judge or hearing officer and to the parties to the case. Names that are confidential shall be listed in attachments separate to the general pleadings. The confidential information shall be sealed after the conclusion of the criminal, civil, or administrative hearings, and may not subsequently be released except in accordance with this subdivision. If the confidential information does not result in a criminal, civil, or administrative proceeding, it shall be sealed after the State Department of Social Services decides that no further action will be taken in the matter of suspected licensing violations. Except as otherwise provided in this subdivision, confidential information in the possession of the State Department of Social Services may not contain the name of the minor.

(J) Members of children's multidisciplinary teams, persons, or agencies providing treatment or supervision of the minor.

(K) A judge, commissioner, or other hearing officer assigned to a family law case with issues concerning custody or visitation, or both, involving the minor, and the following persons, if actively participating in the family law case: a family court mediator assigned to a case involving the minor pursuant to Article 1 (commencing with Section 3160) of Chapter 11 of Part 2 of Division 8 of the Family Code, a court-appointed evaluator or a person conducting a court-connected child custody evaluation, investigation, or assessment pursuant to Section 3111 or 3118 of the Family Code, and counsel appointed for the minor in the family law case pursuant to Section 3150 of the Family Code. Prior to allowing counsel appointed for the minor in the family law case to inspect the file, the court clerk may require counsel to provide a certified copy of the court order appointing him or her as the minor's counsel.

(L) A court-appointed investigator who is actively participating in a guardianship case involving a minor pursuant to Part 2 (commencing with Section 1500) of Division 4 of the Probate Code and acting within the scope of his or her duties in that case.

(M) A local child support agency for the purpose of establishing paternity and establishing and enforcing child support orders.

(N) Juvenile justice commissions as established under Section 225. The confidentiality provisions of Section 10850 shall apply to a juvenile justice commission and its members.

(O) Any other person who may be designated by court order of the judge of the juvenile court upon filing a petition.

(2) Notwithstanding any other law and subject to subparagraph (A) of paragraph (3), juvenile case files, except those relating to matters within the jurisdiction of the court pursuant to Section 601 or 602, that pertain to a deceased child who was within the jurisdiction of the juvenile court pursuant to Section 300, shall be released to the public pursuant to an order by the juvenile court after a petition has been filed and interested parties have been afforded an opportunity to file an objection. Any information relating to another child or which could identify another child, except for information about the deceased, shall be redacted from the juvenile case file prior to release, unless a specific order is made by the juvenile court to the contrary. Except as provided in this paragraph, the presiding judge of the juvenile court may issue an order prohibiting or limiting access to the juvenile case file, or any portion thereof, of a deceased child only upon a showing that release of the juvenile case file or any portion thereof is detrimental to the safety, protection, or physical or emotional well-being of another child who is directly or indirectly connected to the juvenile case that is the subject of the petition.

(3) Access to juvenile case files pertaining to matters within the jurisdiction of the juvenile court pursuant to Section 300 shall be limited as follows:

(A) If a juvenile case file, or any portion thereof, is privileged or confidential pursuant to any other state law or federal law or regulation, the requirements of that state law or federal law or regulation prohibiting or limiting release of the juvenile case file or any portions thereof shall prevail. Unless a person is listed in subparagraphs (A) to (N), inclusive, of paragraph (1) and is entitled to access under the other state law or federal law or regulation without a court order, all those seeking access, pursuant to other authorization, to portions of, or information relating to the contents of, juvenile case files protected under another state law or federal law or regulation, shall petition the juvenile court. The juvenile court may only release the portion of, or information relating to the contents of, juvenile case files protected by another state law or federal law or regulation if disclosure is not detrimental to the safety, protection, or physical or emotional well-being of a child who is directly or indirectly connected to the juvenile case that is the subject of the petition. This paragraph shall not be construed to limit the ability of the juvenile court to carry out its duties in conducting juvenile court proceedings.

(B) Prior to the release of the juvenile case file or any portion thereof, the court shall afford due process, including a notice of and an opportunity to file an objection to the release of the record or report to all interested parties.

(4) A juvenile case file, any portion thereof, and information relating to the content of the juvenile case file, may not be disseminated by the receiving agencies to any persons or agencies, other than those persons or agencies authorized to receive documents pursuant to this section. Further, a juvenile case file, any portion thereof, and information relating to the content of the juvenile case file, may not be made as an attachment to any other documents without the prior approval of the presiding judge of the juvenile court, unless it is used in connection with and in the course of a criminal investigation or a proceeding brought to declare a person a dependent child or ward of the juvenile court.

(b) (1) While the Legislature reaffirms its belief that juvenile court records, in general, should be confidential, it is the intent of the Legislature in enacting this subdivision to provide for a limited exception to juvenile court record confidentiality to promote more effective communication among juvenile courts, family courts, law enforcement agencies, and schools to ensure the rehabilitation of juvenile criminal offenders as well as to lessen the potential for drug use, violence, other forms of delinquency, and child abuse.

(2) Notwithstanding subdivision (a), written notice that a minor enrolled in a public school, kindergarten to grade 12, inclusive, has been found by a court of competent jurisdiction to have committed any felony or any misdemeanor involving curfew, gambling, alcohol, drugs, tobacco products, carrying of weapons, a sex offense listed in Section 290 of the Penal Code, assault or battery, larceny, vandalism, or graffiti shall be provided by the court, within seven days, to the superintendent of the school district of attendance. Written notice shall include only the offense found to have been committed by the minor and the disposition of the minor's case. This notice shall be expeditiously transmitted by the district superintendent to the principal at the school of attendance. The principal shall expeditiously disseminate the information to those counselors directly supervising or reporting on the behavior or progress of the minor. In addition, the principal shall disseminate the information to any teacher or administrator directly supervising or reporting on the behavior or progress of the minor whom the principal believes needs the information to work with the pupil in an appropriate fashion, to avoid being needlessly vulnerable or to protect other persons from needless vulnerability.

Any information received by a teacher, counselor, or administrator under this subdivision shall be received in confidence for the limited purpose of rehabilitating the minor and protecting students and staff,

and shall not be further disseminated by the teacher, counselor, or administrator, except insofar as communication with the juvenile, his or her parents or guardians, law enforcement personnel, and the juvenile's probation officer is necessary to effectuate the juvenile's rehabilitation or to protect students and staff.

An intentional violation of the confidentiality provisions of this paragraph is a misdemeanor punishable by a fine not to exceed five hundred dollars (\$500).

(3) If a minor is removed from public school as a result of the court's finding described in subdivision (b), the superintendent shall maintain the information in a confidential file and shall defer transmittal of the information received from the court until the minor is returned to public school. If the minor is returned to a school district other than the one from which the minor came, the parole or probation officer having jurisdiction over the minor shall so notify the superintendent of the last district of attendance, who shall transmit the notice received from the court to the superintendent of the new district of attendance.

(c) Each probation report filed with the court concerning a minor whose record is subject to dissemination pursuant to subdivision (b) shall include on the face sheet the school at which the minor is currently enrolled. The county superintendent shall provide the court with a listing of all of the schools within each school district, within the county, along with the name and mailing address of each district superintendent.

(d) Each notice sent by the court pursuant to subdivision (b) shall be stamped with the instruction: "Unlawful Dissemination Of This Information Is A Misdemeanor." Any information received from the court shall be kept in a separate confidential file at the school of attendance and shall be transferred to the minor's subsequent schools of attendance and maintained until the minor graduates from high school, is released from juvenile court jurisdiction, or reaches the age of 18 years, whichever occurs first. After that time the confidential record shall be destroyed. At any time after the date by which a record required to be destroyed by this section should have been destroyed, the minor or his or her parent or guardian shall have the right to make a written request to the principal of the school that the minor's school records be reviewed to ensure that the record has been destroyed. Upon completion of any requested review and no later than 30 days after the request for the review was received, the principal or his or her designee shall respond in writing to the written request and either shall confirm that the record has been destroyed or, if the record has not been destroyed, shall explain why destruction has not yet occurred.

Except as provided in paragraph (2) of subdivision (b), no liability shall attach to any person who transmits or fails to transmit any notice or information required under subdivision (b).

(e) For purposes of this section, a “juvenile case file” means a petition filed in any juvenile court proceeding, reports of the probation officer, and all other documents filed in that case or made available to the probation officer in making his or her report, or to the judge, referee, or other hearing officer, and thereafter retained by the probation officer, judge, referee, or other hearing officer.

SEC. 219. Section 4637.5 of the Welfare and Institutions Code is amended to read:

4637.5. (a) The State Department of Developmental Services shall provide data, by regional center, regarding all vendors providing services to regional center consumers for each fiscal year beginning with the 2003-04 fiscal year. The data shall include a list of the services provided by each vendor and, to the extent data is available, an unduplicated count of consumers receiving the services, the total amount paid to each vendor for each service, and the average cost for each service. For parent voucher services, the department shall summarize the information for each regional center.

(b) The department shall compile the data and submit the information to the chairs and vice chairs of each fiscal committee by March 1 of the fiscal year following the close of the prior fiscal year. The data shall not include personal or confidential consumer information.

(c) The department shall evaluate and report on the adequacy of the data provided through March 1, 2008, and recommend changes, if needed. By March 1, 2008, the report shall be provided to the chair and vice chair of each fiscal committee.

(d) This section shall become inoperative on July 1, 2008, and, as of January 1, 2009, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2009, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 220. Section 4688.5 of the Welfare and Institutions Code is amended to read:

4688.5. (a) Notwithstanding any other provision of law to the contrary, the department may approve a proposal or proposals by Golden Gate Regional Center, Regional Center of the East Bay, and San Andreas Regional Center to provide for, secure, and assure the payment of a lease or leases on housing, developed pursuant to this section, based on the level of occupancy in each home, if all of the following conditions are met:

(1) The acquired or developed real property is occupied by individuals eligible for regional center services and is integrated with housing for people without disabilities.

(2) The regional center has approved the proposed ownership entity, management entity, and developer or development entity for each project, and, prior to granting the approval, has consulted with the department and has provided to the department a proposal that includes the credentials of the proposed entities.

(3) The costs associated with the proposal are reasonable.

(4) The proposal includes a plan for a transfer at a time certain of the real property's ownership to a nonprofit entity to be approved by the regional center.

(b) Prior to approving a regional center proposal pursuant to subdivision (a), the department, in consultation with the California Housing Finance Agency and the Department of Housing and Community Development, shall review all of the following:

(1) The terms and conditions of the financing structure for acquisition, development, or both, of the real property.

(2) Any and all agreements that govern the real property's ownership, occupancy, maintenance, management, and operation, to ensure that the use of the property is maintained for the benefit of persons with developmental disabilities.

(c) No sale, encumbrance, hypothecation, assignment, refinancing, pledge, conveyance, exchange, or transfer in any other form of the real property, or of any of its interest therein, shall occur without the prior written approval of the department and the California Health and Human Services Agency.

(d) Notice of the restrictions pursuant to this section shall be recorded against the acquired or developed real property subject to this section.

(e) At least 45 days prior to granting approval under subdivision (c), the department shall provide notice to the chairs and vice chairs of the fiscal committees of the Assembly and the Senate, the Secretary of California Health and Human Services, and the Director of Finance.

(f) The regional center shall not be eligible to acquire or develop real property for the purpose of residential housing.

SEC. 221. Section 7200.06 of the Welfare and Institutions Code is amended to read:

7200.06. (a) Of the 1,362 licensed beds at Napa State Hospital, at least 20 percent of these beds shall be available in any given fiscal year for use by counties for contracted services. Of the remaining beds, in no case shall the population of patients whose placement has been required pursuant to the Penal Code exceed 980.

(b) After construction of the perimeter security fence is completed at Napa State Hospital, no patient whose placement has been required pursuant to the Penal Code shall be placed outside the perimeter security fences, with the exception of placements in the general acute care and skilled nursing units. The State Department of Mental Health shall ensure that appropriate security measures are in place for the general acute care and skilled nursing units.

(c) Any alteration to the security perimeter structure or policies shall be made in conjunction with representatives of the City of Napa, the County of Napa, and local law enforcement agencies.

SEC. 222. Section 11404 of the Welfare and Institutions Code is amended to read:

11404. (a) Except as provided in Section 11405, a child is not eligible for AFDC-FC unless responsibility for placement and care of the child is with the county welfare department or Indian tribe that entered into an agreement pursuant to Section 10553.1, the county probation department which has an agreement with the county welfare department, or a licensed public adoption agency, licensed private adoption agency, or the department.

(b) In order for the child to be eligible for AFDC-FC, the agency with responsibility for the child's placement and care shall, in accordance with departmental regulations do all of the following:

(1) For children removed after October 1, 1983, document that it provided preplacement preventive services to the child prior to the child's placement in foster care, and document why provisions of these services were not successful in maintaining the child in his or her home, unless it is documented that these services were not provided due to either of the following:

(A) The voluntary relinquishment of the child by one or both parents or court action declaring a child free from the custody and control of one or both parents.

(B) The child's residence with a nonrelated legal guardian.

(2) Develop a written assessment of the reasons necessitating the child's placement in foster care and the treatment needs of the child while in foster care to be updated by the agency no less frequently than once every six months. Where the child is a parent who has a child living with him or her in the same eligible facility, the assessment shall also address the needs of his or her child.

(3) Develop a case plan for the child within a maximum of 60 days of placement.

(4) Ensure that services are provided to return the child to his or her own home or establish an alternative permanent placement for the child if returning home is not possible or is inappropriate.

SEC. 223. 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.

(3) (A) The department shall determine, consistent with the requirements of this chapter and other relevant requirements under law, the rate classification level (RCL) for each group home program on a biennial basis. Submission of the biennial rate application shall be made according to a schedule determined by the department.

(B) The department shall adopt regulations to implement this paragraph. The adoption, amendment, repeal, or readoption of a regulation authorized by this paragraph is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the department is hereby exempted from the requirement to describe specific facts showing the need for immediate action.

(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 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 fieldwork 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 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 the 2002-03, 2003-04, and 2004-05 fiscal years is:

Rate Classification Level	Point Ranges	FY 2002-03, 2003-04, and 2004-05 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, 2003-04, and 2004-05 fiscal years, the adjusted RCL point ranges below shall be used for establishing

the biennial rates for existing programs, pursuant to paragraph (3) of subdivision (a) and 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 the 2002–03, 2003–04, and 2004–05 Fiscal Years
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, 2003-04, and 2004-05 fiscal years 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 Code of California 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 (RCL) 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 that 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 that 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, or for an existing program at a new location of an existing provider, unless the provider submits a letter of recommendation from the host county, the primary placing county, or a regional consortium of counties that includes all of the following:

(A) That the program is needed by that county.

(B) That the provider is capable of effectively and efficiently operating the program.

(C) 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.

(D) That, if the letter of recommendation is not being issued by the host county, the primary placing county has notified the host county of its intention to issue the letter and the host county was given 30 days to respond to this notification and to discuss options with the primary placing county.

(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 following conditions 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 both of the following conditions 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 department determines that 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 home care that may have significant fiscal impact on providers of group home care. The committee may, in the 1993-94 fiscal year and beyond, use the list to determine whether an appropriation for rate adjustments is needed in the subsequent fiscal year.

SEC. 224. Section 14016.5 of the Welfare and Institutions Code is amended to read:

14016.5. (a) At the time of determining or redetermining the eligibility of a Medi-Cal program or Aid to Families with Dependent Children (AFDC) program applicant or beneficiary who resides in an area served by a managed health care plan or pilot program in which beneficiaries may enroll, each applicant or beneficiary shall personally attend a presentation at which the applicant or beneficiary is informed of the managed care and fee-for-service options available regarding methods of receiving Medi-Cal benefits. The county shall ensure that each beneficiary or applicant attends this presentation.

(b) The health care options presentation described in subdivision (a) shall include all of the following elements:

(1) Each beneficiary or eligible applicant shall be informed that he or she may choose to continue an established patient-provider relationship in the fee-for-service sector.

(2) Each beneficiary or eligible applicant shall be provided with the name, address, telephone number, and specialty, if any, of each primary care provider, and each clinic participating in each prepaid managed health care plan, pilot project, or fee-for-service case management provider option. This information shall be provided under geographic area designations, in alphabetical order by the name of the primary care provider and clinic. The name, address, and telephone number of each specialist participating in each prepaid managed health care plan, pilot project, or fee-for-service case management provider option shall be made available by contacting either the health care options contractor or the prepaid managed health care plan, pilot project, or fee-for-service case management provider.

(3) Each beneficiary or eligible applicant shall be informed that he or she may choose to continue an established patient-provider relationship in a managed care option, if his or her treating provider is a primary care provider or clinic contracting with any of the prepaid managed health care plans, pilot projects, or fee-for-service case management provider options available, has available capacity, and agrees to continue to treat that beneficiary or applicant.

(4) In areas specified by the director, each beneficiary or eligible applicant shall be informed that if he or she fails to make a choice, or does not certify that he or she has an established relationship with a primary care provider or clinic, he or she shall be assigned to, and enrolled in, a prepaid managed health care plan, pilot project, or fee-for-service case management provider.

(c) No later than 30 days following the date a Medi-Cal or AFDC beneficiary or applicant is determined eligible, the beneficiary or applicant shall indicate his or her choice in writing, as a condition of coverage for Medi-Cal benefits, of either of the following health care options:

(1) To obtain benefits by receiving a Medi-Cal card, which may be used to obtain services from individual providers, that the beneficiary would locate, who choose to provide services to Medi-Cal beneficiaries.

The department may require each beneficiary or eligible applicant, as a condition for electing this option, to sign a statement certifying that he or she has an established patient-provider relationship, or in the case of a dependent, the parent or guardian shall make that certification. This certification shall not require the acknowledgment or guarantee of acceptance, by any indicated Medi-Cal provider or health facility, of any beneficiary making a certification under this section.

(2) (A) To obtain benefits by enrolling in a prepaid managed health care plan, pilot program, or fee-for-service case management provider that has agreed to make Medi-Cal services readily available to enrolled Medi-Cal beneficiaries.

(B) At the time the beneficiary or eligible applicant selects a prepaid managed health care plan, pilot project, or fee-for-service case management provider, the department shall, when applicable, encourage the beneficiary or eligible applicant to also indicate, in writing, his or her choice of primary care provider or clinic contracting with the selected prepaid managed health care plan, pilot project, or fee-for-service case management provider.

(d) (1) In areas specified by the director, a Medi-Cal or AFDC beneficiary or eligible applicant who does not make a choice, or who does not certify that he or she has an established relationship with a primary care provider or clinic, shall be assigned to and enrolled in an

appropriate Medi-Cal managed care plan, pilot project, or fee-for-service case management provider providing service within the area in which the beneficiary resides.

(2) If it is not possible to enroll the beneficiary under a Medi-Cal managed care plan, pilot project, or a fee-for-service case management provider because of a lack of capacity or availability of participating contractors, the beneficiary shall be provided with a Medi-Cal card and informed about fee-for-service primary care providers who do all of the following:

(A) The providers agree to accept Medi-Cal patients.

(B) The providers provide information about the provider's willingness to accept Medi-Cal patients as described in Section 14016.6.

(C) The providers provide services within the area in which the beneficiary resides.

(e) If a beneficiary or eligible applicant does not choose a primary care provider or clinic, or does not select any primary care provider who is available, the managed health care plan, pilot project, or fee-for-service case management provider that was selected by or assigned to the beneficiary shall ensure that the beneficiary selects a primary care provider or clinic within 30 days after enrollment or is assigned to a primary care provider within 40 days after enrollment.

(f) (1) The managed care plan shall have a valid Medi-Cal contract, adequate capacity, and appropriate staffing to provide health care services to the beneficiary.

(2) The department shall establish standards for all of the following:

(A) The maximum distances a beneficiary is required to travel to obtain primary care services from the managed care plan, fee-for-service case management provider, or pilot project in which the beneficiary is enrolled.

(B) The conditions under which a primary care service site shall be accessible by public transportation.

(C) The conditions under which a managed care plan, fee-for-service case management provider, or pilot project shall provide nonmedical transportation to a primary care service site.

(3) In developing the standards required by paragraph (2), the department shall take into account, on a geographic basis, the means of transportation used and distances typically traveled by Medi-Cal beneficiaries to obtain fee-for-service primary care services and the experience of managed care plans in delivering services to Medi-Cal enrollees. The department shall also consider the provider's ability to render culturally and linguistically appropriate services.

(g) To the extent possible, the arrangements for carrying out subdivision (d) shall provide for the equitable distribution of Medi-Cal

beneficiaries among participating managed care plans, fee-for-service case management providers, and pilot projects.

(h) If, under the provisions of subdivision (d), a Medi-Cal beneficiary or applicant does not make a choice or does not certify that he or she has an established relationship with a primary care provider or clinic, the person may, at the option of the department, be provided with a Medi-Cal card or be assigned to and enrolled in a managed care plan providing service within the area in which the beneficiary resides.

(i) Any Medi-Cal or AFDC beneficiary who is dissatisfied with the provider or managed care plan, pilot project, or fee-for-service case management provider shall be allowed to select or be assigned to another provider or managed care plan, pilot project, or fee-for-service case management provider.

(j) The department or its contractor shall notify a managed care plan, pilot project, or fee-for-service case management provider when it has been selected by or assigned to a beneficiary. The managed care plan, pilot project, or fee-for-service case management provider that has been selected by, or assigned to, a beneficiary, shall notify the primary care provider or clinic that it has been selected or assigned. The managed care plan, pilot project, or fee-for-service case management provider shall also notify the beneficiary of the managed care plan, pilot project, or fee-for-service case management provider or clinic selected or assigned.

(k) (1) The department shall ensure that Medi-Cal beneficiaries eligible under Title XVI of the Social Security Act are provided with information about options available regarding methods of receiving Medi-Cal benefits as described in subdivision (c).

(2) (A) The director may waive the requirements of subdivisions (c) and (d) until a means is established to directly provide the presentation described in subdivision (a) to beneficiaries who are eligible for the federal Supplemental Security Income for the Aged, Blind, and Disabled Program (Subchapter 16 (commencing with Section 1381) of Chapter 7 of Title 42 of the United States Code).

(B) The director may elect not to apply the requirements of subdivisions (c) and (d) to beneficiaries whose eligibility under the Supplemental Security Income program is established before January 1, 1994.

(l) In areas where there is no prepaid managed health care plan or pilot program that has contracted with the department to provide services to Medi-Cal beneficiaries, and where no other enrollment requirements have been established by the department, no explicit choice need be made, and the beneficiary or eligible applicant shall receive a Medi-Cal card.

(m) The following definitions contained in this subdivision shall control the construction of this section, unless the context requires otherwise:

(1) "Applicant," "beneficiary," and "eligible applicant," in the case of a family group, mean any person with legal authority to make a choice on behalf of dependent family members.

(2) "Fee-for-service case management provider" means a provider enrolled and certified to participate in the Medi-Cal fee-for-service case management program the department may elect to develop in selected areas of the state with the assistance of and in cooperation with California physician providers and other interested provider groups.

(3) "Managed health care plan" and "managed care plan" mean a person or entity operating under a Medi-Cal contract with the department under this chapter or Chapter 8 (commencing with Section 14200) to provide, or arrange for, health care services for Medi-Cal beneficiaries as an alternative to the Medi-Cal fee-for-service program that has a contractual responsibility to manage health care provided to Medi-Cal beneficiaries covered by the contract.

(n) (1) Whenever a county welfare department notifies a public assistance recipient or Medi-Cal beneficiary that the recipient or beneficiary is losing Medi-Cal eligibility, the county shall include, in the notice to the recipient or beneficiary, notification that the loss of eligibility shall also result in the recipient's or beneficiary's disenrollment from Medi-Cal managed health care or dental plans, if enrolled.

(2) (A) Whenever the department or the county welfare department processes a change in a public assistance recipient's or Medi-Cal beneficiary's residence or aid code that will result in the recipient's or beneficiary's disenrollment from the managed health care or dental plan in which he or she is currently enrolled, a written notice shall be given to the recipient or beneficiary.

(B) This paragraph shall become operative and the department shall commence sending the notices required under this paragraph on or before the expiration of 12 months after the effective date of this section.

(o) This section shall be implemented in a manner consistent with any federal waiver required to be obtained by the department in order to implement this section.

SEC. 225. Section 14016.51 of the Welfare and Institutions Code is amended to read:

14016.51. Upon the availability of federal funding, the department shall modify the Medi-Cal program mail-in application form, and other appropriate materials, and the single point-of-entry application form, to allow applicants in counties served by managed care plans to contact the enrollment contractor by using the Health Care Options toll-free

telephone number to request and receive enrollment materials before a Medi-Cal eligibility determination has been made.

SEC. 226. Section 14087.6 of the Welfare and Institutions Code is amended to read:

14087.6. A county that has contracted for the provision of services pursuant to this article may provide the services directly to recipients, or arrange for any or all of the services to be provided by subcontracting with primary care providers, health maintenance organizations, insurance carriers, or other entities or individuals. The subcontracts may utilize a prospectively negotiated reimbursement rate, fee-for-service, retainer, capitation, or other basis for payment. The rate of payment established under the contract shall not exceed the total per capita amount that the department estimates would be payable for all services and requirements covered under the contract if all these services and requirements were to be furnished to Medi-Cal beneficiaries under the Medi-Cal fee-for-service program.

Counties that are responsible for providing health care under this chapter shall make efforts to utilize existing health service resources if these resources can be estimated by the county to result in lower total long-term costs and accessible quality care to persons served under this chapter. The granting of a certificate of need pursuant to the criteria set forth in Section 127200 of the Health and Safety Code or a certificate of exemption pursuant to the criteria set forth in Section 127175 of the Health and Safety Code shall satisfy the intent of this provision.

SEC. 227. Section 14123.25 of the Welfare and Institutions Code is amended to read:

14123.25. (a) In lieu of, or in addition to, the imposition of any other sanction available to it, including the sanctions and penalties authorized under Section 14123.2 or 14171.6, and as the "single state agency" for California vested with authority to administer the Medi-Cal program, the department shall exercise the authority granted to it in Section 1002.2 of Title 42 of the Code of Federal Regulations, and may also impose the mandatory and permissive exclusions identified in Section 1128 of the federal Social Security Act (42 U.S.C. Sec. 1320a-7), and its implementing regulations, and impose civil penalties identified in Section 1128A of the federal Social Security Act (42 U.S.C. Sec. 1320a-7a), and its implementing regulations, against applicants and providers, as defined in Section 14043.1, or against billing agents, as defined in Section 14040.1. The department may also terminate, or refuse to enter into, a provider agreement authorized under Section 14043.2 with an applicant or provider, as defined in Section 14043.1, upon the grounds specified in Section 1866(b)(2) of the federal Social Security Act (42 U.S.C. Sec. 1395cc(b)(2)). Notwithstanding Section 100171 of the Health and Safety

Code or any other provision of law, any appeal by an applicant, provider, or billing agent of the imposition of a civil penalty, exclusion, or other sanction pursuant to this subdivision shall be in accordance with Section 14043.65, except that where the action is based upon a conviction for any crime involving fraud or abuse of the Medi-Cal, Medicaid, or Medicare programs, or an exclusion by the federal government from the Medicaid or Medicare programs, the action shall be automatic and not subject to appeal or hearing.

(b) In addition, the department may impose the intermediate sanctions identified in Section 1846 of the Social Security Act (42 U.S.C. Sec. 1395w-2), and its implementing regulations, against any provider that is a clinical laboratory, as defined in Section 1206 of the Business and Professions Code. The imposition and appeal of this intermediate sanction shall be in accordance with Article 8 (commencing with Section 1065) of Chapter 2 of Division 1 of Title 17 of the California Code of Regulations.

(c) (1) In addition, the department may issue a written warning notice of improper billing or improper cost report computation, which shall specifically identify the statute, regulation, or rule that is being violated, to a provider via certified mail, return receipt requested, whenever a review of the provider's paid claims or a provider's cost report demonstrates a pattern of improper billing or improper cost report computation. The review shall not take into account claims that were denied or payment reductions. The warning notice shall be in a format that specifically apprises the provider of the item or service improperly billed and, if applicable, the deficiencies in the manner in which provider costs were computed. The warning notice may be issued with annual cost report audit findings, or in addition to any audit or any other action that the department is authorized to take. The failure of the department to exercise its discretion to issue the warning notice shall not limit its authority to audit or take any action authorized by law. The warning notice shall provide the provider with the opportunity to contest the warning notice and explain to the department the correctness of the provider's bill or cost report computation. If the department accepts the provider's explanation, in whole or in part, no further action related to the notice or part of the notice that the department accepts as correct shall be taken pursuant to this section.

(2) Civil money penalties may be imposed in the following circumstances:

(A) If a provider presents or causes to be presented claims for payment by the Medi-Cal program that are:

(i) Billed improperly, and are for a service or item about which the provider has received two or more warning notices of improper billing,

the provider may, in addition to any other penalties that may be prescribed by law, be subject to a civil money penalty of one hundred dollars (\$100) per claim, or up to two times the amount improperly claimed for each item or service, whichever is greater.

(ii) For a service or item for which the department solicits provider costs for use in calculating Medi-Cal reimbursement or in calculating and assigning Medi-Cal reimbursement rates, the cost reports relevant to the claims are improperly calculated, and the provider has received two or more warning notices of improper cost report computation regarding substantially similar errors, the provider may, in addition to any other penalties that may be prescribed by law, be subject to a civil money penalty of one hundred dollars (\$100) per adjustment by the department to the costs submitted by the provider, or up to two times the amount improperly claimed for each item or service, whichever is greater.

(B) If a provider presents or causes to be presented claims for payment by the Medi-Cal program that are:

(i) Billed improperly, and are for a service or item about which the provider has received three or more warning notices of improper billing, or has been assessed a penalty under subparagraph (A), the provider may, in addition to any other penalties that may be prescribed by law, be subject to a civil money penalty of one thousand dollars (\$1,000) per claim, or up to three times the amount improperly claimed for each item or service, whichever is greater.

(ii) For a service or item for which the department solicits provider costs for use in calculating Medi-Cal reimbursement or in calculating and assigning Medi-Cal reimbursement rates, and the cost reports relevant to the claims are improperly calculated, and the provider has received three or more warning notices of improper cost report computation regarding substantially similar errors, or has been assessed a penalty under subparagraph (A), the provider may, in addition to any other penalties that may be prescribed by law, be subject to a civil money penalty of one thousand dollars (\$1,000) per adjustment by the department to the costs submitted by the provider, or three times the amount claimed for each item or service, whichever is greater.

(3) Any provider subjected to civil money penalties under paragraph (2) may appeal the decision to assess penalties pursuant to Section 100171 of the Health and Safety Code.

SEC. 228. Section 16206 of the Welfare and Institutions Code is amended to read:

16206. (a) The purpose of the program is to develop and implement statewide coordinated training programs designed specifically to meet the needs of county child protective services social workers assigned

emergency response, family maintenance, family reunification, permanent placement, and adoption responsibilities. It is the intent of the Legislature that the program include training for other agencies under contract with county welfare departments to provide child welfare services. In addition, the program shall provide training programs for persons defined as a mandated reporter pursuant to the Child Abuse and Neglect Reporting Act, Article 2.5 (commencing with Section 11164) of Chapter 2 of Title 1 of Part 4 of the Penal Code. The program shall provide the services required in this section to the extent possible within the total allocation. If allocations are insufficient, the department, in consultation with the grantee or grantees and the Child Welfare Training Advisory Board, shall prioritize the efforts of the program, giving primary attention to the most urgently needed services. County child protective services social workers assigned emergency response responsibilities shall receive first priority for training pursuant to this section.

(b) The training program shall provide practice-relevant training for mandated child abuse reporters and all members of the child welfare delivery system that will address critical issues affecting the well-being of children, and shall develop curriculum materials and training resources for use in meeting staff development needs of mandated child abuse reporters and child welfare personnel in public and private agency settings.

(c) The training provided pursuant to this section shall include all of the following:

- (1) Crisis intervention.
- (2) Investigative techniques.
- (3) Rules of evidence.
- (4) Indicators of abuse and neglect.
- (5) Assessment criteria, including the application of guidelines for assessment of relatives for placement according to the criteria described in Section 361.3.
- (6) Intervention strategies.
- (7) Legal requirements of child protection, including requirements of child abuse reporting laws.
- (8) Case management.
- (9) Use of community resources.
- (10) Information regarding the dynamics and effects of domestic violence upon families and children, including indicators and dynamics of teen dating violence.
- (11) Posttraumatic stress disorder and the causes, symptoms, and treatment of posttraumatic stress disorder in children.
- (12) The importance of maintaining relationships with individuals who are important to a child in out-of-home placement, including

methods to identify those individuals, consistent with the child's best interests, including, but not limited to, asking the child about individuals who are important, and ways to maintain and support those relationships.

(13) The legal duties of a child protective services social worker, in order to protect the legal rights and safety of children and families from the initial time of contact during investigation through treatment.

(d) The training provided pursuant to this section may also include any or all of the following:

- (1) Child development and parenting.
- (2) Intake, interviewing, and initial assessment.
- (3) Casework and treatment.
- (4) Medical aspects of child abuse and neglect.

(e) The training program shall assess the program's performance at least annually and forward it to the State Department of Social Services for an evaluation and report to the Legislative Analyst. The first report shall be forwarded to the Legislative Analyst no later than January 1, 1990, and on the first of January in any subsequent year. The assessment shall include at minimum the following:

- (1) The number of persons trained.
- (2) The type of training provided.
- (3) The degree to which the training is perceived by participants as useful in practice.

(f) The training program shall provide practice-relevant training to county child protective services social workers who screen referrals for child abuse or neglect and for all workers assigned to provide emergency response, family maintenance, family reunification, and permanent placement services. The training shall be developed in consultation with the Child Welfare Training Advisory Board and domestic violence victims' advocates and other public and private agencies that provide programs for victims of domestic violence or programs of intervention for perpetrators.

SEC. 229. Section 15 of Chapter 656 of the Statutes of 2003 is amended to read:

Sec. 15. (a) Unless otherwise provided, this act shall apply with respect to any penalty assessed on or after January 1, 2004, on any return for which the statute of limitations on assessment has not expired. All other provisions of this act shall apply on and after January 1, 2004.

(b) Except as provided in subdivision (c), Sections 18407, 19772, and 19773 of the Revenue and Taxation Code, as amended or added by this act, apply to taxable years beginning on or after January 1, 2003.

(c) (1) The penalty provisions of Section 19772 apply to any person that satisfies both of the following:

(A) The person is subject to the provisions of Sections 18407 and 19772.

(B) The person has invested in a transaction after February 28, 2000, and before January 1, 2004, where that transaction becomes a listed transaction at any time.

(2) (A) A person that is subject to the provisions of Section 6111 of the Internal Revenue Code, as incorporated and modified by Section 18648, must register a tax shelter with the Franchise Tax Board before April 30, 2004, if that tax shelter was offered for sale between February 28, 2000, and January 1, 2004, and becomes a listed transaction on or before January 1, 2004.

(B) The penalty under Section 19173 applies for a failure to register the tax shelter under subparagraph (A).

(3) (A) Subdivision (c) of Section 18648 does not apply to licensed attorneys in the case of a transaction that was entered into before January 1, 2004, if the attorney is considered a material adviser solely due to the practice of law.

(B) The provisions of subparagraph (A) shall only apply to an attorney offering advice in an attorney-client relationship where:

(i) Legal advice of any kind is sought from a professional legal adviser in his or her capacity as a professional legal adviser.

(ii) The communications are made in confidence and relate to that purpose.

(iii) The communications are made or received by the client.

(4) For purposes of applying Section 19778 of the Revenue and Taxation Code, Section 18407 of the Revenue and Taxation Code, as added by Section 1 of Chapter 656 of the Statutes of 2003, applies for taxable years beginning after December 31, 1998.

SEC. 230. Section 4 of the Lake County Flood Control and Water Conservation District (Chapter 1544 of the Statutes of 1951) is amended to read:

Sec. 4. (a) The objects and purposes of this act are to provide for the control, impounding, treatment, and disposal of the flood and storm waters of the district, the conservation and protection of all waters within the district, including both surface water and groundwater, and the control of flood and storm waters of streams that have their source outside of the district, but which streams and the flood waters thereof flow into the district, to protect from flood or storm waters the watercourses, lakes, groundwater, watersheds, harbors, public highways, life, and property in the district, to develop and improve the quality of all waters within the district for all beneficial uses, including domestic, irrigation, industrial and recreational uses, and to protect and improve the quality of all waters within the district.

(b) The objects and purposes of this act are also to provide for the participation of the district in the national pollutant discharge elimination system (NPDES) permit program in accordance with the Clean Water Act (33 U.S.C. Sec. 1251 et seq.).

SEC. 231. Section 5 of the Lake County Flood Control and Water Conservation District Act (Chapter 1544 of the Statutes of 1951) is amended to read:

Sec. 5. The district is hereby declared to be a body corporate and politic and may do all of the following:

- (a) Have perpetual succession.
- (b) Sue and be subject to suit in the name of the district.
- (c) Adopt a seal.
- (d) Acquire by grant, purchase, lease, gift, devise, contract, construction, or otherwise, and hold, use, enjoy, let, and dispose of real and personal property of every kind, including lands, structures, buildings, rights-of-way, easements, water, and water rights and privileges, and construct, maintain, alter, and operate any and all works or improvements, within or outside the district, necessary or proper to carry out any of the objects of purposes of this act and convenient to the full exercise of its powers, and complete, extend, add to, alter, remove, repair, or otherwise improve any works, or improvements, or property acquired by it as authorized by this act.
- (e) Conserve all waters within the district, and control the flood and storm waters of the district and the flood and storm waters of streams that have their sources outside the district, but which streams and floodwaters thereof flow into the district, and protect from damage from those flood or storm waters the watercourses, watersheds, harbors, public highways, life and property in the district, and the watercourses outside the district of streams flowing into the district, and to develop waters within or outside the district for domestic irrigation, industrial, and recreational uses, and construct works therefor, including works for the storage and delivery of water, provided, that none of the provisions of this act shall preclude the exercise by any other political subdivision that may now or hereafter exist, wholly or in part, within the district from exercising its powers, although the powers may be of the same nature as the powers of the district. Any other political subdivision may, by written agreement with the district, provide for the use, or joint use, of property or facilities in which that other political subdivision has an interest, or for the use, or joint use, of property or facilities in which the district has an interest.
- (f) Cooperate and act in conjunction with the federal government, the state, or any of their engineers, officers, boards, commissions, departments, or agencies, or with any public or private corporation, or

with the County of Lake or adjacent counties, or with any other agencies, in the construction of any work for the storage or delivery of all waters within or outside the district for domestic, irrigation, industrial, and recreational uses and for the conservation of waters within the district, for the controlling of flood or storm waters of or flowing into the district, or for the protection of life or property in the district.

(g) Carry on technical and other investigations of all kinds, make measurements, collect data and make analyses, studies, and inspections pertaining to the beneficial use of waters within or outside the district, including domestic, irrigation, industrial, and recreational uses and the conservation of water and the control of floods both within and outside the district, and for those purposes the district shall have the right of access through its authorized representatives to all properties within the district. The district, through its authorized representatives, may enter upon those lands and make examinations, surveys, and maps thereof.

(h) Enter upon any land, to make surveys and locate the necessary works of improvement and the lines for channels, conduits, canals, pipelines, roadways, and other rights-of-way; acquire by purchase, lease, contract, gift, devise, or other legal means all lands and other property necessary or convenient for the construction, use, supply, maintenance, repair and improvement of the works, enter into and do any acts necessary or proper for the performance of any agreement with the United States, or any state, county, district of any kind, public or private corporation, association, firm or individual, or any number of them for the joint acquisition, construction, leasing, ownership, disposition, use, management, maintenance, repair, or operation of any rights, works, or other property of a kind which might be lawfully acquired or owned by the district.

(i) Incur indebtedness and issue bonds in the manner provided in this act.

(j) In compliance with Article XIII C and Article XIII D of the California Constitution, cause taxes, fees, or assessments to be levied and collected for the purpose of paying any obligation of the district, and to carry out any of the purposes of this act, in the manner provided in this act.

(k) Make contracts, and employ labor, and do all acts necessary for the full exercise of all powers vested in the district or any of the officers thereof by this act.

(l) Exercise the right of eminent domain, either within or outside the district, to take any property necessary to carry out any of the objects or purposes of this act. The district in exercising that power shall, in addition to the damage for the taking, injury, or destruction of property, also pay the cost of removal, reconstruction, or relocation of any structure,

railways, mains, pipes, conduits, wires, cable, and poles of any public utility that is required to be moved to a new location.

The district shall not condemn property outside the County of Lake unless the consent of the governing board of the county, in which the property to be condemned is located, has first been obtained.

Nothing contained in this act shall be construed as in any way affecting the plenary power of any existing city and county or municipal utility district to provide for a water supply for that city and county or municipal utility district, or as affecting the absolute control of any properties of that city and county or municipal utility district necessary for that water supply and nothing herein contained shall be construed as vesting any power of control over those properties in the district or in any officer thereof, or in any person referred to in this act.

(m) Provide for the operation and maintenance of any works of any kind or channelways, that may be built or operated by the state or the federal government without cost to the district, for the control or disposition of flood and storm waters within the district, whether those waters originate within or outside the district.

(n) Contract with the County of Lake, because of the interest of the County of Lake in the general welfare and preservation and promotion of land values in the county and in the maintenance, construction, and improvement of public roads, bridges, and other county property within any zone that may be damaged or destroyed by those flood and storm waters and that will be protected by proper control and disposition of those waters, for the participation by that county, on a percentage or other appropriate basis, in the amount or amounts that may be taxed or assessed from time to time against any lands in any zone by any taxing or assessing agency or authority, including the district, to provide funds for the operation and maintenance of any works of any kind or channelways which may be built, maintained, or operated by the state or the federal government or the district for the benefit of that zone; and the County of Lake may enter into that contract with the district.

(n) Levy assessments in any zone, on the basis of benefits as provided in Section 13 or 13.1, to raise funds for payment of expenses of operation and of works or channelways in that zone and the cost of levying and collecting those assessments.

(o) Levy and collect special taxes in the district or any zone in accordance with Section 13.

(p) Levy and collect benefit assessments in the district or any zone in accordance with Section 13.

(q) Participate alone, or jointly with Lake County, or cities or districts within Lake County, in the national pollutant discharge elimination system (NPDES) permit program in accordance with the Clean Water

Act (33 U.S.C. Sec. 1252 et seq.), and undertake necessary acts in connection with that program.

SEC. 232. Any section of any act enacted by the Legislature during the 2005 calendar year that takes effect on or before January 1, 2006, 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 2005 calendar year and takes effect on or before January 1, 2006, amends, amends and renumbers, adds, repeals and adds, or repeals any section contained in that article, chapter, part, title, or division.

CHAPTER 23

An act to add Section 12698.35 to the Insurance Code, and to add Section 14007.705 to the Welfare and Institutions Code, relating to health care.

[Approved by Governor June 29, 2005. Filed with
Secretary of State June 30, 2005.]

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

SECTION 1. Section 12698.35 is added to the Insurance Code, to read:

12698.35. (a) Through its courts, statutes, and under its Constitution, California protects a woman's right to reproductive privacy. California reaffirms these protections and specifically its Supreme Court decision in *People v. Belous* (1969) 71 Cal.2d 954, 966-68.

(b) The State Department of Health Services and the Managed Risk Medical Insurance Board may accept or use moneys under Title XXI of the federal Social Security Act (known as the State Children's Health Insurance Program or S-CHIP), as interpreted in Section 457.10 of Title 42 of the Code of Federal Regulations, to fund services for women pursuant to Section 14007.7 of the Welfare and Institutions Code (Medi-Cal) and Part 6.3 (commencing with Section 12695) (Access for Infants and Mothers (AIM)) only when, during the period of coverage, the woman is the beneficiary. The scope of services covered under Medi-Cal and AIM, as defined in statutes, regulations, and state plans,

is not altered by this section or the state plan amendment submitted pursuant to this section.

(c) California's S-CHIP plan and any amendments submitted and implemented pursuant to this section shall be consistent with subdivisions (a) and (b).

(d) This section is a declaration of existing law.

SEC. 2. Section 14007.705 is added to the Welfare and Institutions Code, to read:

14007.705. (a) Through its courts and statutes, and under its Constitution, California protects a woman's right to reproductive privacy. California reaffirms these protections and specifically its Supreme Court decision in *People v. Belous* (1969) 71 Cal.2d 954, 966-68.

(b) The State Department of Health Services and the Managed Risk Medical Insurance Board may accept or use moneys under Title XXI of the federal Social Security Act (known as the State Children's Health Insurance Program or S-CHIP), as interpreted in Section 457.10 of Title 42 of the Code of Federal Regulations, to fund services for women pursuant to Section 14007.7 (Medi-Cal) and Part 6.3 (commencing with Section 12695) (Access for Infants and Mothers (AIM)) of Division 2 of the Insurance Code only when, during the period of coverage, the woman is the beneficiary. The scope of services covered under Medi-Cal and AIM, as defined in statutes, regulations, and state plans, is not altered by this section or the state plan amendment submitted pursuant to this section.

(c) California's S-CHIP plan and any amendments submitted and implemented pursuant to this section shall be consistent with subdivisions (a) and (b).

(d) This section is a declaration of existing law.

CHAPTER 24

An act to amend Sections 798.36 and 798.55 of the Civil Code, relating to mobilehomes.

[Approved by Governor June 30, 2005. Filed with
Secretary of State June 30, 2005.]

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

SECTION 1. Section 798.36 of the Civil Code is amended to read:
798.36. (a) A homeowner shall not be charged a fee for the enforcement of any of the rules and regulations of the park, except a

reasonable fee may be charged by management for the maintenance or cleanup, as described in subdivision (b), of the land and premises upon which the mobilehome is situated in the event the homeowner fails to do so in accordance with the rules and regulations of the park after written notification to the homeowner and the failure of the homeowner to comply within 14 days. The written notice shall state the specific condition to be corrected and an estimate of the charges to be imposed by management if the services are performed by management or its agent.

(b) (1) If management determines, in good faith, that the removal of a homeowner's or resident's personal property from the land and premises upon which the mobilehome is situated is necessary to bring the premises into compliance with the reasonable rules and regulations of the park or the provisions of the Mobilehome Parks Act (Part 2.1 (commencing with Section 18200) of Division 13 of the Health and Safety Code) or Title 25 of the California Code of Regulations, management may remove the property to a reasonably secure storage facility. Management shall provide written notice of at least 14 days of its intent to remove the personal property, including a description of the property to be removed. The notice shall include the rule, regulation, or code justifying the removal and shall provide an estimate of the charges to be imposed by management. The property to be removed shall not include the mobilehome or its appurtenances or accessory structures.

(2) The homeowner or resident shall be responsible for reimbursing to management the actual, reasonable costs, if any, of removing and storing the property. These costs incurred by management in correcting the rules violation associated with the removal and storage of the property, are deemed reasonable incidental service charges and may be collected pursuant to subdivision (e) of Section 798.56 if a notice of nonpayment of the removal and storage fees, as described in paragraph (3), is personally served on the homeowner.

(3) Within seven days from the date the property is removed to a storage area, management shall provide the homeowner or resident a written notice that includes an inventory of the property removed, the location where the property may be claimed, and notice that the cost of removal and storage shall be paid by the resident or homeowner. If, within 60 days, the homeowner or resident does not claim the property, the property shall be deemed to be abandoned, and management may dispose of the property in any manner. The homeowner's or resident's liability for storage charges shall not exceed 60 days. If the homeowner or resident claims the property, but has not reimbursed management for storage costs, management may bill those costs in a monthly statement which shall constitute notice of nonpayment, and the costs shall become

the obligation of the homeowner or resident. If a resident or homeowner communicates in writing his or her intent to abandon the property before 60 days has expired, management may dispose of the property immediately and no further storage charges shall accrue.

(4) If management elects to dispose of the property by way of sale or auction, and the funds received from the sale or auction exceed the amount owed to management, management shall refund the difference to the homeowner or resident within 15 days from the date of management's receipt of the funds from the sale or auction. The refund shall be delivered to the homeowner or resident by first-class mail postage prepaid to his or her address in the park, or by personal delivery, and shall include an accounting specifying the costs of removal and storage of the property incurred by management in correcting the rules violation and the amount of proceeds realized from any sale or auction. If a sale or auction of the property yields less than the costs incurred by management, the homeowner or resident shall be responsible for the difference, and this amount shall be deemed a reasonable incidental service charge and may be collected pursuant to subdivision (e) of Section 798.56 if a notice of nonpayment of the removal and storage fees, as described in paragraph (3), is personally served on the homeowner. If management elects to proceed under this section, it may not also terminate the tenancy pursuant to subdivision (d) of Section 798.56 based upon the specific violations relied upon to proceed under this section. In any proceeding under this section, management shall bear the burden of proof that enforcement was undertaken in a nondiscriminatory, nonselective fashion.

SEC. 2. Section 798.55 of the Civil Code is amended to read:

798.55. (a) The Legislature finds and declares that, because of the high cost of moving mobilehomes, the potential for damage resulting therefrom, the requirements relating to the installation of mobilehomes, and the cost of landscaping or lot preparation, it is necessary that the owners of mobilehomes occupied within mobilehome parks be provided with the unique protection from actual or constructive eviction afforded by the provisions of this chapter.

(b) (1) The management may not terminate or refuse to renew a tenancy, except for a reason specified in this article and upon the giving of written notice to the homeowner, in the manner prescribed by Section 1162 of the Code of Civil Procedure, to sell or remove, at the homeowner's election, 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, as defined in Section 18005.8 of the Health and Safety Code, each junior lienholder, as defined in Section 18005.3 of the Health and Safety Code, and the

registered owner of the mobilehome, if other than the homeowner, by United States mail within 10 days after notice to the homeowner. The copy may be sent by regular mail or by certified or registered mail with return receipt requested, at the option of the management.

(2) The homeowner shall pay past due rent and utilities upon the sale of a mobilehome pursuant to paragraph (1).

(c) If the homeowner has not paid the rent due within three days after notice to the homeowner, and if the first notice was not sent by certified or registered mail with return receipt requested, a copy of the notice shall again be sent to the legal owner, each junior lienholder, and the registered owner, if other than the homeowner, by certified or registered mail with return receipt requested within 10 days after notice to the homeowner. Copies of the notice shall be addressed to the legal owner, each junior lienholder, and the registered owner at their addresses, as set forth in the registration card specified in Section 18091.5 of the Health and Safety Code.

(d) If management obtains a court judgment against a homeowner or resident, the cost incurred by management in obtaining a title search for the purpose of complying with the notice requirements of this section shall be recoverable as a cost of suit.

(e) The resident of a mobilehome that remains in the mobilehome park after service of the notice to sell or remove the mobilehome shall continue to be subject to this chapter and the rules and regulations of the park, including rules regarding maintenance of the space.

(f) No lawful act by the management to enforce this chapter or the rules and regulations of the park may be deemed or construed to waive or otherwise affect the notice to remove the mobilehome.

CHAPTER 25

An act to amend Section 904.6 of the Penal Code, relating to grand juries.

[Approved by Governor June 30, 2005. Filed with
Secretary of State June 30, 2005.]

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

SECTION 1. Section 904.6 of the Penal Code is amended to read:
904.6. (a) In any county or city and county, the presiding judge of the superior court, or the judge appointed by the presiding judge to supervise the grand jury, may, upon the request of the Attorney General

or the district attorney or upon his or her own motion, order and direct the impanelment, of one additional grand jury pursuant to this section.

(b) The presiding judge or the judge appointed by the presiding judge to supervise the grand jury shall select persons, at random, from the list of trial jurors in civil and criminal cases and shall examine them to determine if they are competent to serve as grand jurors. When a sufficient number of competent persons have been selected, they shall constitute the additional grand jury.

(c) Any additional grand jury which is impaneled pursuant to this section may serve for a period of one year from the date of impanelment, but may be discharged at any time within the one-year period by order of the presiding judge or the judge appointed by the presiding judge to supervise the grand jury. In no event shall more than one additional grand jury be impaneled pursuant to this section at the same time.

(d) Whenever an additional grand jury is impaneled pursuant to this section, it may inquire into any matters which are subject to grand jury inquiry and shall have the sole and exclusive jurisdiction to return indictments, except for any matters which the regular grand jury is inquiring into at the time of its impanelment.

(e) It is the intent of the Legislature that all persons qualified for jury service shall have an equal opportunity to be considered for service as criminal grand jurors in the county in which they reside, and that they have an obligation to serve, when summoned for that purpose. All persons selected for the additional criminal grand jury shall be selected at random from a source or sources reasonably representative of a cross section of the population which is eligible for jury service in the county.

CHAPTER 26

An act to amend Section 21115.5 of the Vehicle Code, relating to vehicles.

[Approved by Governor June 30, 2005. Filed with
Secretary of State June 30, 2005.]

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

SECTION 1. Section 21115.5 of the Vehicle Code is amended 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) (1) It is the intent of the Legislature that the district complete a golf cart transportation plan under Chapter 6 (commencing with Section 1950) of Division 2.5 of the Streets and Highways Code on or before January 1, 2007, that will make the authority granted under this section unnecessary.

(2) The Legislature finds and declares that extension of the repeal date of this section to January 1, 2007, will provide sufficient time to allow the district to complete the plan described in paragraph (1).

(3) It is the further intent of the Legislature that the authority granted under this section not be extended beyond January 1, 2007.

(d) 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 27

An act to amend Section 18339 of the Education Code, relating to library districts.

[Approved by Governor June 30, 2005. Filed with
Secretary of State June 30, 2005.]

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

SECTION 1. Section 18339 of the Education Code is amended to read:

18339. Every library district shall be designated by the name and style of “____ Library District (using the name of the district) of ____ County (using the name of the county in which the district is situated).” The governing board of library trustees may select a name which sufficiently distinguishes the library district from an existing school district. A number shall not be used as a part of the designation of any library district.

CHAPTER 28

An act to amend Section 17316 of the Education Code, relating to school facilities.

[Approved by Governor June 30, 2005. Filed with
Secretary of State June 30, 2005.]

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

SECTION 1. Section 17316 of the Education Code is amended to read:

17316. (a) Any contract entered into by and between the governing board of any school district and any certified architect or structural engineer pursuant to Section 17302 shall provide that all plans, including, but not limited to, record drawings, specifications, and estimates prepared pursuant thereto, shall be and remain the property of the school district for the purposes of repair, maintenance, renovation, modernization, or other purposes, only as they relate to the project for which the certified architect or structural engineer was retained. This subdivision does not preclude the school district from using the plans, record drawings, specifications, or estimates related to the project for the purposes of additions, alignments, or other development on the site.

(b) The contract set forth in subdivision (a) does not transfer or waive the certified architect's or structural engineer's copyrights over these documents, including, but not limited to, all common law, statutory, and other reserved rights, unless the certified architect or structural engineer expressly transfers or waives these rights through the written contract, including, but not limited to, a written addendum or amendment.

(c) Notwithstanding subdivision (a), if the school district proposes to reuse the plans prepared by the certified architect or structural engineer within the school district, the contract entered into between the school district and the certified architect or structural engineer shall specify the terms and conditions for the reuse. If a school district reuses the plans prepared by the certified architect or structural engineer and retains another certified architect or structural engineer for the preparation of those plans for the reuse, the school district shall indemnify and hold harmless the original certified architect or structural engineer, and their consultants, agents, and employees, from and against any claims, damages, losses, and expenses, including attorney's fees, arising out of or resulting from, in whole or in part, the reuse.

CHAPTER 29

An act to amend Sections 101680, 101685, 101750, 101755, and 101765 of, and to repeal Section 101785 of, the Health and Safety Code, relating to health care.

[Approved by Governor June 30, 2005. Filed with
Secretary of State June 30, 2005.]

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

SECTION 1. Section 101680 of the Health and Safety Code is amended to read:

101680. The Board of Supervisors of the County of Santa Barbara may, by ordinance or resolution, order the formation of the Santa Barbara Regional Health Authority under this chapter that shall include, but need not be limited to, all of the incorporated and unincorporated areas of the county.

SEC. 2. Section 101685 of the Health and Safety Code is amended to read:

101685. Unless the context otherwise requires, this article governs the construction of this chapter. As used in this chapter:

(a) "Authority" means the Santa Barbara Regional Health Authority.
(b) "Board" means the Santa Barbara Regional Health Authority Board of Directors.

(c) "County" means the County of Santa Barbara.

(d) "Health care system" means any system established to arrange for the provision of medical services.

(e) "Public agency" means the United States, the State of California, any political subdivision, county, municipality, district, or agency of the State of California or of the United States and any department, bureau or commission of the State of California or of the United States.

(f) "Person" means any individual, firm, partnership, association, corporation, limited liability company, trust, business trust, or the receiver or trustee or conservator for any of the above, but does not include a public agency.

(g) "Professional advisory boards" means the boards appointed by the board of directors of the authority pursuant to its rules which shall consist of a representative cross-section of professional providers of health care services within the county.

(h) "Community advisory boards" means advisory boards to the authority's board appointed by the board of directors of the authority which shall consist of persons who represent community and consumer

interests and who do not directly earn their income from the provision of medical health services.

(i) "Service area" means the county, and those counties that are contiguous with the county.

SEC. 3. Section 101750 of the Health and Safety Code is amended to read:

101750. The authority is hereby declared to be a body corporate and politic and it shall have power:

- (a) To have perpetual succession.
- (b) To sue and be sued in the name of the authority in all actions and proceedings in all courts and tribunals of competent jurisdiction.
- (c) To adopt a seal and alter it at pleasure.
- (d) To take by grant, purchase, gift, devise, or lease, to hold, use and enjoy, and to lease, convey or dispose of, real and personal property of every kind, within or without the boundaries of the authority, necessary or convenient to the full exercise of its powers. The board may lease, mortgage, sell, or otherwise dispose of any real or personal property within or without the boundaries of the authority necessary to the full or convenient exercise of its powers.
- (e) To make and enter into contracts with any public agency or person for the purposes of this chapter, including, but not limited to, agreements under Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code. Members of the board shall be disqualified from voting on contracts in which they have a financial interest. Notwithstanding any other provision of law, members shall not be disqualified from continuing to serve as a member of the board and a contract may not be avoided solely because of a member's financial interest.
- (f) To appoint and employ an executive director and other employees as may be necessary, including legal counsel, fix their compensation and define their powers and duties. The board shall prescribe the amounts and forms of fidelity bond of its officers and employees. The cost of these bonds shall be borne by the authority. The authority may also contract for the services of an independent contractor.
- (g) To incur indebtedness not exceeding revenue in any year.
- (h) To purchase supplies, equipment, materials, property, or services.
- (i) To establish policies relating to its purposes.
- (j) To acquire or contract to acquire, rights-of-way, easements, privileges, or property of every kind within or without the boundaries of the authority, and construct, equip, maintain, and operate any and all works or improvements within or without the boundaries of the authority necessary, convenient, or proper to carry out any of the provisions, objects or purposes of this chapter, and to complete, extend, add to,

repair, or otherwise improve any works or improvements acquired by it.

(k) To make contracts and enter into stipulations of any nature upon the terms and conditions that the board finds are for the best interest of the authority for the full exercise of the powers granted in this chapter.

(l) To accept gifts, contributions, grants or loans from any public agency or person for the purposes of this chapter. The authority may do any and all things necessary in order to avail itself of the gifts, contributions, grants or loans, and cooperate under any federal or state legislation in effect on March 25, 1982, or enacted after that date.

(m) To manage its moneys and to provide depository and auditing services pursuant to either of the methods applicable to special districts as set forth in the Government Code.

(n) To negotiate with service providers rates, charges, fees and rents, and to establish classifications of health care systems operated by the authority. Members of the board who are county officers and employees may vote to approve arrangements and agreements between the authority and the county as a service provider and these directors shall not thus be disqualified solely for the reason that they are employed by the county.

(o) To develop and implement health care delivery systems to promote quality care and cost efficiency and to provide appeal and grievance procedures available to both providers and consumers.

(p) To provide health care delivery systems for any or all of the following:

(1) For all persons who are eligible to receive medical benefits under the Medi-Cal Act, as set forth in Sections 14000 et seq., of the Welfare and Institutions Code in the service area through waiver, pilot project, or otherwise.

(2) For all persons in the service area who are eligible to receive medical benefits under both Titles XVIII and XIX of the federal Social Security Act.

(3) For all persons in the service area who are eligible to receive medical benefits under Title XVIII of the federal Social Security Act.

(4) For all persons in the service area who are eligible to receive medical benefits under publicly supported programs if the authority, and participating providers acting pursuant to subcontracts with the authority, agree to hold harmless the beneficiaries of the publicly supported programs if the contract between the sponsoring government agency and the authority does not ensure sufficient funding to cover program benefits.

(q) To insure against any accident or destruction of its health care system or any part thereof. It may insure against loss of revenues from any cause. The authority may also provide insurance as provided in Part

6 (commencing with Section 989) of Division 3.6 of Title 1 of the Government Code.

(r) To exercise powers that are expressly granted and powers that are reasonably implied from express powers and necessary to carry out the purposes of this chapter.

(s) To do any and all things necessary to carry out the purposes of this chapter.

(t) With respect to services provided outside the county, the authority may only provide those services to the extent that the services are authorized by resolution of the board of supervisors of the county in which the services are to be provided.

SEC. 4. Section 101755 of the Health and Safety Code is amended to read:

101755. Notwithstanding any other provision of law, the state or any state agency may enter into contracts with the authority for the authority to obtain or arrange for health care under the authority's health care systems, for all persons who are eligible to receive medical benefits under the Medi-Cal Act, as set forth in Section 14000 et seq., of the Welfare and Institutions Code, and to enter into contracts for the provision of health care services to subscribers in the Healthy Families Program, in its service area through waiver, pilot project, or otherwise.

SEC. 5. Section 101765 of the Health and Safety Code is amended to read:

101765. Any licensed provider eligible to receive Medi-Cal reimbursement under law and who enters into a written contract with the authority under terms and conditions approved by the department shall be able to participate in this program as a provider. A written agreement shall not be required if any of the following circumstances apply:

(a) The provider renders any medically necessary emergency health care on a nonroutine basis.

(b) The provider renders services that are duly authorized by the authority, if the services are either seldom used or are rendered outside of the service area.

SEC. 6. Section 101785 of the Health and Safety Code is repealed.

SEC. 7. Nothing in this act shall be construed to supersede Section 14094.3 of the Welfare and Institutions Code.

CHAPTER 30

An act to amend Section 4519.7 of the Welfare and Institutions Code, relating to developmental services.

[Approved by Governor June 30, 2005. Filed with
Secretary of State June 30, 2005.]

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

SECTION 1. Section 4519.7 of the Welfare and Institutions Code is amended to read:

4519.7. (a) Any regional center employee shall not be liable for civil damages on account of an injury or death resulting from an employee's act or omission where the act or omission was the result of the exercise of the discretion vested in him or her, in good faith, in carrying out the intent of this division, except for acts or omissions of gross negligence or acts or omissions giving rise to a claim under Section 3294 of the Civil Code. This section shall not be applied to provide immunity from liability for any criminal act.

(b) This section is not intended to change, alter, or affect the liability of regional centers, including, but not limited to, the vicarious liability of a regional center due to a negligent employee.

(c) A regional center employee, when participating in filing a complaint or providing information as required by law regarding a consumer's health, safety, or well-being, or participating in a judicial proceeding resulting therefrom, shall be presumed to be acting in good faith, and unless the presumption is rebutted, shall be immune from any liability, civil or criminal, and shall be immune from any penalty, sanction, or restriction that might be incurred or imposed. The presumption established by this subdivision is a presumption affecting the burden of producing evidence.

(d) This section shall apply only to acts or omissions that occur on or after January 1, 2001.

(e) This section shall remain in effect only until January 1, 2009, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2009, deletes or extends that date.

CHAPTER 31

An act to amend Section 5019 of the Education Code, relating to school districts.

[Filed with Secretary of State June 30, 2005.]

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

SECTION 1. Section 5019 of the Education Code is amended to read:

5019. (a) Except in a school district governed by a board of education provided for in the charter of a city or city and county, in any school district or community college district the county committee on school district organization may establish trustee areas, rearrange the boundaries of trustee areas, abolish trustee areas, and increase to seven or decrease to five the number of members of the governing board, or to adopt one of the alternative methods of electing governing board members specified in Section 5030.

(b) The county committee on school district organization may establish or abolish a common governing board for a high school district and an elementary school district within the boundaries of the high school district. The resolution of the county committee approving the establishment or abolition of a common governing board shall be presented to the electors of the school districts as specified in Section 5020.

(c) A proposal to make the changes described in subdivision (a) or (b) may be initiated by the county committee or made to the county committee either by a petition signed by 5 percent or 50, whichever is less, of the qualified registered voters residing in a district in which there are 2,500 or fewer qualified registered voters, or by a petition signed by 2 percent, or 250, whichever is less, of the qualified registered voters residing in a district in which there are 2,501 or more qualified registered voters or by resolution of the governing board of the district. For this purpose, the necessary signatures for a petition shall be obtained within a period of 180 days before the submission of the petition to the county committee and the number of qualified registered voters in the district shall be determined pursuant to the most recent report submitted by the county elections official to the Secretary of State under Section 610 or 6460 of the Elections Code.

When the proposal is made, the county committee shall call and conduct at least one hearing in the district on the matter. At the conclusion of the hearing, the county committee shall approve or disapprove the proposal.

(d) If the county committee approves pursuant to subdivision (a) the rearrangement of the boundaries of trustee areas for a particular district, then the rearrangement of the trustee areas shall be effectuated for the next district election occurring at least 120 days after its approval, unless at least 5 percent of the registered voters of the district sign a petition requesting an election on the proposed rearrangement of trustee area

boundaries. The petition for an election shall be submitted to the elections official within 60 days of the proposal's adoption by the county committee. If the qualified registered voters approve pursuant to subdivision (b) or subdivision (c) the rearrangement of the boundaries to the trustee areas for a particular district, the rearrangement of the trustee areas shall be effective for the next district election occurring at least 120 days after its approval by the voters.

CHAPTER 32

An act to amend Section 507 of the Pajaro Valley Water Management Agency Act (Chapter 257 of the Statutes of 1984), relating to the Pajaro Valley Water Management Agency.

[Filed with Secretary of State July 1, 2005.]

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

SECTION 1. Section 507 of the Pajaro Valley Water Management Agency Act (Chapter 257 of the Statutes of 1984) is amended to read:

507. (a) The agency shall have the power of eminent domain to acquire property within the boundaries of the agency necessary for carrying out the powers and purposes of the agency, except that the agency shall not have power to acquire by eminent domain publicly owned property held or used for the development, storage, or distribution of water for public use.

(b) (1) Notwithstanding subdivision (a), the agency shall have the power to acquire by eminent domain property outside the boundaries of the agency, other than property of another public agency, for the purposes of constructing a pipeline and related appurtenant facilities to deliver supplemental water to the agency by way of the San Felipe Division of the Central Valley Project.

(2) The agency shall not exercise the authority granted by paragraph (1) without the approval, by resolution, of the board of supervisors of the county in which the affected property is situated. A board of supervisors that grants approval under this paragraph may require, as a condition of approval, that the agency defend, indemnify, and hold harmless the county from any claim, action, or proceeding against the county or its agents, officers, or employees arising out of the board's

decision to grant approval or the agency's exercise of eminent domain power pursuant to this subdivision.

CHAPTER 33

An act relating to school facilities.

[Filed with Secretary of State July 6, 2005.]

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

SECTION 1. Notwithstanding any other law, a warrant issued after August 27, 1998, by the governing board of the El Segundo Unified School District relating to a contract that was executed after May 27, 1998, for a modernization project of the school district, has been, and is, eligible for funding under Article 7 (commencing with Section 17074.10) of Chapter 12.5 of Part 10 of the Education Code.

SEC. 2. Due to the unique circumstances concerning the El Segundo Unified School District, the Legislature finds and declares that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution.

CHAPTER 34

An act to amend Sections 3439.08 and 3439.09 of the Civil Code, relating to fraudulent transfers, and declaring the urgency thereof, to take effect immediately.

[Filed with Secretary of State July 7, 2005.]

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

SECTION 1. Section 3439.08 of the Civil Code is amended to read:
3439.08. (a) A transfer or an obligation is not voidable under paragraph (1) of subdivision (a) of Section 3439.04, against a person who took in good faith and for a reasonably equivalent value or against any subsequent transferee or obligee.

(b) Except as otherwise provided in this section, to the extent a transfer is voidable in an action by a creditor under paragraph (1) of subdivision (a) of Section 3439.07, the creditor may recover judgment for the value of the asset transferred, as adjusted under subdivision (c), or the amount

necessary to satisfy the creditor's claim, whichever is less. The judgment may be entered against the following:

(1) The first transferee of the asset or the person for whose benefit the transfer was made.

(2) Any subsequent transferee other than a good faith transferee who took for value or from any subsequent transferee.

(c) If the judgment under subdivision (b) is based upon the value of the asset transferred, the judgment shall be for an amount equal to the value of the asset at the time of the transfer, subject to adjustment as the equities may require.

(d) Notwithstanding voidability of a transfer or an obligation under this chapter, a good faith transferee or obligee is entitled, to the extent of the value given the debtor for the transfer or obligation, to the following:

(1) A lien on or a right to retain any interest in the asset transferred.

(2) Enforcement of any obligation incurred.

(3) A reduction in the amount of the liability on the judgment.

(e) A transfer is not voidable under paragraph (2) of subdivision (a) of Section 3439.04 or Section 3439.05 if the transfer results from the following:

(1) Termination of a lease upon default by the debtor when the termination is pursuant to the lease and applicable law.

(2) Enforcement of a lien in a noncollusive manner and in compliance with applicable law, including Division 9 (commencing with Section 9101) of the Commercial Code, other than a retention of collateral under Sections 9620 and 9621 of the Commercial Code and other than a voluntary transfer of the collateral by the debtor to the lienor in satisfaction of all or part of the secured obligation.

SEC. 2. Section 3439.09 of the Civil Code is amended to read:

3439.09. A cause of action with respect to a fraudulent transfer or obligation under this chapter is extinguished unless action is brought pursuant to subdivision (a) of Section 3439.07 or levy made as provided in subdivision (b) or (c) of Section 3439.07:

(a) Under paragraph (1) of subdivision (a) of Section 3439.04, within four years after the transfer was made or the obligation was incurred or, if later, within one year after the transfer or obligation was or could reasonably have been discovered by the claimant.

(b) Under paragraph (2) of subdivision (a) of Section 3439.04 or Section 3439.05, within four years after the transfer was made or the obligation was incurred.

(c) Notwithstanding any other provision of law, a cause of action with respect to a fraudulent transfer or obligation is extinguished if no action

is brought or levy made within seven years after the transfer was made or the obligation was incurred.

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 avoid confusion and possible error in the application of changes made to Section 3439.04 of the Civil Code pursuant to Chapter 50 of the Statutes of 2004, it is necessary that this act take effect immediately.

CHAPTER 35

An act to add Section 798.19.5 to the Civil Code, relating to mobilehomes.

[Filed with Secretary of State July 7, 2005.]

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

SECTION 1. Section 798.19.5 is added to the Civil Code, to read:
798.19.5. A rental agreement entered into or renewed on and after January 1, 2006, shall not include a clause, rule, regulation, or any other provision that grants to management the right of first refusal to purchase a homeowner's mobilehome that is in the park and offered for sale to a third party pursuant to Article 7 (commencing with Section 798.70). This section does not preclude a separate agreement for separate consideration granting the park owner or management a right of first refusal to purchase the homeowner's mobilehome that is in the park and offered for sale.

CHAPTER 36

An act to amend Section 1382 of the Penal Code, relating to criminal procedure.

[Filed with Secretary of State July 7, 2005.]

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

SECTION 1. Section 1382 of the Penal Code is amended to read:

1382. (a) The court, unless good cause to the contrary is shown, shall order the action to be dismissed in the following cases:

(1) When a person has been held to answer for a public offense and an information is not filed against that person within 15 days.

(2) In a felony case, when a defendant is not brought to trial within 60 days of the defendant's arraignment on an indictment or information, or reinstatement of criminal proceedings pursuant to Chapter 6 (commencing with Section 1367) of Title 10 of Part 2, or, in case the cause is to be tried again following a mistrial, an order granting a new trial from which an appeal is not taken, or an appeal from the superior court, within 60 days after the mistrial has been declared, after entry of the order granting the new trial, or after the filing of the remittitur in the trial court, or after the issuance of a writ or order which, in effect, grants a new trial, within 60 days after notice of the writ or order is filed in the trial court and served upon the prosecuting attorney, or within 90 days after notice of the writ or order is filed in the trial court and served upon the prosecuting attorney in any case where the district attorney chooses to resubmit the case for a preliminary examination after an appeal or the issuance of a writ reversing a judgment of conviction upon a plea of guilty prior to a preliminary hearing. However, an action shall not be dismissed under this paragraph if either of the following circumstances exist:

(A) The defendant enters a general waiver of the 60-day trial requirement. A general waiver of the 60-day trial requirement entitles the superior court to set or continue a trial date without the sanction of dismissal should the case fail to proceed on the date set for trial. If the defendant, after proper notice to all parties, later withdraws his or her waiver in the superior court, the defendant shall be brought to trial within 60 days of the date of that withdrawal. If a general time waiver is not expressly entered, subparagraph (B) shall apply.

(B) The defendant requests or consents to the setting of a trial date beyond the 60-day period. Whenever a case is set for trial beyond the 60-day period by request or consent, expressed or implied, of the defendant without a general waiver, the defendant shall be brought to trial on the date set for trial or within 10 days thereafter.

Whenever a case is set for trial after a defendant enters either a general waiver as to the 60-day trial requirement or requests or consents, expressed or implied, to the setting of a trial date beyond the 60-day period pursuant to this paragraph, the court may not grant a motion of the defendant to vacate the date set for trial and to set an earlier trial date unless all parties are properly noticed and the court finds good cause for granting that motion.

(3) Regardless of when the complaint is filed, when a defendant in a misdemeanor or infraction case is not brought to trial within 30 days after he or she is arraigned or enters his or her plea, whichever occurs later, if the defendant is in custody at the time of arraignment or plea, whichever occurs later, or in all other cases, within 45 days after the defendant's arraignment or entry of the plea, whichever occurs later, or in case the cause is to be tried again following a mistrial, an order granting a new trial from which no appeal is taken, or an appeal from a judgment in a misdemeanor or infraction case, within 30 days after the mistrial has been declared, after entry of the order granting the new trial, or after the remittitur is filed in the trial court, or within 30 days after the date of the reinstatement of criminal proceedings pursuant to Chapter 6 (commencing with Section 1367). However, an action shall not be dismissed under this subdivision if any of the following circumstances exist:

(A) The defendant enters a general waiver of the 30-day or 45-day trial requirement. A general waiver of the 30-day or 45-day trial requirement entitles the court to set or continue a trial date without the sanction of dismissal should the case fail to proceed on the date set for trial. If the defendant, after proper notice to all parties, later withdraws his or her waiver, the defendant shall be brought to trial within 30 days of the date of that withdrawal. If a general time waiver is not expressly entered, subparagraph (B) shall apply.

(B) The defendant requests or consents to the setting of a trial date beyond the 30-day or 45-day period. In the absence of an express general time waiver from the defendant, the court shall set a trial date. Whenever a case is set for trial beyond the 30-day or 45-day period by request or consent, expressed or implied, of the defendant without a general waiver, the defendant shall be brought to trial on the date set for trial or within 10 days thereafter.

(C) The defendant in a misdemeanor case has been ordered to appear on a case set for hearing prior to trial, but the defendant fails to appear on that date and a bench warrant is issued, or the case is not tried on the date set for trial because of the defendant's neglect or failure to appear, in which case the defendant shall be deemed to have been arraigned within the meaning of this subdivision on the date of his or her subsequent arraignment on a bench warrant or his or her submission to the court.

(b) Whenever a defendant has been ordered to appear in superior court on a felony case set for trial or set for a hearing prior to trial after being held to answer, if the defendant fails to appear on that date and a bench warrant is issued, the defendant shall be brought to trial within

60 days after the defendant next appears in the superior court unless a trial date previously had been set which is beyond that 60-day period.

(c) If the defendant is not represented by counsel, the defendant shall not be deemed under this section to have consented to the date for the defendant's trial unless the court has explained to the defendant his or her rights under this section and the effect of his or her consent.

CHAPTER 37

An act to amend Sections 945, 1363, 1374, and 1378 of the Civil Code, relating to common interest developments.

[Filed with Secretary of State July 7, 2005.]

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

SECTION 1. Section 945 of the Civil Code is amended to read:

945. The provisions, standards, rights, and obligations set forth in this title are binding upon all original purchasers and their successors-in-interest. For purposes of this title, associations and others having the rights set forth in Sections 1368.3 and 1368.4 shall be considered to be original purchasers and shall have standing to enforce the provisions, standards, rights, and obligations set forth in this title.

SEC. 2. Section 1363 of the Civil Code is amended to read:

1363. (a) A common interest development shall be managed by an association that may be incorporated or unincorporated. The association may be referred to as a community association.

(b) An association, whether incorporated or unincorporated, shall prepare a budget pursuant to Section 1365 and disclose information, if requested, in accordance with Section 1368.

(c) Unless the governing documents provide otherwise, and regardless of whether the association is incorporated or unincorporated, the association may exercise the powers granted to a nonprofit mutual benefit corporation, as enumerated in Section 7140 of the Corporations Code, except that an unincorporated association may not adopt or use a corporate seal or issue membership certificates in accordance with Section 7313 of the Corporations Code.

The association, whether incorporated or unincorporated, may exercise the powers granted to an association in this title.

(d) Meetings of the membership of the association shall be conducted in accordance with a recognized system of parliamentary procedure or any parliamentary procedures the association may adopt.

(e) Notwithstanding any other provision of law, notice of meetings of the members shall specify those matters the board intends to present for action by the members, but, except as otherwise provided by law, any proper matter may be presented at the meeting for action.

(f) Members of the association shall have access to association records, including accounting books and records and membership lists, in accordance with Article 3 (commencing with Section 8330) of Chapter 13 of Part 3 of Division 2 of Title 1 of the Corporations Code. The members of the association shall have the same access to the operating rules of the association as they have to the accounting books and records of the association.

(g) If an association adopts or has adopted a policy imposing any monetary penalty, including any fee, on any association member for a violation of the governing documents or rules of the association, including any monetary penalty relating to the activities of a guest or invitee of a member, the board of directors shall adopt and distribute to each member, by personal delivery or first-class mail, a schedule of the monetary penalties that may be assessed for those violations, which shall be in accordance with authorization for member discipline contained in the governing documents. The board of directors shall not be required to distribute any additional schedules of monetary penalties unless there are changes from the schedule that was adopted and distributed to the members pursuant to this subdivision.

(h) When the board of directors is to meet to consider or impose discipline upon a member, the board shall notify the member in writing, by either personal delivery or first-class mail, at least 10 days prior to the meeting. The notification shall contain, at a minimum, the date, time, and place of the meeting, the nature of the alleged violation for which a member may be disciplined, and a statement that the member has a right to attend and may address the board at the meeting. The board of directors of the association shall meet in executive session if requested by the member being disciplined.

If the board imposes discipline on a member, the board shall provide the member a written notification of the disciplinary action, by either personal delivery or first-class mail, within 15 days following the action. A disciplinary action shall not be effective against a member unless the board fulfills the requirements of this subdivision.

(i) Whenever two or more associations have consolidated any of their functions under a joint neighborhood association or similar organization, members of each participating association shall be (1) entitled to attend all meetings of the joint association other than executive sessions, (2) given reasonable opportunity for participation in those meetings, and

(3) entitled to the same access to the joint association's records as they are to the participating association's records.

(j) Nothing in this section shall be construed to create, expand, or reduce the authority of the board of directors of an association to impose monetary penalties on an association member for a violation of the governing documents or rules of the association.

SEC. 3. Section 1374 of the Civil Code is amended to read:

1374. Nothing in this title may be construed to apply to a development wherein there does not exist a common area as defined in subdivision (b) of Section 1351.

This section is declaratory of existing law.

SEC. 4. Section 1378 of the Civil Code is amended to read:

1378. (a) This section applies if an association's governing documents require association approval before an owner of a separate interest may make a physical change to the owner's separate interest or to the common area. In reviewing and approving or disapproving a proposed change, the association shall satisfy the following requirements:

(1) The association shall provide a fair, reasonable, and expeditious procedure for making its decision. The procedure shall be included in the association's governing documents. The procedure shall provide for prompt deadlines. The procedure shall state the maximum time for response to an application or a request for reconsideration by the board of directors.

(2) A decision on a proposed change shall be made in good faith and may not be unreasonable, arbitrary, or capricious.

(3) Notwithstanding a contrary provision of the governing documents, a decision on a proposed change may not violate any governing provision of law, including, but not limited to, the Fair Employment and Housing Act (Part 2.8 (commencing with Section 12900) of Division 3 of Title 2 of the Government Code), or a building code or other applicable law governing land use or public safety.

(4) A decision on a proposed change shall be in writing. If a proposed change is disapproved, the written decision shall include both an explanation of why the proposed change is disapproved and a description of the procedure for reconsideration of the decision by the board of directors.

(5) If a proposed change is disapproved, the applicant is entitled to reconsideration by the board of directors of the association that made the decision, at an open meeting of the board. This paragraph does not require reconsideration of a decision that is made by the board of directors or a body that has the same membership as the board of directors, at a meeting that satisfies the requirements of Section 1363.05.

Reconsideration by the board does not constitute dispute resolution within the meaning of Section 1363.820.

(b) Nothing in this section authorizes a physical change to the common area in a manner that is inconsistent with an association's governing documents, unless the change is required by law.

(c) An association shall annually provide its members with notice of any requirements for association approval of physical changes to property. The notice shall describe the types of changes that require association approval and shall include a copy of the procedure used to review and approve or disapprove a proposed change.

CHAPTER 38

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 July 11, 2005. Filed with Secretary of State July 11, 2005.]

I object to the following appropriations contained in Senate Bill 77.

Item 0250-111-0001—For transfer by the Controller to the Trial Court Trust Fund. I reduce this item from \$1,453,866,000 to \$1,386,566,000.

I am reducing this item by \$57,500,000 as a one-time base veto of a portion of the General Fund transfer to the Trial Court Trust Fund. This veto decreases the reserve in the Trial Court Trust Fund from \$67,500,000 to \$10,000,000, leaving a sufficient reserve in case revenues fall short of expected levels. The Trial Court Trust Fund does not need a large reserve since, pursuant to recent legislation, its primary fund sources now receive a statutory annual adjustment based on the increase in the State Appropriations Limit.

I am also reducing this item by \$9,800,000. The Legislature adopted Uniform Civil Filing Fees trailer bill language that would bring in increased revenue of \$14,750,000 in 2005–06 to the Trial Court Trust Fund. Of this amount, \$4,950,000 will be available as additional expenditure authority to the Trial Court Trust Fund for the facilities program and the remaining \$9,800,000 will offset the General Fund transfer. Since the Uniform Civil Filing Fee will not be implemented until January 1, 2006, the above amounts are for a half-year only and will be annualized in 2006–07. As such, the ongoing offset to the General Fund transfer will be \$19,600,000.

Item 0520-001-9329—For support of Secretary for Business, Transportation and Housing. I delete this item.

I am deleting the \$2,000,000 legislative augmentation that would provide loans to chrome plating businesses. This augmentation is associated with pending legislation and I am opposed to the appropriation of funds for legislation that has not yet been approved by the Legislature and the Administration.

Item 0540-001-0140—For support of Secretary for Resources. I revise this item by reducing:

(1) 10-Administration of Resources Agency from \$8,378,000 to \$8,362,000, and by deleting:

(5.5) Amount payable from the River Protection Subaccount (Item 0540-001-6015) (–\$16,000).

I am revising this item to conform to the action I have taken in Items 0540-490 and 0540-001-6015.

Item 0540-001-6015—For support of Secretary for Resources. I delete this item.

I am deleting this item to conform to the action I have taken in Items 0540-490 and 0540-001-0140.

Item 0540-490—Reappropriation, Secretary for Resources. I revise this item as follows:

“Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2006:

0001—General Fund

(1) Item 0540-101-0001, Budget Act of 1999 (Ch. 50, Stats. 1999)

(2) Item 0540-101-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)

(3) Item 0540-101-0001, Budget Act of 2001 (Ch. 106, Stats. 2001)

0890—Federal Trust Fund

(1) Item 0540-001-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)

~~6015—River Protection Subaccount~~

~~(1) Item 0540-101-6015, Budget Act of 2000 (Ch. 52, Stats. 2000)~~

~~(a) Los Angeles River Parkways²~~

I am eliminating the availability of funding provided to the City of Maywood for the Maywood Riverfront Park. Funds for this project have been available since 2000 and the City has not yet purchased the land as required by the grant agreement. Several obstacles remain, making this purchase unlikely in the near future. Consequently, it would not be prudent to continue earmarking these funds for the Maywood project.

I am revising this item to conform to the action I have taken in Items 0540-001-0140 and 0540-001-6015.

Item 0555-001-0044—For support of Secretary for Environmental Protection. I revise this item by reducing:

(1) 30-Support from \$9,703,000 to \$9,203,000, and

(11.5) Amount payable from the Public Interest Research, Development and Demonstration Fund (Item 0555-001-0381) (–\$500,000).

I am revising this item to conform to the action I have taken in Item 0555-001-0381.

Item 0555-001-0381—For support of Secretary for Environmental Protection. I delete this item and Provision 1.

I am deleting the \$500,000 legislative augmentation to support the California Climate Action Registry. The work of the Registry is important to accomplishing the goals of the state's greenhouse gas reduction targets, but the Energy Commission already provided \$200,000 in 2004–05 for this purpose. Furthermore, I believe that awards under the Public Interest Energy Research Program should be funded through the existing competitive grant process.

I am deleting Provision 1 to conform to this action.

Item 0855-101-0367—For local assistance, California Gambling Control Commission. I reduce this item from \$50,000,000 to \$30,000,000.

I am deleting the \$20,000,000 legislative augmentation to provide additional grant funds to mitigate the impacts of tribal gaming on local government agencies. I am supportive of these mitigation efforts and understand their importance, especially to areas with significant concentrations of tribal casinos. Because local government agencies have not provided required annual reports that detail the specific projects funded in their jurisdictions in the past two years, I do not have sufficient information to justify this augmentation.

Item 0860-001-0001—For support of the State Board of Equalization. I reduce this item from \$211,158,000 to \$210,843,000 by reducing:

(1) 100000-Personal Services from \$275,822,880 to \$275,506,880;

(2) 300000-Operating Expenses and Equipment from \$89,199,120 to \$89,030,120; and

(3) Reimbursements from –\$104,504,000 to –\$104,334,000.

I am deleting the \$485,000 legislative augmentation for eight Consumer Use Tax collection positions. My Budget proposed, and the Legislature approved, seven new positions for this purpose. These positions are adequate to address workload needs.

Item 1111-002-0239—For support of the Bureau of Security and Investigative Services. I reduce this item from \$7,241,000 to \$6,958,000 by reducing:

(1) 25.10.010-Bureau of Security and Investigative Services, Private Security Services Program from \$9,695,000 to \$9,412,000. I am vetoing this legislative augmentation of \$283,000 and 3.0 positions for the Bureau of Security and Investigative Services. This augmentation is not based on a justified programmatic need, but rather was made because there is a growing fund reserve in the Private Security Services Fund. The growing fund balance reflects a need for the Bureau to reduce fees paid by registrants and is not a reason to increase staffing.

Item 1730-001-0001—For support of Franchise Tax Board. I reduce this item from \$508,091,000 to \$506,865,000, by reducing:

(1) 10-Tax Programs from \$432,283,000 to \$431,057,000, and by deleting Provision 8.

I am deleting the \$1,226,000 legislative augmentation that provides 14 additional positions to establish a Misdemeanor Program within the Franchise Tax Board. I am concerned that this program might result in charges against persons who innocently failed to recognize that they had taxable income. There is no indication that local prosecutors would be willing to pursue these cases. Consequently, the revenue projections associated with this augmentation are questionable.

I am deleting Provision 8 of this item. The provisional language would allow the Board to divert up to \$200,000 that is appropriated for activities designed to narrow the tax gap. Specifically, the language would allow the Board to hire outside consultants to study independent contractor withholding and tax compliance issues. I do not believe that funds appropriated for the tax gap proposals should be redirected for other purposes. Furthermore, the Board has studied this issue in the past, and it concluded that California should not take action on this issue unless the federal government takes similar action.

Item 1760-001-0666—For support of Department of General Services. I reduce this item from \$590,238,000 to \$584,086,000 by reducing:

(1) Program support from \$802,572,000 to \$796,420,000, and by deleting Provision 12.

I am reducing \$6,152,000 and 114.0 personnel years from the Office of State Publishing (OSP) to realign expenditures and revenues. For the last several years, the OSP has not generated sufficient revenues to support its current operations.

I am deleting Provision 12, which would require the Department to provide a report that could lead to disclosure of confidential or proprietary information related to negotiated pharmaceutical contracts. Since trailer bill language also requires the Department to report on these contracts, and does so in a way that would not jeopardize the confidentiality of the negotiated pricing, this Provision is unnecessary.

Item 2150-001-0298—For support of Department of Financial Institutions. I reduce this item from \$18,882,000 to \$18,881,000, by reducing:

(5) 60-Credit Unions from \$3,827,000 to \$3,826,000.

I am reducing this item by \$1,000 to reflect the elimination of the Credit Union Advisory Committee. This is consistent with my commitment to eliminate unnecessary boards and commissions.

Item 2240-105-0001—For transfer to the Emergency Housing and Assistance Fund.

I am sustaining \$864,000 General Fund for the Emergency Housing Assistance Program in this item, on a one-time basis, to continue shelter beds during a transition period while new beds are developed under my proposal to create permanent housing with supportive services for the chronically homeless.

Item 2660-022-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Environmental Enhancement and Mitigation Program Fund. I delete this item.

I am deleting the \$10,000,000 legislative augmentation for the discretionary Environmental Enhancement and Mitigation Demonstration Program that provides grants to local entities for highway landscaping, urban forestry, the purchase of resource lands, and roadside recreation such as the construction of hiking and biking trails. While preserving open space is an extremely important function in maintaining our environment, improving mobility and increasing maintenance for our state highways is critical. This augmentation is not the best use of scarce transportation funds.

Item 2660-101-0183—For local assistance, Department of Transportation. I delete this item.

I am deleting this item to conform to the action I have taken in Item 2660-022-0042.

Item 2660-102-0890—For local assistance, Department of Transportation. I revise this item by revising Provision 4 as follows:

“4. Of the amount appropriated in this item, \$5,000,000 is for regional blueprint planning grants. ~~Of the \$5,000,000, at least 20 percent of the funds shall be allocated by the Department of Transportation, in consultation with the Department of Housing and Community Development, for grants to those regional councils of governments that have Regional Housing Needs Assessment tasks scheduled for the 2005–06 fiscal year to assist with preparation of their Regional Housing Needs Assessment in order to coordinate and integrate housing and transportation planning to the extent allowable under federal law. If the Regional Housing Needs Assessment is determined to be a reimbursable state mandate pursuant to Section 6 of Article XIII B of the California Constitution; then any grants received by councils of governments to prepare the assessment under this item shall be considered an offsetting revenue for the purposes of claiming state reimbursement.~~”

I am revising Provision 4, because it would require the use of transportation funds for non-transportation purposes, which is not consistent with the intent of the regional blueprint planning program and may not be consistent with federal law.

Item 2665-001-0046—For support of the High-Speed Rail Authority. I reduce this item from \$4,251,000 to \$3,926,000 by reducing:

(1) 10-High-Speed Rail Authority from \$4,576,000 to \$3,926,000; and by deleting:

(2) Reimbursements (–\$325,000);

and by deleting Provision 2.

I am deleting the legislative augmentation of \$650,000 and 0.5 positions to conduct a study of route alternatives and potential station locations along the Fresno-to-Bakersfield corridor. The High-Speed Rail Authority has already completed a study of this corridor and has not designated any station locations other than Fresno and Bakersfield.

I am deleting Provision 2 to conform to this action.

Item 3360-011-0381—For transfer by the Controller from the Public Interest Research, Development, and Demonstration Fund to the General Fund. I delete this item.

I am deleting the transfer of \$4,000,000 in interest earnings from the Public Interest Research, Development, and Demonstration Fund (PIER Fund) to the General Fund. The PIER Fund is a trust fund to be used for projects that benefit the ratepayers paying the surcharge. Consequently, interest earnings should remain in the fund to be used for projects that promote electricity efficiency and environmentally sustainable energy development.

Item 3480-001-0001—For support of Department of Conservation. I revise this item by reducing:

(3) 30-Land Resource Protection from \$4,256,000 to \$3,911,000, and

(13) Amount payable from the Soil Conservation Fund (Item 3480-001-0141) from –\$2,599,000 to –\$2,254,000.

I am revising this item to conform to the action I have taken in Item 3480-001-0141.

Item 3480-001-0141—For support of Department of Conservation. I reduce this item from \$2,599,000 to \$2,254,000.

I am deleting the \$345,000 legislative augmentation to increase staffing for Williamson Act enforcement activities. The need for additional staff for enforcement of the Williamson Act has not been clearly demonstrated. Consequently, I am unable to support this augmentation from the limited resources in the Soil Conservation Fund.

Item 3600-001-0384—For support of Department of Fish and Game. I reduce this item from \$8,000,000 to \$4,000,000.

I am revising this item to conform to the action taken in Item 3640-401.

Item 3640-401—Wildlife Conservation Board. I revise this item as follows: “Notwithstanding any other provision of law, the balance of revenues that would have been deposited in the California Housing Trust Fund and the Resources Trust Fund,

pursuant to Section 6217 of the Public Resources Code, shall be allocated in the following order:

Provisions:

1. ~~\$8,000,000~~ \$2,000,000 shall be deposited into the State Parks and Recreation Fund for the Department of Parks and Recreation Maintenance and Park Ranger staff and deferred maintenance. It is the intent of the Legislature that this augmentation be used to establish up to 40 new parks positions. These funds are intended to be ongoing.
2. ~~\$8,000,000~~ \$4,000,000 shall be deposited into the Salmon and Steelhead Trout Restoration Account for salmon and steelhead trout restoration projects authorized by Section 62171 of the Public Resources Code, including, but not limited to, projects that implement the Coho Salmon Recovery Plan.
3. \$48,000,000 shall be deposited in the General Fund.
4. ~~\$3,000,000 shall be deposited into the Fish and Game Preservation Fund to continue operation of state fish hatcheries located in various regions of the state.~~
5. ~~\$3,000,000 shall be deposited into the State Parks and Recreation Fund for deferred maintenance.~~
6. Any revenues remaining after expenditure for the purposes specified in Provisions 1, 2, 3, ~~4~~, and ~~5~~; shall be deposited in the General Fund.”

I am reducing Provisions 1 and 2, which would transfer Tidelands Oil Revenue to specified funds within the Department of Parks and Recreation for staffing and deferred maintenance projects, and the Department of Fish and Game for salmon and steelhead restoration and fish hatcheries. I am also deleting Provisions 4 and 5. Although the augmentations contained in these provisions may have merit, these reductions and deletions are necessary in light of our current fiscal situation and to ensure a prudent General Fund reserve.

I am revising this item to conform to the action I have taken in Items 3600-001-0200, 3600-001-0384, 3790-001-0001, and 3790-001-0392.

Item 3720-001-0001—For support of California Coastal Commission. I reduce this item from \$10,751,000 to \$9,801,000 by reducing:

- (1) 10-Coastal Management Program from \$14,573,000 to \$13,973,000, and
- (2) 20-Coastal Energy Program from \$1,147,000 to \$797,000.

I am reducing this item by \$950,000 and eight positions for administration of Offers-to-Dedicate and review of Liquefied Natural Gas (LNG) applications and federal offshore oil leases. This augmentation may have merit; however, as presently proposed it would result in a General Fund cost. The Coastal Commission has sufficient resources to perform critical, high priority work such as the review of LNG applications. The Commission also has the authority to adjust its fees in order to fund its activities, and can address this issue and meet its workload obligations without impacting the General Fund.

Item 3760-301-0593—For capital outlay, State Coastal Conservancy. I reduce this item from \$950,000 to \$450,000 to make a technical correction to the Budget Bill by reducing:

- (1) 80.00.020-Public Access from \$950,000 to \$450,000.

I am deleting the \$500,000 legislative augmentation because there are insufficient funds in the Coastal Access Account to support this augmentation. With this technical correction, \$450,000 remains to support the Conservancy’s efforts to accept and open Offers-to-Dedicate easements.

Item 3790-001-0001—For support of Department of Parks and Recreation. I revise this item by reducing:

- (1) For support of the Department of Parks and Recreation from \$353,003,000 to \$344,003,000, and
- (9) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392) from -\$134,779,000 to -\$125,779,000.

I am revising this item to conform to the actions taken in Items 3640-401 and 3790-001-0392.

Item 3790-001-0392—For support of Department of Parks and Recreation. I reduce this item from \$134,779,000 to \$125,779,000.

I am revising this item to conform to the actions taken in Items 3640-401 and 3790-001-0001.

Item 3900-001-0044—For support of Air Resources Board.

I am sustaining this legislative augmentation of \$12,500,000 to replace pre-1977 school buses. To ensure that this augmentation is spent most appropriately, I am directing the Air Resources Board to develop a plan by September 15, 2005, for allocation of these resources, and to submit this plan to the California Environmental Protection Agency for review and approval. The allocation plan must consider the overall financial capacity of the applicant to reasonably replace these buses without state assistance, the exposure to children, and the age of the buses slated for replacement.

Item 3900-001-0115—For support of Air Resources Board.

I am sustaining the redirection of \$10,000,000 from the Carl Moyer Program to fund the retrofitting of diesel school buses. The allocation criteria for Carl Moyer Program make it difficult for school bus projects to qualify for award and thus our children continue to be at risk. To ensure that these redirected funds are spent most appropriately, I am directing the Air Resources Board to develop a plan by September 15, 2005, for allocation of these resources, and to submit this plan to the California Environmental Protection Agency for review and approval. The allocation plan must consider the overall financial capacity of the applicant to reasonably replace these buses without state assistance, the exposure to children, and the age of the buses slated for replacement.

This redirection, along with the augmentation of Item 3900-001-0044 and the \$4,500,000 of Proposition 98 funding is a significant and important advancement in our protection of our children.

Item 3980-001-0001—For support of Office of Environmental Health Hazard Assessment. I reduce this item from \$8,852,000 to \$8,352,000 by reducing:

(1) 10-Health Risk Assessment from \$16,924,000 to \$15,924,000;

(6) Amount payable from the Department of Pesticide Regulation Fund (Item 3980-001-0106) from -\$1,120,000 to -\$870,000;

and by deleting:

(7.5) Amount payable from the Waste Discharge Permit Fund (Item 3980-001-0193) (-\$250,000)

The Legislature augmented the Office of Environmental Health Hazard Assessment's (OEHHA's) budget by \$1,500,000. I am sustaining a \$500,000 General Fund augmentation to support OEHHA's scientific efforts to evaluate environmental risks. However, I am vetoing \$1,000,000 of the augmentation to support a prudent General Fund reserve and because there are insufficient funds available in the Department of Pesticide Regulation Fund.

Item 3980-001-0106—For support of Office of Environmental Health Hazard Assessment. I reduce this item from \$1,120,000 to \$870,000.

I am reducing this item by \$250,000 to conform to the actions I have taken in Item 3980-001-0001.

Item 3980-001-0193—For support of Office of Environmental Health Hazard Assessment. I delete this item.

I am deleting this item to conform to the actions I have taken in Item 3980-001-0001.

Item 4120-115-0001—For transfer by the Controller to the Trauma Care Fund. I am sustaining this item.

I am sustaining the \$10,000,000 legislative augmentation for trauma care services on a one-time basis because I am concerned about the financial stress experienced by many of our state's trauma centers. I recognize the critical role these health care facilities play in providing access to essential medical services and the importance of addressing priority concerns such as securing on-call physicians and promoting hospital surge capacity for times of emergency. I am therefore sustaining this funding

and directing the Emergency Medical Services Authority to work closely with local Emergency Medical Services Authorities to ensure these funds target priority needs and do not supplant existing funding.

Item 4260-001-0001—For support of Department of Health Services. I reduce this item from \$244,093,000 to \$241,093,000 by reducing:

(1) 10-Public and Environmental Health from \$313,379,000 to \$310,379,000, and by deleting Provision 11.

I am deleting the \$3,000,000 legislative augmentation to continue the Improved Access, Counseling and Treatment for Californians with Prostate Cancer (IMPACT) program, as it is not prudent to expand programs in light of the projected structural deficit in 2006–07, and because of the absence of an evaluation of the effectiveness of the IMPACT program, especially given the 45 percent non-clinical overhead costs of the program. Without restructuring program operations, it is not clear that the benefits of this program for the small number of beneficiaries (341 in 2004–05) outweigh the costs. My Budget places a high priority on protecting health care services and maintains eligibility for health insurance for millions of low-income Californians. It increases funding for indigent health care services providing \$73,500,000 to support indigent healthcare in the California Healthcare for Indigents and Rural Health Services programs.

The IMPACT program was established as a pilot program in 2000–01 using one-time Tobacco Settlement Funds. It last received new funding by the Legislature in 2002–03. Since then, the program has used previously unspent funds to continue program services. These funds are exhausted. Given concerns that less than 60 percent of the appropriated funds are spent on direct patient care and the lack of an evaluation of the program's effectiveness, I am directing the department to evaluate the IMPACT program for programmatic and cost effectiveness. Any contractual funding for a prostate cancer treatment program must go to maximize services to the patients and minimize contractual costs and overhead. Continuing this program prior to the evaluation is imprudent.

I am deleting Provision 11 to conform to this action.

Item 4260-001-0626—For support of Department of Health Services. I delete Provision 1.

I am deleting Provision 1, which would require the Department of Health Services to use the interagency agreement process to conduct work related to small water systems. This Budget Bill language would limit the Department's flexibility to seek an external contract for these services if an interagency agreement is not a viable option if geographic restrictions preclude use of state staff or if there are other operational alternatives that would be beneficial to and less costly for the state.

Item 4260-101-0001—For local assistance, Department of Health Services. I reduce this item from \$12,670,181,000 to \$12,665,819,000 by reducing:

(3) 20.10.030-Benefits (Medical Care and Services) from \$29,401,653,000 to \$29,392,929,000;

(9) Amount payable from the Federal Trust Fund (4260-101-0890) from –\$19,282,571,000 to –\$19,278,209,000;

and by deleting Provision 14.

I am deleting the legislative augmentation of \$3,362,000 for the Alameda Alliance for Health and Partnership HealthPlan of California. I believe California must expand its use of managed care for Medi-Cal beneficiaries in order to improve outcomes for this critical population and control growth of the program's costs. But before the state considers funding a rate increase to providers, which this augmentation would do, a thorough review of these managed care providers' financial records is necessary to determine the underlying causes of the financial status of the providers. The Department of Health Services will change the Partnership's contract date to allow time for a thorough review of the Partnership's reimbursement rate during the next budget cycle. There is an indication that past discretionary actions of the Alameda Alliance for Health are largely responsible for their current fiscal stress. It would be unwise for the state to provide fiscal relief to Alameda Alliance for Health until the Alameda Alliance for Health implements cost-saving strategies.

However, in the case of the San Diego Community Health Group, I have determined that vetoing \$2,000,000 million (\$1,000,000 General Fund) and sustaining \$3,000,000 (\$1,500,000 General Fund) is appropriate. Community Health Group has worked closely with the Department of Managed Health Care to restructure their finances and implement program efficiencies. In addition, this increase will partially compensate the Group for a Medi-Cal rate increase in 2000 that is not reflected in the Group's current rate. This action, combined with the significant rate reductions the Group has already negotiated with its key providers, will allow the Group to implement a sound fiscal plan to assure that the Group will be able to continue to provide services to a vulnerable population without additional rate increases next year.

I am also deleting the legislative augmentation of \$4,362,000 in Item 4260-101-0890 to conform to this action.

I am deleting Provision 14 because requiring the Administration to notify the Legislature whenever actual expenditures for a specific part of the Medi-Cal program are not consistent with the Medi-Cal Estimate would be unnecessarily burdensome. The Department of Health Services already provides the Legislature with a monthly report which compares components of the Medi-Cal Estimate to actual expenditures. Any information beyond this report would require an unreasonable expenditure of staff resources given that it would result in duplicative information, and the additive value of the information that it would provide is uncertain.

Item 4260-101-0890—For local assistance, Department of Health Services. I reduce this item from \$19,282,571,000 to \$19,278,209,000.

I am reducing this item by \$4,362,000 to conform to my action in Item 4260-101-0001.

Item 4260-111-0001—For local assistance, Department of Health Services.

I am sustaining, on a one-time basis, the \$5,639,000 legislative augmentation which would restore Human Immunodeficiency Virus (HIV) Prevention and Education funding for various local health jurisdictions to 2001–02 funding levels. This Budget includes base General Fund support of approximately \$24.9 million, which is currently allocated to local health jurisdictions based on the California HIV Planning Group's formula to direct funds to those jurisdictions that have the highest prevalence of the disease. Supplemental program funding in 2006–07 beyond the base funding of \$24.9 million should be reviewed in the context of competing priorities for limited General Fund resources.

Item 4270-001-0001—For support of California Medical Assistance Commission. I reduce this item from \$1,207,000 to \$1,126,000 by reducing:

- (1) 10-California Medical Assistance Commission from \$2,622,000 to \$2,460,000, and
- (2) Reimbursements from $-\$1,307,000$ to $-\$1,226,000$.

I am reducing this item by \$162,000 to disassociate commissioner salaries from the salaries provided to legislators. Instead, commissioner annual compensation will be \$50,000. This action more properly aligns commissioner salaries with the amount of work required to faithfully perform the duties required of commissioners.

Item 4280-104-0236—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program Rural Health Demonstration Project.

I am sustaining the \$1,000,000 legislative augmentation for the Rural Health Demonstration Project (RHDP) on a one-time basis. The RHDP provides a valuable service to explore how to improve access to health care services for the medically underserved and uninsured populations in rural areas, as well as for special populations.

Item 4440-295-0001—For local assistance, Department of Mental Health.

I am sustaining on a one-time basis the legislative augmentation of \$120,000,000 to fund counties for providing special education mental health services under the AB 3632 state mandate. These funds will ensure continued services while the state pursues transitioning from a state-mandated program to a categorical program.

To this end, I am directing the Department of Mental Health, in collaboration with the State Department of Education, to develop a plan to shift the program from a state-

mandated program to a categorical program effective fiscal year 2006–07. This plan is to be developed in consultation with counties, school authorities, community mental health providers, and other private and public groups with an interest in mental health and special education issues. The plan will address the roles and responsibilities of local education agencies and counties in the provision of federally required mental health services, the type and scope of services to be provided, recommended changes in statute, regulations and practices necessary to implement the program, appropriate mechanisms to encourage and improve collaboration among education and mental health systems, and appropriate funding levels, fiscal controls, and auditing efforts. I am also directing the Department of Finance to provide consultation and assistance to ensure that the plan is fiscally sound.

A more effective system of delivery of this service must be found; sustaining this augmentation on a one-time basis only is to allow for a transition to such an alternative by 2006–07.

Item 4700-001-0001—For support of Department of Community Services and Development. I reduce this item from \$125,000 to \$75,000 by reducing:

(1) 47-Naturalization Services from \$125,000 to \$75,000.

I am reducing the \$2,500,000 legislative augmentation for the Naturalization Services Program to the \$1,500,000 included in the 2004 Budget Act. This is a valuable program and I am therefore sustaining funding at last year's level to support services that assist immigrants in completing their citizenship application, citizenship testing, and in preparing for the interview. The Naturalization Services Program funds faith-based institutions, community-based organizations, and non-profit entities to provide these and many other important activities for immigrants.

I am also taking conforming action to reduce Item 4700-101-0001.

Item 4700-101-0001—For local assistance, Department of Community Services and Development. I reduce this item from \$2,375,000 to \$1,425,000 by reducing:

(1) 47-Naturalization Services from \$2,375,000 to \$1,425,000.

I am reducing this item by \$950,000 to conform to the action taken in Item 4700-001-0001.

Item 5175-101-0890—For local assistance, Department of Child Support Services. I delete Provision 4.

I am deleting Provision 4, which would limit local child support agencies (LCSAs) to a 10 percent share of any federal penalty increases that may result from the expenditure of an additional \$20,000,000 federal funds to match voluntary county contributions to the Child Support Program. In 2004–05, the LCSAs agreed to provide for the full cost of any penalty increases that would result from these types of expenditures. Therefore, I am vetoing this provision because it contradicts the existing agreement that the state has with the LCSAs, and because it could result in General Fund expenditure increases without any regard to the availability of revenues. Should the state obtain relief from federal penalties, I am committed to proportionally sharing any penalty relief with LCSAs that choose to draw down additional federal funds.

Item 5180-001-0001—For support of Department of Social Services. I reduce this item from \$78,630,000 to \$77,155,000 by reducing:

(2) 25-Social Services and Licensing from \$139,798,000 to \$138,248,000, and

(11) Amount payable from the Federal Trust Fund (Item 5180-001-0890) from –\$337,180,000 to –\$337,105,000.

I am deleting the \$1,400,000 legislative augmentation that would restore a portion of the Department of Social Services' (DSS) General Fund unallocated reduction. The Legislature calculated that this amount of funding is equal to the Community Care Licensing Division's share of the Department's unallocated reduction. I share the Legislature's concerns with protecting the health and safety of vulnerable clients cared for in community care facilities as evidenced by my recent increase of \$1,140,000 General Fund to address additional workload resulting from caseload growth in the Community Care Licensing Division.

The DSS is currently making a substantial effort to identify and implement efficiencies within the Community Care Licensing Division, thereby prioritizing existing resources on monitoring and oversight responsibilities. In addition, the DSS has

recently undertaken an aggressive hiring campaign to fill longstanding vacancies within this division that resulted from hiring freezes during the previous Administration and prior unallocated reductions passed by the Legislature.

However, such a significant hiring process takes time and the Department will still realize savings from positions not filled for the entire fiscal year. These savings will help the Department achieve its full unallocated reduction without adversely impacting the critical services the department provides to our children and families.

To maximize protection of our state's most vulnerable populations, I am directing the Health and Human Services Agency to conduct a thorough review of licensing activities in all Agency Departments. This review will identify needed programmatic and fiscal changes in the licensing programs.

I also am deleting \$150,000 (\$75,000 General Fund) and one position added by the Legislature to assist counties in complying with the federal Indian Child Welfare Act (ICWA). The DSS has a number of positions involved in oversight and management functions to support tribal issues and ICWA compliance, including one ICWA specialist position dedicated to advocate and facilitate compliance with ICWA laws, regulations, and policies in California. Given the ongoing structural deficit and the existing resources devoted to ICWA compliance, I cannot support this augmentation. However, recognizing the Legislature's desire to have an ICWA coordinator in the DSS Executive Office, I am directing the DSS to redirect the existing ICWA specialist position to the Office of the Director.

Item 5180-001-0890—For support of Department of Social Services. I reduce this item from \$337,180,000 to \$337,105,000.

I am revising this item to conform to the action I have taken in Item 5180-001-0001.

Item 5180-101-0001—For local assistance, Department of Social Services. I revise this item by reducing:

- (1) 16.30-CalWORKs from \$4,979,156,000 to \$4,954,156,000, and
- (6) Amount payable from the Federal Trust Fund (Item 5180-101-0890) from -\$3,846,720,000 to -\$3,821,720,000.

I am revising this item to conform to the action I have taken in Item 5180-101-0890.

Item 5180-101-0890—For local assistance, Department of Social Services. I reduce this item from \$3,846,720,000 to \$3,821,720,000.

I am reducing \$25,000,000 in federal Temporary Assistance for Needy Families (TANF) Block Grant funds for CalWORKs administration to modify the effect of language included in the trailer bill to provide up to \$50,000,000 in unspent 2004–05 CalWORKs single allocation funds to counties in 2005–06. The Legislature increased funding for the administration of this program based on an alternate projection of savings associated with shifting from retrospective budgeting/monthly reporting for eligibility determination to prospective budgeting/quarterly reporting. I am sustaining \$25,000,000 of the allocation on a one-time basis to ensure the counties have adequate resources to support work participation activities. I am also directing the Department of Social Services to work with the counties to determine the true impact of quarterly reporting requirements for CalWORKs recipients, to reflect the appropriate level of savings in my January Budget.

Item 5180-141-0001—For local assistance, Department of Social Services. I reduce this item from \$424,392,000 to \$413,401,000 by reducing:

- (1) 16.75-County Administration and Automation Projects from \$1,050,018,000 to \$1,023,732,000, and
- (3) Amount payable from the Federal Trust Fund (Item 5180-141-0890) from -\$569,817,000 to -\$554,522,000.

I am deleting the legislative augmentation of \$2,545,000 (\$991,000 General Fund and \$1,554,000 Federal Trust Fund) for Foster Care Administration. The Legislature reinvested Foster Care Administration caseload savings back into Foster Care Administration. This veto would re-establish funding for this program at the level I proposed in the May Revision, which accurately reflects Foster Care Administration funding needs based on the projected foster care caseload in 2005–06.

I am deleting the legislative augmentation of \$23,741,000 (\$10,000,000 General Fund and \$13,741,000 Federal Trust Fund) for Food Stamp and California Food Assistance Program (CFAP) administration. The Legislature increased funding for the administration of these programs based on an alternate projection of savings associated with shifting from retrospective budgeting/monthly reporting for eligibility determination to prospective budgeting/quarterly reporting. This veto would re-establish funding for Food Stamp and CFAP administration at the level I included in the May Revision. I am directing the Department of Social Services to work with the counties to determine the true impact of quarterly reporting requirements for food stamps recipients to reflect the appropriate level of savings in my January Budget.

Item 5180-141-0890—For local assistance, Department of Social Services. I reduce this item from \$569,817,000 to \$554,522,000.

I am reducing this item to conform to the action I have taken in Item 5180-141-0001.

Item 5180-151-0001—For local assistance, Department of Social Services. I reduce this item from \$764,894,000 to \$761,294,000 by reducing:

- (1) 25.30-Children and Adult Services and Licensing from \$2,221,743,000 to \$2,215,914,000, and
- (6) Amount payable from the Federal Trust Fund (Item 5180-151-0890) from -\$1,382,198,000 to -\$1,379,969,000.

I am deleting the legislative augmentations of \$5,600,000 (\$3,500,000 General Fund) for the Child Welfare Services (CWS) Outcome Improvement Project and \$229,000 (\$100,000 General Fund) for Adoption Assistance Program (AAP) training. These reductions are necessary to limit program expansions and to help bring ongoing expenditures in line with existing resources due to the projected structural deficit in 2006-07.

The May Revision included a comprehensive funding package that provides sufficient resources to support ongoing CWS Program Improvement Plan initiatives, fund implementation of county System Improvement Plans, and improve outcomes for children in 2005-06. The legislative augmentation exceeds the level of funding that is necessary to implement approved CWS program improvement initiatives and strategies, achieve compliance with federal performance requirements, and avoid federal penalties.

With this reduction, \$26.6 million in total funds still remains to support ongoing Program Improvement Plan activities and the CWS Outcome Improvement Project in 2005-06. Of this amount, a new investment of \$12.8 million will be available for all counties to implement their System Improvement Plans. The Department of Social Services (DSS) will work with the County Welfare Directors Association to develop an application and approval process to allocate these funds.

Similarly, the legislative augmentation for AAP training is unnecessary as the DSS intends to increase efforts in 2005-06 to provide training and technical assistance to county social workers regarding the eligibility determination process for the AAP within existing resources.

Item 5180-151-0890—For local assistance, Department of Social Services. I reduce this item from \$1,382,198,000 to \$1,379,969,000.

I am reducing this item to conform to the action I have taken in Item 5180-151-0001.

Item 5225-001-0001—For support of the Department of Corrections and Rehabilitation. I revise this item from \$6,623,170,000 to \$6,623,060,000 by reducing:

- (9) 35-Board of Parole Hearings from \$78,707,000 to \$78,597,000, and by deleting Provision 25.

I am deleting the legislative augmentation of \$110,000, which would provide additional staff for the Foreign Prisoner Transfer Program to increase outreach and marketing efforts to encourage more foreign prisoners to volunteer to be transferred back to their country of origin. The Board of Parole Hearings has staff to operate this program and is already taking steps to increase inmate awareness of the program. Transfers are not due to a lack of staff but other factors, such as the willingness of prisoners to volunteer to transfer, the willingness of the other countries to accept the prisoner and agree to California sentencing requirements, and treaties with other nations. Therefore, this augmentation is not necessary.

I am deleting Provision 25 to make a technical correction to the Budget Bill. Provision 29 of this item includes similar language that correctly reflects the Legislature's action on this issue.

Item 6110-001-0001—For support of Department of Education. I reduce this item from \$42,674,000 to \$42,206,000 by reducing:

(3) 30-Special Programs from \$50,109,000 to \$49,141,000;

(9) Amount payable from Federal Trust Fund (Item 6110-001-0890) from -\$149,985,000 to -\$149,485,000;

and by deleting Provision 3.

I am reducing this item by \$468,000 and 4.6 positions to eliminate support for the Healthy Start program which conforms to my action taken in Item 6110-200-0001.

Item 6110-001-0890—For support of Department of Education. I reduce this item from \$149,985,000 to \$149,485,000.

I am deleting the \$500,000 augmentation to the Legislative Analyst's Office to study the distribution of federal and state supplementary funding targeted at the State's economically disadvantaged and English language learner students. The use of federal funds to study funding formulas for state programs is inappropriate and may constitute an audit exception. Further, this augmentation is unnecessary. The work group I have already directed, consisting of the Office of the Secretary for Education, the Legislative Analyst's Office, and the State Department of Education, could address this issue at an absorbable cost.

I am deleting Provision 18.5 to conform to this action.

Item 6110-123-0890—For local assistance, Department of Education (Proposition 98). I reduce this item from \$65,141,000 to \$51,329,000 by reducing:

(2) 20.60.030.038-Comprehensive School Reform Program from \$43,839,000 to \$30,027,000.

I am deleting the \$13,812,000 legislative augmentation in carryover for this program. These funds were originally included in the No Child Left Behind Act flexibility proposal for carryover funds. Because the number of schools and districts identified as "program improvement" under the federal school accountability system has significantly increased, I believe it is a higher priority to target these carryover funds directly to low-achieving schools and districts to improve the academic performance of their pupils. Consequently, I will pursue future legislation appropriating these funds for that purpose and continue to work with the federal government through the State Board of Education to obtain approval of a No Child Left Behind Act flexibility proposal.

Item 6110-125-0890—For local assistance, Department of Education. I reduce this item from \$294,959,000 to \$275,759,000 by reducing:

(2) 10.30.010-Title I, Migrant Education from \$144,461,000 to \$125,261,000.

I am deleting the \$19,200,000 legislative augmentation in carryover for this program. These funds were originally included in the No Child Left Behind Act flexibility proposal for carryover funds. Because the number of schools and districts identified as "program improvement" under the federal school accountability system has significantly increased, I believe it is a higher priority to target these carryover funds directly to the low-achieving schools and districts that have large populations of migrant students to improve the academic performance of these pupils. Consequently, I will pursue future legislation appropriating these funds, and I will continue to work with the federal government through the State Board of Education to obtain approval of a No Child Left Behind Act flexibility proposal.

Item 6110-136-0890—For local assistance, Department of Education. I reduce this item from \$1,846,724,000 to \$1,805,187,000 by reducing:

(1) 10.30.060-Title I-ESEA from \$1,751,527,000 to \$1,727,227,000;

(3) 10.30.080-Title I-School Improvement from \$86,477,000 to \$69,240,000;

and by revising Provision 5.

I am deleting the \$41,537,000 legislative augmentation in carryover for these programs. These funds were originally included in the No Child Left Behind Act flexibility proposal for carryover funds. Because the number of schools and districts identified as "program improvement" under the federal school accountability system has

significantly increased, I believe it is a higher priority to target these carryover funds directly to low-achieving schools and districts to improve the academic performance of their pupils. Consequently, I will pursue future legislation appropriating these funds and continue to work with the federal government through the State Board of Education to obtain approval of a No Child Left Behind Act flexibility proposal.

I am revising Provision 5 to conform to this action.

“5. Of the funds appropriated in Schedule (3), ~~\$46,477,000~~ \$29,240,000 shall be available pursuant to Article 3.1 (commencing with Section 52055.57) of Chapter 6.1 of Part 28 of the Education Code, for Title I district accountability.”

Item 6110-161-0001—For local assistance, Department of Education, (Proposition 98) Special Education. I reduce this item from \$2,894,790,000 to \$2,890,022,000 by reducing:

(1) 10.60.050.003-Special education instruction from \$2,831,196,000 to \$2,826,428,000,

and by revising Provision 24.

I am deleting \$4,768,000 from Provision 24 of this item to correct a technical over-appropriation which should have been offset by a corresponding increase in property tax estimates assumed as part of the final budget agreement. I am setting these funds aside for appropriation in subsequent legislation for other Proposition 98 priorities.

I am revising Provision 24 to conform to this action:

“24. Of the amount appropriated in Schedule (1), ~~\$52,620,000~~ \$47,852,000 is available for the 2005–06 fiscal year on a one-time basis. Local educational agencies shall use these funds for one-time purposes, including, but not limited to, the following: to assist students with disabilities pass the California High School Exit Examination, instructional materials, or other one-time expenditures for students with disabilities.”

I am sustaining the remainder of this appropriation with the understanding that subsequent clean-up legislation will correct various technical issues in both this item and in Item 6110-161-0890 that concern funding for students with disabilities, including a correction that will identify the amount passed through to Special Education Local Plan Areas (SELPA) in Provision 21 as \$58.4 million rather than the lesser amount currently specified. I further expect that subsequent legislation will specify that the first priority for the use of the amount of funding remaining in Provision 24 for allocation to SELPA will be to help students with disabilities pass the state’s High School Exit Exam.

Item 6110-191-0001—For local assistance, Department of Education (Proposition 98). I delete this item.

I am deleting the \$20,000,000 for purchase of supplemental materials for English language learners that was shifted by the Legislature from Instructional Materials in Item 6110-189-0001. The action by the Legislature to link this funding to the funding appropriated for Career-Technical Education through Control Section 24.50 is unconstitutional and attempts to usurp the authority of the Governor to veto items of appropriation. Furthermore, the Budget Act of 2004 contained \$30,000,000 for supplemental materials for English language learners that has yet to be allocated. Therefore, this additional appropriation is premature. I am setting these funds aside for appropriation in subsequent legislation for other Proposition 98 priorities.

Item 6110-200-0001—For local assistance, Department of Education. I delete this item.

I am deleting this \$2,000,000 legislative augmentation because the one-time funding included in the 2004 Budget Act for this program was intended to fully fund both the planning and operational grants for each grantee, thus not resulting in any future-year obligations for the State. I am therefore setting these funds aside for appropriation in subsequent legislation that ensures that any grants provided this year will eliminate any subsequent funding pressures or obligations on the state in the future. This action will have no effect on schools currently operating these programs, as full funding for their multi-year grant periods has been provided in past budgets.

Item 6110-243-0001—For local assistance, Department of Education. I am sustaining this item.

I am sustaining the \$20,000,000 legislative augmentation because it is a high priority of my Administration to provide the services necessary to help eligible pupils pass the California High School Exit Exam. It is my understanding that further legislation will be enacted to address some concerns I have with the language contained in this item. For instance, the language would allow the services to be provided during the regular school day, which would likely remove these pupils from other important instructional opportunities. In addition, this item only contains funding for two of the four currently funded supplemental instruction programs, which delays allocation of funds and inhibits flexibility. Therefore, it is my expectation that legislation will also restore the supplemental programs contained in this item back to the original supplemental instruction funding item to resolve these issues and maximize the level of funding available to serve students who have failed or are likely to fail the exit exam.

Item 6440-006-0001—For support of University of California. I delete this item and Provision 1.

I am deleting this item which reflects a legislative augmentation of \$108,000 to support California's membership in the Western Interstate Commission for Higher Education (WICHE). When acting on the 2004 Budget last year, the Legislature deleted funding for membership dues for WICHE, as well as other state membership dues because of the fiscal condition of the state. It is my understanding that the higher education segments have agreed to fund their share of the membership dues in this budget year as well.

Item 6610-002-0001—For support of California State University. I reduce this item from \$3,034,000 to \$2,807,000 by reducing:

- (1) Center for California Studies-Fellows Program from \$610,000 to \$602,653;
- (3) Assembly Fellows from \$597,851 to \$537,354;
- (4) Senate Fellows from \$597,851 to \$537,354;
- (5) Executive Fellows from \$597,351 to \$536,854;
- (6) Judicial Fellows from \$421,659 to \$386,647; and
- (7) LegiSchool Project from \$116,788 to \$113,638.

I am reducing the legislative augmentation for the Capital Fellows Programs from \$309,000 to \$82,000, reflecting an overall increase of three percent in base funding for these programs, consistent with the Compact for Higher Education.

Item 6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98). I revise this item by deleting Provision 6.6 to conform to the action I have taken in Control Section 24.50.

Consistent with my action in Control Section 24.50, I am deleting Provision 6.6 which states legislative intent to fund Career Technical Education pursuant to the Legislature's addition of Control Section 24.50. Control Section 24.50 would require that \$20,000,000 for Career Technical Education be linked to providing an identical amount of funding for supplemental instructional materials for English learners. These two programs do not share any legal or programmatic relationship, thus the Control Section creates an inappropriate funding link between these distinct programs. Further, this action is unconstitutional and attempts to usurp the Governor's veto authority.

I have a strong commitment to career technical education reform in order to ensure that all students have the opportunity to prepare for high paying careers in the high demand job sectors of our economy. Therefore, I am setting aside \$20,000,000 from my veto of Control Section 24.50 to provide support for Career Technical Education in separate legislation.

I am deleting Provision 6.6 to conform.

Item 6870-486—Reappropriation (Proposition 98), Board of Governors of the California Community Colleges. I revise this item from \$33,000,000 to \$15,600,000 as follows:

“6870-486—Reappropriation (Proposition 98), Board of Governors of the California Community Colleges. The sum of ~~\$33,000,000~~ \$15,600,000 is reappropriated from the Proposition 98 Reversion Account, for the purpose of backfilling a projected shortfall in 2004–05 local property tax revenues for community colleges. ~~To the extent~~

that the funding provided for this purpose exceeds the amount necessary to compensate community colleges for the shortfall in local property tax revenues; the remaining funding shall be reappropriated to community colleges to further support equalizing community college apportionment rates.²²

I am reducing the Legislature's augmentation to community colleges to backfill a projected shortfall in 2004–05 local property tax revenues from \$33,000,000 to \$15,600,000. I am advised that the community colleges will experience a shortfall not greater than \$21,000,000 in the current year. Furthermore, the community colleges are not likely to earn all growth funding for 2004–05, and as such the system would not incur the costs of instruction anticipated for the current year. Given the continuing structural deficit facing the state, a portion of these resources should therefore be utilized for higher priorities. Consistent with that approach, I am setting aside this \$17,400,000, in combination with the set aside of \$20,000,000 from my action on Control Section 24.50, to provide support for Career Technical Education pursuant to separate legislation.

Item 7980-001-0784—For support of Student Aid Commission. I delete Provision 4.

I am deleting Provision 4 because it would limit the Commission's authority to carry out its statutory authority by requiring advance notification of specified actions related to the governance structure and roles and responsibilities of the EdFUND Board of Directors. Additionally, this provision's expressed intent regarding the sale or transfer of the federal loan guarantee to another entity is a policy matter that should be addressed only after thoughtful deliberation by the Legislature and the Administration.

Chapter 961, Statutes of 1996, authorizes the Student Aid Commission to establish an auxiliary organization for the purpose of providing operational and administrative services for the Commission's participation in the Federal Family Education Loan Program. Among other duties and responsibilities, the Commission is empowered to nominate and appoint a board of directors for the auxiliary organization. As such, Provision 4 infringes on the Executive Branch's ability to operate programs and establishes a substantive change in law.

Item 7980-101-0001—For local assistance, Student Aid Commission. I am sustaining this item.

I am sustaining the legislative authorization contained in subdivision (e) of Provision 1 for an augmentation of 300 additional APLE loan assumption warrants because loan assumptions are a critical incentive to encourage science and math majors to become teachers. However, given the budget agreement to fund the Science and Math Teacher Initiative in the University of California and California State University segments, it is necessary that this provision be modified in subsequent legislation to make these additional warrants available exclusively to candidates participating in the initiative, as determined by the segments. In this way, we can assure the success of the initiative to provide our students with the most proficient science and math teachers possible, which is critical to California's future economic well-being.

Item 7100-001-0001—For support of Employment Development Department. I reduce this item from \$22,679,000 to \$22,186,000.

I am reducing the legislative augmentation by \$493,000, which would provide funding for increasing the department's efforts to collect employment taxes owed to the state. In recognition of the potential merits associated with this effort, I am sustaining \$2,194,000 of the augmentation. This reduction is necessary to reflect a more realistic timeframe for the implementation of this effort.

Item 7100-001-0514—For support of Employment Development Department. I delete Provision 3.

Provision 3 sets aside \$2,500,000 from this item to fund a health care training program to be adopted in legislation during the 2005–06 session. I am concerned about restricting the use of this funding for legislation that has not yet been passed by the Legislature.

California has a real and growing nursing shortage. California will have a shortage of 47,600 nurses by 2010. This means that California will need an additional 9,500 nurses every year for the next five years just to meet demand. California is currently ill-equipped to meet that demand. That is why my Administration has recently devel-

oped a multifaceted, comprehensive program of more than \$100,000,000 to build California's capacity to train nurses. Provision 3 would unnecessarily hamper the efforts my Administration has embarked upon in this regard.

Item 7100-001-0588—For support of Employment Development Department. I reduce this item from \$214,699,000 to \$214,488,000.

I am reducing the legislative augmentation by \$211,000 which would provide funding for increasing the department's efforts to collect employment taxes owed to the state. In recognition of the potential merits associated with this effort, I am sustaining \$940,000 of the augmentation. This reduction reflects the anticipated timeframe for the implementation of this effort.

Item 7100-001-0870—For support of Employment Development Department. I revise this item by reducing:

- (2) 21-Tax Collections and Benefit Payments from \$647,908,000 to \$647,204,000;
- (9) Amount payable from the General Fund (Item 7100-001-0001) from -\$22,679,000 to -\$22,186,000; and
- (13) Amount payable from the Unemployment Compensation Disability Fund (Item 7100-001-0588) from -\$214,699,000 to -\$214,488,000.

In recognition of the potential merits associated with increasing the efforts to collect employment taxes owed to the state, I am sustaining \$3,134,000 of the \$3,838,000 augmentation to provide funding for 50 auditors and collectors in the Tax Collections and Benefits Payments Program. I am reducing the legislative augmentation by \$704,000 to reflect the anticipated timeframe within which these new personnel will be hired by the Department.

This action conforms to the reductions of Items 7100-001-0001 and 7100-001-0588.

Item 7350-001-0001—For support of Department of Industrial Relations. I reduce this item from \$64,249,000 to \$61,249,000 by reducing:

- (6) 50-Division of Labor Standards Enforcement from \$49,983,000 to \$46,983,000, and by deleting Provision 2.

I am deleting the legislative augmentation that provided \$3,000,000 and 30.4 personnel years to expand enforcement efforts by the Labor Commissioner and the Bureau of Field Enforcement. In the years prior to my arrival in Sacramento, literally dozens of new laws were added to the California Labor Code. Unfortunately, while all these new laws were being added to the Labor Code, the number of labor law officials actually enforcing the laws was slashed dramatically. In fact, when my Administration began in November 2003, not a single enforcement official was based in the Central Valley. This disregard for the importance of vigorous labor law enforcement allowed the underground economy to flourish.

In January, I proposed, and this Budget creates, the Economic and Employment Enforcement Coalition (EEEC). The EEEEC will coordinate underground economy enforcement activities by the Department of Industrial Relations (DIR), the Employment Development Department, the Contractors State License Board, and others. The Budget provides the EEEEC with 63 positions, including \$3,026,000 and 27.5 personnel years for DIR. Also, a concerted effort was made to create these positions without using General Fund dollars, allowing those dollars to be used for other high-priority needs.

I am deleting Provision 2 to conform to this action.

Item 8660-001-0461—For support of Public Utilities Commission. I reduce this item from \$8,785,000 to \$8,502,000.

The Legislature augmented the Public Utilities Commission's (PUC's) rail safety program by \$1,242,000. Because rail safety is of paramount importance, I am sustaining \$959,000 of this augmentation on a one-time basis. I am reducing this augmentation by \$283,000 that was intended for additional legal staff and governmental liaisons because they are unnecessary to increase railroad safety inspections and investigations. In addition, the State Auditor recently issued a report identifying deficiencies in the PUC's accounting practices in this program. Consequently, continuation of this augmentation will be dependent upon the PUC rectifying these deficiencies and ensuring that the fees which support this program are fully allocated to these activities.

Item 8660-001-0462—For support of Public Utilities Commission. I revise this item by reducing:

- (1) 10-Regulation of Utilities from \$88,887,000 to \$87,887,000;
- (3) 20-Regulation of Transportation from \$16,043,000 to \$15,760,000;
- (10) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-0461) from -\$8,785,000 to -\$8,502,000;
- (18) Amount payable from the Public Utilities Commission Ratepayer Advocate Account (Item 8660-001-3089) from -\$19,379,000 to -\$18,379,000.

I am revising this item to conform to the actions I have taken in Items 8660-001-0461, 8660-001-3089, and 8660-011-0462.

Item 8660-001-3089—For support of the Public Utilities Commission. I reduce this item from \$19,379,000 to \$18,379,000.

I am deleting the \$1,000,000 legislative augmentation to fund an additional 10.0 positions in the Office of Ratepayer Advocates' (ORA) telecommunications division. The ORA already has 122 positions and did not provide sufficient workload detail to justify additional positions. If the ORA can identify critical work that is not being performed by the existing staff, it can be considered in next year's budget.

Item 8660-011-0462—For transfer by the Controller from the Public Utilities Commission Utilities Reimbursement Account to the Public Utilities Commission Ratepayer Advocate Account. I reduce this item from (\$19,379,000) to (\$18,379,000).

I am reducing this item by \$1,000,000 to conform to the actions I have taken in Items 8660-001-0462 and 8660-001-3089.

Item 8855-001-0001—For support of Bureau of State Audits. I reduce this item from \$14,232,000 to \$13,082,000 by reducing:

- (1) 10-State Auditor from \$14,232,000 to \$13,082,000.

I am deleting the \$1,150,000 legislative augmentation to the Bureau of State Audits. Augmenting this item is inconsistent with the creation of the Office of Inspector General since the Administration does not oversee or direct the activities of the Bureau of State Audits.

Item 8860-001-0001—For support of Department of Finance. I reduce this item from \$34,542,000 to \$33,392,000 by reducing:

- (2) 20-Program and Information System Assessments from \$15,361,000 to \$14,211,000.

I proposed a new Office of the State Inspector General, but the Legislature rejected my proposal and augmented this item by \$1,150,000 to provide funding for staffing and associated resources for additional audits by the Office of State Audits and Evaluations in the Department of Finance. These audits would assess and strengthen the internal accounting and administrative control systems to minimize fraud, errors, abuse, and waste of government funds within any department or agency reorganized in the 2005–06 Legislative Session.

I am deleting the legislative augmentation because it does not address the identified need. The Office of the State Inspector General would have a much broader purview than the Department of Finance, which conducts fiscal audits and provides accounting advice to departments. My proposal would require criminal investigations that the Department of Finance does not have the authority to conduct. Additionally, Department of Finance staff does not have the experience or training to work in an arena controlled by the rules of evidence for criminal proceedings. I will bring my proposal for a meaningful and effective Office of Inspector General back next year.

Item 8940-001-0604—For support of Military Department. I reduce this item from \$5,200,000 to \$2,200,000 by reducing:

- (1) 10-Army National Guard from \$5,200,000 to \$2,200,000.

I am reducing the legislative augmentation to make additional repairs to existing armories throughout the state from \$3,700,000 to \$700,000. With this action, the Military Department will have \$2,200,000 to begin addressing maintenance and repair needs at armories.

I am directing the Office of the Adjutant General to complete a comprehensive review of its facility needs, including an assessment of deferred maintenance needs for the armories.

Further, there is a substantial backlog of deferred maintenance at other buildings under the state's management, and this augmentation would have privileged armories over other needs for maintenance of higher priority.

I am also deleting Item 8940-002-0001 to conform to this action.

Item 8940-002-0001—For transfer by the Controller to the Armory Fund. I delete this item.

I am deleting \$3,000,000 in this item to conform to the action I have taken in Item 8940-001-0604.

Item SEC. 4.10—Reporting Requirements for Unallocated Reductions. I delete this Control Section.

I am deleting this control section that requires the Director of Finance to report to the Legislature by December 10, 2005, on the impact of the unallocated reductions included in the 2005 Budget Act. This language is an infringement on the Executive Branch's budget development process as the information necessary to produce this report may include budgetary decisions that would not be reached until the preparation of the 2006–07 Governor's Budget was complete.

SEC. 12.75—Basic Aid District Reduction. I revise this Control Section to delete the \$280,000 legislative augmentation to basic aid district categorical funding. The Budget still provides \$1,260,000 to reduce cuts made to basic aid district categorical funding in the 2003–04 Budget. However, I am setting aside these additional funds for appropriation in subsequent legislation for other Proposition 98 priorities. The total reduction to basic aid district categorical funding in the 2005–06 fiscal year is \$1,406,000.

I am revising Control Section 12.75 as follows:

“SEC. 12.75. The Superintendent of Public Instruction shall reduce by ~~\$1,426,000~~ 1,406,000 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 that goes into effect on or before January 1, 2006.”

Item SEC. 24.50—Career Technical Education. I delete this Control Section.

I am deleting the Legislature's addition of this Control Section to require that \$20,000,000 for Career Technical Education be linked to providing an identical amount of funding for supplemental instructional materials for English learners. These two programs do not share any legal or programmatic relationship, thus the Control Section creates an inappropriate funding link between these distinct programs. Further, this action is unconstitutional and attempts to usurp the Governor's veto authority.

I have a strong commitment to career technical education reform in order to ensure that all students have the opportunity to prepare for high paying careers in the high demand job sectors of our economy. Therefore, I am setting aside \$20,000,000 from this veto to provide support for the Career Technical Education proposal in separate legislation.

I am also deleting Provision 6.6 of Item 6870-101-0001 to conform to this action.

With the above deletions, revisions, and reductions, I hereby approve Senate Bill 77.

ARNOLD SCHWARZENEGGER

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 2005.”

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 2005–06 fiscal year beginning July 1, 2005, and ending June 30, 2006. 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 2005–06, 2006–07, and 2007–08 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 2005–06 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, 2006, 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.

(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.....	97,371,000
Schedule:	
(1) 101001-Salaries of Senators.....	5,532,000
(2) 317295-Mileage	10,000
(3) 317292-Expenses	1,320,000
(4) 500004-Operating Expenses.....	89,714,000
(5) 317296-Automotive Expenses.....	795,000
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	

Item	Amount
<p>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.</p> <p>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.</p> <p>3. The funds appropriated in Schedules (1), (2), (3), and (5) may be adjusted for transfers to or from the Senate Operating Fund.</p>	
0120-011-0001—For support of Assembly	132,131,000
Schedule:	
(1) 101001-Salaries of Assembly Mem- bers	9,947,000
(2) 317295-Mileage	8,000
(3) 317292-Expenses	2,594,000
(4) 500004-Operating Expenses.....	118,946,000
(5) 317296-Automotive Expenses.....	636,000
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 adjusted for transfers 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 Leg- islative Analyst	6,664,000
(2) Transferred from Item 0110-001- 0001	-3,257,000

Item	Amount
(3) Transferred from Item 0120-011-0001	-3,257,000
(4) Reimbursements	-150,000
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 or his or her designee.	
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.....	84,513,000
Schedule:	
(1) Support.....	84,644,000
(2) Reimbursements.....	-131,000
Provisions:	
1. Of the appropriation authorized by this item, \$1,700,000 is intended as an initial expenditure to support the Enterprise Strategic Initiative project, which is designed to replace information technology applications that are critical to the mission of the Legislative Counsel Bureau. It is the intent of the Legislature to make additional budget augmentations to fund this project in future fiscal years.	

Judicial

0250-001-0001—For support of Judicial Branch	300,233,000
Schedule:	
(1) 10-Supreme Court.....	40,743,000
(2) 20-Courts of Appeal.....	177,276,000
(3) 30-Judicial Council	101,049,000
(4) 35-Judicial Branch Facility Program.....	2,087,000
(5) 50-Habeas Corpus Resource Center	11,425,000

Item	Amount
(5.5) 97.20.001-Unallocated Reduction	-7,700,000
(6) Reimbursements	-17,189,000
(7) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-0044)...	-160,000
(8) Amount payable from the Court Interpreters' Fund (Item 0250-001-0327).....	-142,000
(9) Amount payable from the Federal Trust Fund (Item 0250-001-0890).	-2,560,000
(10) Amount payable from the Appellate Court Trust Fund (Item 0250-001-3060)	-4,596,000
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.	
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	

Item	Amount
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 (5) 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, 2005, and April 1, 2006, 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 Judicial Branch, for payment to Item 0250-001-0001, payable from the Motor Vehicle Account, State Transportation Fund	160,000
0250-001-0327—For support of Judicial Branch, for payment to Item 0250-001-0001, payable from the Court Interpreters' Fund.....	142,000
0250-001-0890—For support of Judicial Branch, for payment to Item 0250-001-0001, payable from the Federal Trust Fund.....	2,560,000
0250-001-3037—For support of Judicial Branch, payable from the State Court Facilities Construction Fund ..	36,945,000
Schedule:	
(1) 30-Judicial Council	6,440,000
(2) 35-Judicial Branch Facility Program.....	30,505,000
Provisions:	
1. The Director of Finance may augment this item by an amount not to exceed available funding in the State Court Facilities Construction Fund, after review of a request submitted by the Administrative Office of the Courts that demonstrates a need for additional resources associated with and including, but not limited to, the transfer, acquisition, rehabilitation, construction, or financing of court facilities. This request shall be submitted no	

Item	Amount
<p>later than 60 days prior to the effective date of the license. Any augmentation shall be authorized no sooner than 30 days after notification in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, the chairperson of the committee and appropriate subcommittees 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 determine.</p>	
0250-001-3060—For support of Judicial Branch, for payment to Item 0250-001-0001, payable from the Appellate Court Trust Fund	4,596,000
0250-001-3066—For support of Judicial Branch, payable from the Court Facilities Trust Fund	1,000
Schedule:	
(1) 35-Judicial Branch Facility Program.....	1,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in excess of this item for the operation, repair, and maintenance of court facilities pursuant to Section 70352 of the Government Code.	
0250-003-0001—For support of Judicial Branch for rental payments on lease-revenue bonds	998,000
Schedule:	
(1) Base Rental and Fees	1,013,000
(2) Insurance	8,000
(3) Reimbursements.....	-23,000
Provisions:	
1. The funds appropriated in this item shall be made available for costs associated with rental payments on lease-revenue bonds for the Court of Appeal, Fourth District, Division 2, in Riverside, California.	
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.	

Item	Amount
3. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
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, Judicial Branch... Schedule:	16,762,000
(1) 45.10-Support for Operation of Trial Courts	6,196,000
(2) 45.55.010-Child Support Commissioner Program (AB 1058)	45,381,000
(3) 45.55.020-California Collaborative and Drug Court Projects.....	2,924,000
(4) 45.55.030-Federal Child Access and Visitation Grant Program.....	800,000
(5) 45.55.050-Federal Court Improvement Grant Program.....	700,000
(6) 45.55.070-Grants—Other	235,000
(7) 45.55.080-Federal Grants—Other...	775,000
(8) 45.55.090-Equal Access Fund.....	9,500,000
(9) Reimbursements	-47,474,000
(10) 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	

Item	Amount
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 (8) 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 (8) 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 (8) 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.	
3. Reimbursements for the following activities: (a) payment of service of process fees billed to the trial courts as a result of Chapter 1009 of the Statutes of 2002, (b) payment of the court costs payable under Sections 4750 to 4755, and 6005 of the Penal Code, and (c) payment of court costs of extraordinary homicide trials shall be provided from this appropriation and disbursed to individual trial courts on a reimbursement basis.	
0250-101-0044—For local assistance of Judicial Branch, payable from the Motor Vehicle Account, State Transportation Fund.....	1,648,000
0250-101-0890—For local assistance of Judicial Branch, for payment to Item 0250-101-0001, payable from the Federal Trust Fund.....	2,275,000
0250-101-0932—For local assistance, Judicial Branch, payable from the Trial Court Trust Fund.....	2,483,966,000
Schedule:	
(1) 45.10-Support for operation of the Trial Courts.....	2,154,263,000

Item	Amount
(2) 45.25-Compensation of Superior Court Judges.....	233,530,000
(3) 45.35-Assigned Judges	20,254,000
(4) 45.45-Court Interpreters.....	72,233,000
(5) 45.55.060-Court Appointed Special Advocate (CASA) Program.....	2,052,000
(6) 45.55.065-Model Self-Help Program.....	887,000
(7) 45.55.095-Family Law Information Centers	321,000
(8) 45.55.100-Civil Case Coordination.	426,000

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 funds appropriated in Schedule (2) shall be made available for costs of the workers' compensation program for trial court judges.
3. 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.
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 the 58th classes. 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

Item	Amount
and Director of the Department of Finance annually regarding expenditures from this schedule.	
5. Upon order of the Director of Finance, the amount available for expenditure in this item may be augmented by the amount of any additional resources available in the Trial Court Trust Fund, which is in addition to the amount appropriated in this item.	
6. 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 0250-115-0932 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 Section 68114.10 of the Government Code.	
7. Of the funds appropriated in Schedule (1), which will be transferred to the Trial Court Improvement Fund in accordance with subdivision (b) of Section 77209 of the Government Code, up to \$5,000,000 shall be available for support of services for self-represented litigants.	
0250-111-0001—For transfer by the Controller to the Trial Court Trust Fund	1,453,866,000
0250-112-0001—For transfer by the Controller to the Judicial Administration Efficiency and Modernization Fund	34,122,000
0250-112-0556—For local assistance, Judicial Branch, payable from the Judicial Administration Efficiency and Modernization Fund	34,122,000
0250-115-0932—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.	
0250-301-0660—For capital outlay, Judicial Branch, payable from the Public Buildings Construction Fund	4,486,000

Item		Amount
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Schedule:

(1)	90.20.501-Court of Appeal, Fifth Appellate District Fresno: New Courthouse—Construction	4,486,000
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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 Judicial Branch 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 design and 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 the 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 Judicial Branch 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 project.
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 10b (commencing with Section 15800) of

Item	Amount
<p>Division 3 of Title 2 of the Government Code). This section does not exempt the district from the requirements of the California Environmental Quality Act. This section is declaratory of existing law.</p>	
<p>0250-301-3037—For capital outlay, Judicial Branch, payable from the State Court Facilities Construction Fund</p>	10,277,000
<p>Schedule:</p>	
<p>(1) 91.07.001-Contra Costa County, New Antioch Area Courthouse— Acquisition and preliminary plans.....</p>	7,237,000
<p>(2) 91.24.001-Merced County, New Merced Downtown Courthouse— Construction</p>	3,040,000
<p>Provisions:</p>	
<p>1. Notwithstanding any other provision of law, the County of Contra Costa shall transfer responsibility, or responsibility and title, for the Pittsburg-Delta Court facility to the state prior to the release of funds identified in Schedule (1).</p>	
<p>2. For the project identified in Schedule (2), if the County of Merced has not executed the transfer of its responsibilities, or responsibilities and title, for the New Downtown Merced Courthouse, New Courts Building (Departments 1 through 3), Jail Court (Department 4), Department 5 Modular, Departments 7 and 8 Trailer, Adobe Building, Criminal Trailer, and Jury Assembly, to the state in accordance with Chapter 1082 of the Statutes of 2002, by January 1, 2007, then the County of Merced shall pay back the construction funds used for this project.</p>	
<p>3. The Judicial Branch may enter into a lease-purchase agreement with the County of Fresno for the New Fresno Area Juvenile Delinquency Court Facility project that will provide lease payments to the county equal to the court’s proportional share of the project costs, subject to Department of Finance approval. The County of Fresno shall transfer responsibility, or responsibility and title, of the existing Fresno Juvenile Court Facility prior to the approval of a lease-purchase agreement.</p>	

Item	Amount
0250-490—Reappropriation, Judicial Branch. 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 the appropriations:	
0001—General Fund	
(1) Item 0250-301-0001, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 0250-490, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(1) 90.20.401-Court of Appeal, Fourth Appellate District, Orange County: New Courthouse—Acquisition, provided that the funds shall be available for expenditure until June 30, 2006.	
0660—Public Buildings Construction Fund	
(1) Item 0250-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 0250-490, Budget Act of 2003 (Ch. 379, Stats. 2003)	
(2) 90.20.501-Court of Appeal, Fifth Appellate District Fresno: New Courthouse—Construction	
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 projects authorized by this item.	
2. The State Public Works Board may authorize the augmentation of the cost of design and 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 the 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.	

Item	Amount
0250-497—Reversion, Judicial Branch. As of June 30, 2005, the specified balances of the appropriations provided for in the following citations shall revert to the fund balance from which the appropriation was made:	
3037—State Court Facilities Construction Fund	
(1) Item 0250-301-3037, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(1) 90.31.001-Placer/Nevada Shared Use Tahoe Court: Truckee—Acquisition and preliminary plans	544,000
(2) 90.32.001-Portola/Loyalton New Branch Court: Counties of Sierra and Plumas—Acquisition and preliminary plans.....	75,000
0280-001-0001—For support of the Commission on Judicial Performance, Program 10	4,110,000
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’ 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

Item	Amount
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	109,167,000
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.	

Executive

0500-001-0001—For support of Governor and of Governor’s office	18,347,000
Schedule:	
(1) Support.....	18,554,000
(2) Governor’s Residence (Support)	35,000
(3) Special Contingent Expenses	40,000
(4) Unallocated Reduction	-282,000
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	769,000
Schedule:	
(1) Support.....	1,378,000
(2) Unallocated Reduction	-12,000
(3) Reimbursements.....	-597,000
0520-001-0001—For support of Secretary for Business, Transportation and Housing, for payment to Item 0520-001-0044 payable from the General Fund	1,528,000
0520-001-0044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund.....	1,133,000
Schedule:	
(1) 10-Administration of Business, Transportation and Housing Agency	3,009,000

Item	Amount
(2) 25-Infrastructure Finance and Economic Development Program	8,400,000
(3) 97.20.001-Unallocated Reduction...	-22,000
(4) Reimbursements	-2,987,000
(5) Amount payable from the General Fund (Item 0520-001-0001).....	-1,528,000
(6) Amount payable from the California Infrastructure and Economic Development Bank Fund (Item 0520-001-0649)	-3,248,000
(7) Amount payable from the Small Business Expansion Fund (Item 0520-001-0918)	-435,000
(8) Amount payable from the Welcome Center Fund (Item 0520-001-3083).....	-56,000
(9) Amount payable from the Chrome Plating Pollution Prevention Account (Item 0520-001-9329)	-2,000,000
0520-001-0649—For support of Secretary for Business, Transportation and Housing, for payment to Item 0520-001-0044 payable from the California Infrastructure and Economic Development Bank Fund...	3,248,000
0520-001-0918—For support of Secretary for Business, Transportation and Housing, for payment to Item 0520-001-0044 payable from the Small Business Expansion Fund.....	435,000
0520-001-3083—For support of Secretary for Business, Transportation and Housing, for payment to Item 0520-001-0044 payable from the Welcome Center Fund	56,000
0520-001-9329—For support of Secretary for Business, Transportation and Housing, for payment to Item 0520-001-0044, payable from the Chrome Plating Pollution Prevention Account	2,000,000
Provisions:	
1. Funds appropriated in this item shall be expended to address the various environmental issues posed by the metal plating industry while preserving its economic vitality.	
2. Funds shall not be available until January 1, 2006.	
0520-011-0001—For transfer, upon order of the Director of Finance, to the Small Business Expansion Fund.	3,927,000
0520-101-0001—For local assistance, Secretary for Business, Transportation and Housing	0

Item	Amount
Schedule:	
(1) 25-Infrastructure Finance and Economic Development Program	2,000,000
(2) Reimbursements	-2,000,000
0520-401—The Department of Finance is hereby authorized to transfer any savings from the amount transferred pursuant to Item 0520-011-0001 of this act to the General Fund at the end of the 2005–06 fiscal year.	
0530-001-0001—For support of Secretary for California Health and Human Services	1,941,000
Schedule:	
(1) 10-Secretary of California Health and Human Services Agency	3,507,000
(2) Reimbursements	-1,202,000
(3) Amount payable from the Managed Care Fund (Item 0530-001-0933) .	-364,000
0530-001-0933—For support of Secretary for California Health and Human Services Agency, for payment to Item 0530-001-0001, payable from the Managed Care Fund	364,000
0530-011-9730—For transfer by the Controller, upon order of the Department of Finance, from the Department of Technology Services Revolving Fund to the Office of Systems Integration Fund. The amount of funds available for transfer shall be determined by the Department of Finance	0
0530-001-9732—For support of Secretary for California Health and Human Services, payable from the Office of Systems Integration Fund	223,458,000
Schedule:	
(1) 30-Office of System Integration.....	223,458,000
Provisions:	
1. Notwithstanding any other provision of law, the Department of Finance may adjust this item of appropriation to correct any technical errors related to the Health and Human Services Data Center reorganization plan 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.	

Item	Amount
<p>2. Notwithstanding any other provision of law, upon the request of the Health and Human Services Agency, the Department of Finance may augment the amount available for expenditure in this item to pay for new contract costs for the In-Home Supportive Services/Case Management Payrolling System. The augmentation may be made not sooner than 30 days after notification in writing 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 may in each instance determine. The amount of funds augmented pursuant to the authority of this provision shall be consistent with the amount approved by the Department of Finance based on its review and approval of the new contract and Special Project Report, or equivalent document to be submitted at the conclusion of procurement activities.</p> <p>3. Notwithstanding any other provision of law, the Department of Finance may augment this item to provide authority to spend funds encumbered prior to 2005–06 by the Health and Human Services Agency Data Center for the ongoing support of the automation projects transferred to the Health and Human Services Agency Office of System Integration.</p>	
0530-017-0001—For support of Secretary for California Health and Human Services Agency.....	2,992,000
Schedule:	
(1) 21-Office of HIPAA Implementa- tion.....	3,608,000
(2) Reimbursements.....	-616,000
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.	
0540-001-0005—For support of Secretary for Resources, for payment to Item 0540-001-0140, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	214,000

Item	Amount
0540-001-0140—For support of Secretary for Resources, payable from the Environmental License Plate Fund	2,968,000
Schedule:	
(1) 10-Administration of Resources Agency	8,378,000
(2) Reimbursements	-521,000
(3) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 0540-001-0005).	-214,000
(4) Amount payable from the Environmental Enhancement and Mitigation Demonstration Program Fund (Item 0540-001-0183)	-101,000
(5) Amount payable from the Federal Trust Fund (Item 0540-001-0890).	-184,000
(5.5) Amount payable from the River Protection Subaccount (Item 0540-001-6015)	-16,000
(6) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 0540-001-6029).....	-1,800,000
(7) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 0540-001-6031)	-2,574,000
0540-001-0183—For support of Secretary for Resources, for payment to Item 0540-001-0140, payable from the Environmental Enhancement and Mitigation Program Fund.....	101,000
0540-001-0890—For support of Secretary for Resources, for payment to Item 0540-001-0140, payable from the Federal Trust Fund.....	184,000
0540-001-6015—For support of Secretary for Resources, for payment to Item 0540-001-0140, payable from the River Protection Subaccount	16,000
0540-001-6029—For support of Secretary for Resources, for payment to Item 0540-001-0140, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	1,800,000
0540-001-6031—For support of Secretary for Resources, for payment to Item 0540-001-0140, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	2,574,000

Item	Amount
Provisions:	
1. The Secretary for Resources, in consultation with the Sierra Nevada Conservancy, shall submit a plan for the coordination of grant programs in the Sierra Nevada region to the Joint Legislative Budget Committee and the fiscal committees of both houses of the Legislature by December 1, 2005.	
0540-101-6029—For local assistance, Secretary for Resources, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	7,850,000
Provisions:	
1. The funds appropriated in this item shall be available for encumbrance until June 30, 2008, for purposes of support, local assistance, or capital outlay.	
2. The funds received by other state agencies from this item in accordance with paragraph (1) of subdivision (c) of Section 5096.650 of the Public Resources Code are exempt from the reporting requirements of Section 28.50.	
0540-101-6031—For local assistance, Secretary for Resources, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	42,150,000
Provisions:	
1. The funds appropriated in this item for purposes of Water Code Section 79541 shall be available for encumbrance through fiscal year 2007–08 for purposes of support, local assistance or capital outlay.	
2. The funds received by other state agencies from this item in accordance with Water Code Section 79541 are exempt from the reporting requirements of Section 28.5 of the Budget Act.	
0540-490—Reappropriation, Secretary for Resources. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2006:	
0001—General Fund	
(1) Item 0540-101-0001, Budget Act of 1999 (Ch. 50, Stats. 1999)	
(2) Item 0540-101-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(3) Item 0540-101-0001, Budget Act of 2001 (Ch. 106, Stats. 2001)	

Item	Amount
0890—Federal Trust Fund	
(1) Item 0540-001-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)	
6015—River Protection Subaccount	
(1) Item 0540-101-6015, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(a) Los Angeles River Parkways	
0540-491—Reappropriation, Secretary for Resources. 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 or expenditure until June 30, 2008:	
0383—Natural Resources Infrastructure Fund	
(1) Up to \$10,000,000 from Item 0540-001-0383, Budget Act of 2004 (Ch. 208, Stats. 2004), for implementation of the California Ocean Protection Act.	
0552-001-0001—For support of Office of the Inspector General	15,367,000
Schedule:	
(1) 10-Office of the Inspector General. 15,504,000	
(2) 97.20.001-Unallocated Reduction... -137,000	
Provisions:	
1. Of the amount appropriated in this item, \$3,553,000 is to meet the Office of Inspector General’s staffing needs based on a workload budget, and \$2,971,000 is for the additional workload resulting from duties imposed by Chapter 10 of the Statutes of 2005. Any funds appropriated to establish new positions for these activities that are not expended shall revert to the General Fund.	
0555-001-0001—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044.....	421,000
0555-001-0014—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Hazardous Waste Control Account	294,000
0555-001-0028—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Unified Program Account ..	994,000
0555-001-0044—For support of Secretary for Environmental Protection, payable from the Motor Vehicle Account, State Transportation Fund.....	802,000

Item	Amount
Schedule:	
(1) 30-Support	9,703,000
(2) 97.20.001-Unallocated Reduction...	-21,000
(3) Reimbursements	-1,000,000
(4) Amount payable from the General Fund (Item 0555-001-0001).....	-421,000
(5) Amount payable from the Hazardous Waste Control Account (Item 0555-001-0014)	-294,000
(6) Amount payable from the Unified Program Account (Item 0555-001-0028).....	-994,000
(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)	-428,000
(8.5) Amount payable from the Air Pollution Control Fund (Item 0555-001-0115)	-500,000
(9) Amount payable from the Waste Discharge Permit Fund (Item 0555-001-0193)	-83,000
(10) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 0555-001-0235)	-50,000
(11) Amount payable from the Recycling Market Development Revolving Loan Account (Item 0555-001-0281)	-134,000
(11.5) Amount payable from the Public Interest Research, Development and Demonstration Fund (Item 0555-001-0381)	-500,000
(12) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0555-001-0387).	-492,000
(13) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0555-001-0439).....	-664,000
(14) Amount payable from the State Water Quality Control Fund (Item 0555-001-0679)	-117,000

Item	Amount
(15) Amount payable from the Rural CUPA Reimbursement Account (Item 0555-001-1006)	-900,000
(16) Amount payable from the Environmental Enforcement and Training Account (Item 0555-001-8013).....	-2,124,000
(17) Amount payable from the Environmental Education Account (Item 0555-001-8020)	-150,000
Provisions:	
1. Notwithstanding Section 48653 of the Public Resources Code, funds appropriated in this item from the California Used Oil Recycling Fund shall be available for purposes of administration.	
2. Funds appropriated in this item from the Environmental Education Account are available for appropriation only to the extent that funding is received in the Environmental Education Account established by Section 71305 of the Public Resources Code.	
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	428,000
0555-001-0115—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Air Pollution Control Fund.	500,000
Provisions:	
1. The amount appropriated in this item is to support public interest energy research at the Office of the Secretary for Environmental Protection on the effects of energy generation on climate change.	
0555-001-0193—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Waste Discharge Permit Fund	83,000
0555-001-0235—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	50,000

Item	Amount
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	134,000
0555-001-0381—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Public Interest Research, Development, and Demonstration Fund	500,000
Provisions:	
1. Of the amount appropriated in this item, up to \$500,000 is for a grant to the California Climate Action Registry to support research-related program activities.	
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	492,000
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.....	664,000
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	117,000
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.....	2,124,000
0555-001-8020—For support of Secretary for Environmental Protection, for payment to Item 0555-001-0044, payable from the Environmental Education Account	150,000
Provisions:	
1. The funding appropriated and available for expenditure in this item is limited to the amount of funding received in the Environmental Education Account established by Section 71305 of the Public Resources Code.	
0555-011-0001—For transfer by the State Controller to the Rural CUPA Reimbursement Account.....	900,000

Item	Amount
0558-001-0001—For support of the Office of the Secretary for Education.....	904,000
Schedule:	
(1) Secretary for Education	1,135,000
(2) Unallocated Reduction	-13,000
(3) Reimbursements.....	-218,000
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, 2006, to June 30, 2006, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2006. In the event that legislation creating the agency is not effective on or before January 1, 2006, or the funds are needed prior to January 1, 2006, 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	2,165,000
(2) Reimbursements.....	-2,165,000
0559-490—Reversion, Labor and Workforce Development Agency. As of June 30, 2005, \$150,000 of the appropriation provided for in Chapter 221, Statutes of 2004 (Private Attorneys General Act) shall revert to the General Fund.	
0650-001-0001—For support of Office of Planning and Research	3,874,000
Schedule:	
(1) 11-State Planning and Policy Development.....	3,951,000
(2) 21-California Service Corps.....	3,164,000
(3) 97.20.001-Unallocated Reduction...	-62,000
(4) Reimbursements.....	-400,000
(5) Amount payable from the Federal Trust Fund (Item 0650-001-0890).....	-2,779,000
0650-001-0890—For support of Office of Planning and Research, for payment to Item 0650-001-0001, payable from the Federal Trust Fund	2,779,000
0650-011-0001—For support of Office of Planning and Research	904,000

Item	Amount
Schedule:	
(1) Office of the Secretary for Education.....	1,144,000
(2) 97.20.001-Unallocated Reduction...	-13,000
(3) Reimbursements.....	-227,000
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, 2005, to December 31, 2005, inclusive. Legislation establishing the agency will be introduced and, if enacted, would be effective on or before January 1, 2006. 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-California Service Corps, payable from the Federal Trust Fund.....	40,000,000
Provisions:	
1. The funds appropriated in this item are for local assistance allocations approved by the California Service Corps.	
0690-001-0001—For support of Office of Emergency Services	36,105,000
Schedule:	
(1) 15-Mutual Aid Response	21,116,000
(2) 35-Plans and Preparedness.....	17,654,000
(3) 45-Disaster Assistance.....	23,620,000
(4) 55.01-Administration and Executive.....	7,173,000
(5) 55.02-Distributed Administration and Executive	-6,267,000
(6) 65-Office of Homeland Security ...	33,262,000
(7) 97.20.001-Unallocated Reduction...	-614,000
(8) Reimbursements.....	-2,651,000
(9) Amount payable from the Unified Program Account (Item 0690-001-0028).....	-654,000
(10) Amount payable from the Nuclear Planning Assessment Special Account (Item 0690-001-0029).....	-935,000

Item		Amount
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| (11) | Amount payable from the Federal Trust Fund (Item 0690-001-0890)..... | -22,337,000 |
| (12) | Amount payable from the Federal Trust Fund (Item 0690-010-0890). | -33,262,000 |

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.
4. The Office of Homeland Security, in collaboration with the State Department of Health Services, shall report to the Chairperson of the Joint Legislative Budget Committee, and the chairperson of the fiscal and policy committees of each house of the Legislature on or before February 1, 2006, a statewide strategic plan for the use of federal homeland security and bioterrorism funds by all departments and local jurisdictions. The plan shall include the state’s goals and objectives for improving the state’s level of preparedness for a terrorism event, which (a) is based on an assessment of the state’s level of preparedness and (b) reflects a coordination of preparedness activities at the state and local level. It is not the intent of the Legislature to require the Office of Homeland Security or the State Department of Health Services to disclose or include sensitive or classified information in the strategic plan.
5. It is the intent of the Legislature that the funding priorities for federal homeland security funds are: (a) enhancing information sharing between local, state, and federal public safety agencies; (b) identifying and protecting critical infrastructure and key assets to deter terrorists; (c) enhancing coordination of state agencies’ homeland security activities; (d) implementing the state’s homeland se-

Item	Amount
<p>curity strategy; and (e) implementing interoperable communications for public safety agencies.</p> <p>6. It is the intent of the Legislature that the Office of Emergency Services and the California Department of Forestry and Fire Protection, with assistance from the Department of General Services, collaborate to the extent possible in the purchasing of fire trucks.</p>	
0690-001-0028—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Unified Program Account	654,000
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	935,000
Provisions:	
<p>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.</p>	
0690-001-0890—For support of Office of Emergency Services, for payment to Item 0690-001-0001, payable from the Federal Trust Fund	22,337,000
Provisions:	
<p>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.</p> <p>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.</p>	
0690-002-0001—For support of Office of Emergency Services	9,563,000
Schedule:	
(1) 50-Criminal Justice Projects	10,750,000
(2) 51-California Anti-Terrorism Information Center	6,700,000
(3) Reimbursements	-20,000

Item	Amount
(4) Amount payable from the Local Public Prosecutors and Public Defenders Training Fund (Item 0690-002-0241)	-74,000
(5) Amount payable from the Victim-Witness Assistance Fund (Item 0690-002-0425)	-1,207,000
(6) Amount payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund (Item 0690-002-0597).....	-701,000
(7) Amount payable from the Federal Trust Fund (Item 0690-002-0890).	-5,885,000
Provisions:	
1. The funds appropriated in Schedule (2) shall be used to continue and expand funding for the California Anti-Terrorism 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 Office of Emergency Services 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.	
0690-002-0241—For support of Office of Emergency Services, for payment to Item 0690-002-0001, payable from the Local Public Prosecutors and Public Defenders Training Fund	74,000
Provisions:	
1. Notwithstanding any other provision of law restricting the costs of administering individual programs, the full amount of this appropriation may be used by the Office of Emergency Services for administrative costs.	
0690-002-0425—For support of Office of Emergency Services, for payment to Item 0690-002-0001, payable from the Victim Witness Assistance Fund	1,207,000
0690-002-0597—For support of Office of Emergency Services, for payment to Item 0690-002-0001, payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund.....	701,000

Item	Amount
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.	
0690-002-0890—For support of Office of Emergency Services, for payment to Item 0690-002-0001, payable from the Federal Trust Fund	5,885,000
0690-010-0890—For support of Office of Emergency Services for the Office of Homeland Security, for payment to Item 0690-001-0001, payable from the Federal Trust Fund	33,262,000
0690-010-3034—For support of Office of Emergency Services for the Office of Homeland Security.....	100,000
0690-013-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund.....	668,000
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.	
0690-013-0890—For transfer by the Controller from the Federal Trust Fund to the High Technology Theft Apprehension and Prosecution Program Trust Fund.	33,000
Provisions:	
1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, and shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.	

Item	Amount
0690-101-0029—For local assistance, Office of Emergency Services, Program 35—Plans and Preparedness, payable from the Nuclear Planning Assessment Special Account.....	2,291,000
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	901,150,000
Schedule:	
(1) 35-Plans and Preparedness.....	343,424,000
(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.	
0690-102-0001—For local assistance, Office of Emergency Services.....	25,649,000
Schedule:	
(1) 50.20.102-Victims’ Legal Resource Center	41,000
(2) 50.20.151-Domestic Violence Program.....	2,730,000
(3) 50.20.152-Family Violence Prevention.....	50,000
(4) 50.20.301-Rape Crisis Program	50,000
(5) 50.20.302-Rape Prevention	5,571,000
(6) 50.20.351-Homeless Youth Project.....	396,000
(7) 50.20.352-Youth Emergency Telephone Referral	127,000
(8) 50.20.354-Child Sexual Abuse Prevention and Training	302,000
(9) 50.30.502-War on Methamphetamine	9,500,000
(10) 50.30.503-Vertical Prosecution Block Grants	8,176,000
(11) 50.30.522-Evidentiary Medical Training.....	648,000
(12) 50.30.541-Public Prosecutors and Public Defenders.....	8,000
(13) 50.30.661-California Gang Violence Suppression Program.....	2,790,000

Item	Amount
(14) 50.30.662-CALGANG.....	300,000
(15) 50.30.672-Multi-Agency Gang Enforcement Consortium.....	93,000
(16) 50.30.815-Rural Crime Prevention Program.....	1,443,000
(17) Reimbursements.....	-6,576,000
Provisions:	
1. Notwithstanding any other provision of law, the Office of Emergency Services 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 Emergency Services.	
2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of 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 Emergency Services.	
0690-102-0241—For local assistance, Office of Emergency Services, payable from the Local Public Prosecutors and Public Defenders Training Fund.....	792,000
Schedule:	
(1) 50.30.541-Public Prosecutors and Public Defenders.....	792,000
Provisions:	
1. Notwithstanding any other provision of law, the Office of Emergency Services 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 Emergency Services.	
0690-102-0425—For local assistance, Office of Emergency Services, payable from the Victim-Witness Assistance Fund	15,519,000

Item	Amount
Schedule:	
(1) 50.20.101-Victim-Witness Assistance Program.....	10,871,000
(2) 50.20.301-Rape Crisis Program	3,670,000
(3) 50.20.353-Child Sexual Abuse and Exploitation Program	978,000
Provisions:	
1. Notwithstanding any other provision of law, the Office of Emergency Services 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 Emergency Services.	
0690-102-0597—For local assistance, Office of Emergency Services, payable from the High Technology Theft Apprehension and Prosecution Program Trust Fund	13,518,000
Schedule:	
(1) 50.30.562-High Technology Theft Apprehension and Prosecution Program.....	13,518,000
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.	
0690-102-0890—For local assistance, Office of Emergency Services, payable from the Federal Trust Fund	131,323,000
Schedule:	
(1) 50.20.151-Domestic Violence Program.....	8,751,000

Item	Amount
(2) 50.20.161-Violence Against Women Act.....	12,990,000
(3) 50.20.171-Rural Domestic Violence/Child Victimization	571,000
(4) 50.20.200-Mentoring Children	260,000
(5) 50.20.451-Victims of Crime Act (VOCA)	40,698,000
(6) 50.30.504-Project Safe Neighborhoods	2,510,000
(7) 50.30.523-Forensic Sciences Improvement Act	358,000
(8) 50.30.525-Child Justice Act.....	1,775,000
(9) 50.30.550-Byrne State/Local Law Enforcement Assistance.....	52,118,000
(10) 50.30.555-Residential Substance Abuse Treatment.....	9,135,000
(11) 50.30.556-Local Law Enforcement Block Grants	882,000
(12) 50.30.559-Peace Officer Protective Equipment	1,275,000
Provisions:	
1. Notwithstanding any other provision of law, the Office of Emergency Services 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 Emergency Services.	
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.	
0690-112-0001—For local assistance, Office of Emergency Services, for disaster recovery costs	53,219,000
Provisions:	
1. The funds appropriated in this item are for the state’s share of response and recovery costs for disasters.	
0690-113-0001—For transfer by the Controller to the High Technology Theft Apprehension and Prosecution Program Trust Fund.....	13,300,000
Provisions:	
1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program, as established by Chapter 5.7 (com-	

Item	Amount
<p>mencing 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.</p>	
<p>0690-113-0890—For transfer by the Controller from the Federal Trust Fund to the High Technology Theft Apprehension and Prosecution Program Trust Fund. Provisions:</p>	218,000
<p>1. Funds appropriated in this item are for the High Technology Theft Apprehension and Prosecution Program established by Chapter 5.7 (commencing with Section 13848) of Title 6 of Part 4 of the Penal Code, and shall be deposited in the High Technology Theft Apprehension and Prosecution Program Trust Fund, established pursuant to Section 13848.4 of the Penal Code.</p>	
<p>0690-115-0001—For local assistance, Office of Emergency Services, for volunteer disaster service worker’s compensation</p>	1,125,000
<p>Provisions:</p>	
<p>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.</p>	
<p>2. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in this item in excess of the amount appropriated in this item for the purposes of paying unanticipated volunteer disaster service workers’ compensation claims and administrative expenditures related to the payment of such claims. 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 no 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>0690-301-0001—For capital outlay, Office of Emergency Services</p>	1,493,000

Item	Amount
Schedule:	
(1) 80.10.008-Sacramento: OES Headquarters Perimeter Fence—Construction.....	1,493,000
0750-001-0001—For support of Office of the Lieutenant Governor.....	2,787,000
0820-001-0001—For support of Department of Justice..	327,612,000
Schedule:	
(1) 11.01-Directorate-Administration.....	27,418,000
(2) 11.02-Distributed Directorate-Administration	-27,418,000
(3) 12.01-Legal Support and Technology Administration.....	46,734,000
(4) 12.02-Distributed Legal Support and Technology Administration ...	-46,734,000
(5) 25-Executive Programs.....	15,149,000
(6) 30-Civil Law.....	119,953,000
(7) 40-Criminal Law.....	96,113,000
(8) 45-Public Rights	81,124,000
(9) 50-Law Enforcement.....	181,688,000
(10) 60-California Justice Information Services.....	163,693,000
(11) 65-Gambling Control.....	15,577,000
(12) 70-Firearms.....	12,265,000
(14) Reimbursements.....	-47,065,000
(15) Amount payable from the Attorney General Antitrust Account (Item 0820-001-0012)	-1,224,000
(16) Amount payable from Hazardous Waste Control Account (Item 0820-001-0014)	-1,831,000
(17) Amount payable from the Fingerprint Fees Account (Item 0820-001-0017).....	-64,898,000
(18) Amount payable from Firearms Safety Account (Item 0820-001-0032).....	-322,000
(19) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0820-001-0044).....	-21,760,000
(20) Amount payable from the Department of Justice Sexual Habitual Offender Fund (Item 0820-001-0142).....	-2,729,000

Item	Amount
(21) Amount payable from the Travel Seller Fund (Item 0820-001-0158).....	-1,242,000
(22) Amount payable from Conservatorship Registry Fund (Item 0820-001-0195).....	-50,000
(23) Amount payable from the Restitution Fund (Item 0820-001-0214)...	-63,000
(24) Amount payable from the Sexual Predator Public Information Account (Item 0820-001-0256).....	-670,000
(25) Amount payable from the Indian Gaming Special Distribution Fund (Item 0820-001-0367)	-9,839,000
(26) Amount payable from the False Claims Act Fund (Item 0820-001-0378).....	-11,686,000
(27) Amount payable from the Dealers' Record of Sale Special Account (Item 0820-001-0460)	-8,639,000
(28) Amount payable from the Toxic Substances Control Account (Item 0820-001-0557)	-2,191,000
(29) Amount payable from the Department of Justice Child Abuse Fund (Item 0820-001-0566)	-336,000
(30) Amount payable from the Gambling Control Fund (Item 0820-001-0567).....	-6,488,000
(31) Amount payable from the Gambling Control Fines and Penalties Account (Item 0820-001-0569).....	-46,000
(32) Amount payable from the Federal Trust Fund (Item 0820-001-0890).....	-44,371,000
(33) Amount payable from the Federal Asset Forfeiture Account, Special Deposit Fund (Item 0820-001-0942).....	-1,455,000
(34) Amount payable from the State Asset Forfeiture Account, Special Deposit Fund (Item 0820-011-0942).....	-558,000
(35) Amount payable from the Firearms Safety and Enforcement Special Fund (Item 0820-001-1008)...	-2,957,000

Item	Amount
(36) Amount payable from the Missing Persons DNA Database Fund (Item 0820-001-3016)	-3,071,000
(37) Amount payable from the Public Rights Law Enforcement Special Fund (Item 0820-001-3053).....	-5,304,000
(38) Amount payable from the Rate Payer Relief Fund (Item 0820-001-3061).....	-12,208,000
(39) Amount payable from the DNA Identification Fund (Item 0820-001-3086).....	-15,900,000
(40) Amount payable from the Unfair Competition Law Fund (Item 0820-001-3087)	-3,213,000
(40.5) Amount payable from the Registry of Charitable Trusts Fund (Item 0820-001-3088)	-2,104,000
(41) Amount payable from the Legal Services Revolving Fund (Item 0820-001-9731)	-85,730,000

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. Of the amount included in Schedule (6) of this item, \$513,000 is available for costs related to litigation for the 1986 and 1997 California floods. Any funds not expended for this specific purpose shall revert to the General Fund.
4. The Department of Finance may submit a request for funding pursuant to Items 9840-001-0001, 9840-001-0494, and 9840-001-0988 if flood litigation expenses exceed the amount appropriated for this purpose.

Item	Amount
5. Of the amount included in Schedule (6) of this item, \$1,452,000 is available for costs related to the Lloyd's of London (Stringfellow) litigation. Any funds not expended for this specific purpose as of June 30, 2006, shall revert immediately to the General Fund.	
6. Of the amount appropriated in this item, \$283,000 shall be transferred to Item 0820-101-0001 in support of the Spousal Abuser Prosecution Program as established in Chapter 2.5 (commencing with Section 273.8) of Title 9 of Part 1 of the Penal Code.	
0820-001-0012—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Attorney General Antitrust Account	1,224,000
0820-001-0014—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Hazardous Waste Control Account.....	1,831,000
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.....	64,898,000
0820-001-0032—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Firearms Safety Account	322,000
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	21,760,000
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	2,729,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
0820-001-0158—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Travel Seller Fund	1,242,000
0820-001-0195—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Conservatorship Registry Fund.....	50,000
0820-001-0214—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Restitution Fund	63,000

Item	Amount
0820-001-0256—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Sexual Predator Public Information Account.....	670,000
Provisions:	
1. Notwithstanding subparagraph (D) of paragraph (5) of subdivision (a) of Section 290.4 of the Penal Code, the Department of Justice may expend the amount appropriated in this item.	
0820-001-0367—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Indian Gaming Special Distribution Fund	9,839,000
0820-001-0378—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the False Claims Act Fund.....	11,686,000
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	8,639,000
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	2,191,000
0820-001-0566—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Department of Justice Child Abuse Fund.....	336,000
0820-001-0567—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Gambling Control Fund	6,488,000
0820-001-0569—For support of Department of Justice, for payment to Item 0820-001-0001, payable from Gambling Control Fines and Penalties Account	46,000
0820-001-0890—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Federal Trust Fund.....	44,371,000
0820-001-0942—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Federal Asset Forfeiture Account, Special Deposit Fund	1,455,000
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.	2,957,000
0820-001-3016—For support of Department of Justice, for payment to Item 0820-001-0001 payable from the Missing Persons DNA Database Fund	3,071,000

Item	Amount
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 ..	5,304,000
Provisions:	
1. Of the funds appropriated in this item \$4,681,000 is for the Corporate Responsibility Unit. These funds may not be encumbered or expended until the Corporate Responsibility Unit has recovered sufficient funds to cover its costs.	
0820-001-3061—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Rate Payer Relief Fund	12,208,000
0820-001-3086—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the DNA Identification Fund	15,900,000
0820-001-3087—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Unfair Competition Law Fund	3,213,000
0820-001-3088—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Registry of Charitable Trusts Fund	2,104,000
0820-001-9731—For support of Department of Justice, for payment to Item 0820-001-0001, payable from the Legal Services Revolving Fund	85,730,000
Provisions:	
1. Notwithstanding Section 28.00, the Attorney General may augment the amount appropriated in the Legal Services Revolving Fund 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.	
0820-003-0001—For support of Department of Justice, for rental payments on lease-revenue bonds	2,422,000
Schedule:	
(1) Base Rental and Fees	2,411,000
(2) Insurance	11,000

Item	Amount
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
0820-011-0001—For transfer by the Controller, upon order of the Director of Finance, from the General Fund to the Unfair Competition Law Fund.....	(2,300,000)
Provisions:	
1. The transfer made by this item is a loan to the Unfair Competition Law Fund. This loan shall be repaid by January 30, 2007, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.	
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	558,000
0820-101-0001—For local assistance, Department of Justice	2,762,000
Schedule:	
(1) 40-Criminal law	2,762,000
Provisions:	
1. The funds appropriated in this item 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.	
0820-101-0214—For local assistance, Department of Justice	2,937,000
Provisions:	
1. The funds appropriated in this item shall be allocated to support the California Witness Protection Program, pursuant to Chapter 507, Statutes of 1997. Any funds not expended for this specific purpose shall revert to the Restitution Fund.	
2. The Department of Finance may authorize the transfer of up to \$150,000 from this item to Item 0820-001-0214 for the administration of the California Witness Protection Program, including the	

Item	Amount
review of appropriate policies and procedures for the submittal and review of claims.	
0820-101-0460—For local assistance, Department of Justice, payable from the Dealers’ Record of Sale Special Account.....	28,000
Schedule:	
(1) 70-Firearms.....	28,000
0820-101-0641—For local assistance, Department of Justice, payable from the Domestic Violence Restraining Order Reimbursement Fund	1,918,000
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.....	225,000
Provisions:	
1. The funds appropriated in this item shall be expended to reimburse counties pursuant to Chapter 696 of the Statutes of 1998.	
0820-301-0660—For capital outlay, Department of Justice, payable from the Public Buildings Construction Fund	9,793,000
Schedule:	
(1) 85.60.020-Santa Rosa Replacement Laboratory—Construction	9,793,000
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 Justice 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	

Item	Amount
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. The Department of Justice 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 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 the Department of Justice from the requirements of the California Environmental Quality Act. This section is declarative of existing law.	
0840-001-0001—For support of State Controller.....	76,244,000
Schedule:	
(1) 100000-Personal Services	80,568,836
(2) 300000-Operating Expenses and Equipment	48,266,164
(2.5) Amount payable from various special and nongovernmental cost funds (Section 25.25).....	-7,887,000
(3) Reimbursements.....	-34,014,000
(4) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0840-001-0061).....	-3,655,000

Item	Amount
(5) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Item 0840-001-0062)...	-1,052,000
(6) Amount payable from the Local Revenue Fund (Item 0840-001-0330).....	-507,000
(7) Amount payable from the State School Building Lease-Purchase Fund (Item 0840-001-0344).....	-426,000
(8) Amount payable from the Federal Trust Fund (Item 0840-001-0890).	-1,258,000
(9) Amount payable from the State Penalty Fund (Item 0840-001-0903).....	-1,184,000
(10) Amount payable from various other unallocated nongovernmental cost funds (Retail Sales Tax Fund) (Item 0840-001-0988)	-220,000
(11) Amount payable from the 2002 State School Facilities Fund (Item 0840-001-6036)	-426,000
(12) Amount payable from other unallocated special funds (Item 0840-011-0494)	-48,000
(13) Amount payable from unallocated bond funds (Item 0840-011-0797).	-185,000
(14) Amount payable from various other unallocated nongovernmental cost funds (Item 0840-011-0988).....	-44,000
(15) Amount payable from the Public Transportation Account, State Transportation Fund (Section 25.50).....	-17,000
(16) Amount payable from the Highway Users Tax Account, Transportation Tax Fund (Section 25.50) ...	-525,000
(17) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Section 25.50).....	-34,000
(18) Amount payable from the DMV Local Agency Collection Fund (Section 25.50)	-6,000
(19) Amount payable from the Trial Court Trust Fund (Section 25.50) .	-288,000

Item	Amount
(20) Amount payable from the Timber Tax Fund (Section 25.50).....	-2,000
(21) Amount payable from the Public Safety Account, Local Public Safety Fund (Section 25.50).....	-396,000
(22) Amount payable from the Local Revenue Fund (Section 25.50).....	-417,000

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 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.

Item	Amount
<p>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.</p> <p>(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 purposes. 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).</p> <p>6. Of the moneys appropriated to the Controller in this act, the Controller shall not expend more than \$500,000 to conduct posteligibility fraud audits of the Supplemental Security Income/State Supplementary Payment Program.</p> <p>7. The Commission on State Mandates shall provide, in applicable parameters and guidelines, as follows:</p> <p>(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.</p>	

Item	Amount
(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.	
8. The funds appropriated to the Controller in this item 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 2005–06 fiscal year shall cite the specific statutory or constitutional provision authorizing the preparation and release of the report, audit, analysis, or evaluation.	
9. 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.	
10. 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.	
11. Pursuant to subdivision (c) of Section 1564 of the Code of Civil Procedure, the Controller shall transfer all moneys in the Abandoned Property Account in excess of \$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.	
12. The Controller shall provide to the Department of Finance, the Chairperson of the Joint Legislative Budget Committee, and the chairpersons	

Item	Amount
of the fiscal committees of each house of the Legislature a report that provides the following details by mandate: the level of claims requested; the amount reduced by the initial desk audit; the amount paid; and the results of a final audit and subsequent funding adjustments. The report is due on April 15, 2006, and will cover the first three quarters of the 2005–06 fiscal year.	
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	3,655,000
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	1,052,000
0840-001-0330—For support of State Controller, for payment to Item 0840-001-0001, payable from the Local Revenue Fund.....	507,000
0840-001-0344—For support of State Controller, for payment to Item 0840-001-0001, payable from the State School Building Lease-Purchase Fund	426,000
0840-001-0890—For support of State Controller, for payment to Item 0840-001-0001, payable from the Federal Trust Fund	1,258,000
0840-001-0903—For support of State Controller, for payment to Item 0840-001-0001, payable from the State Penalty Fund.....	1,184,000
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)	220,000
0840-001-6036—For support of State Controller for payment to Item 0840-001-0001, payable from the 2002 State School Facilities Fund.....	426,000
0840-011-0494—For support of State Controller, for payment to Item 0840-001-0001, payable from other unallocated special funds	48,000
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	

Item	Amount
<p>chairperson of the committee, or his or her designee, may in each instance determine.</p> <p>0840-011-0797—For support of State Controller, for payment to Item 0840-001-0001, payable from unallocated bond funds.....</p>	185,000
<p>Provisions:</p> <p>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.</p>	
<p>0840-011-0988—For support of State Controller, for payment to Item 0840-001-0001, payable from various other unallocated nongovernmental cost funds..</p>	44,000
<p>Provisions:</p> <p>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.</p>	
<p>0840-101-0979—For allocation by the Controller from the California Firefighters’ Memorial Fund.....</p>	500,000
<p>Provisions:</p> <p>1. The funds appropriated in this item are to be allocated as follows:</p> <p>(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.</p> <p>(b) To the California Fire Foundation the balance in the fund for the construction of a memorial as authorized in that article.</p>	

Item	Amount
0840-490—Reappropriation, State Controller’s Office. The balance of the appropriation in Section 25.50 of the Budget Act of 2004 (Ch. 208, Stats. 2004), is reappropriated for purposes provided for in that appropriation and shall be available for encumbrance or expenditure until June 30, 2006.	
0845-001-0217—For support of Department of Insurance, payable from the Insurance Fund	156,145,000
Schedule:	
(1) 10-Regulation of Insurance Companies and Insurance Producers	66,370,000
(2) 12-Consumer Protection	47,919,000
(3) 20-Fraud Control.....	40,054,000
(4) 30-Tax Collection and Audit.....	2,061,000
(5) 50.01-Administration.....	27,640,000
(6) 50.02-Distributed Administration ...	-27,649,000
(7) Reimbursements.....	-250,000
Provisions:	
1. Of the funds appropriated in this item, the Controller shall transfer one-half of \$4,767,000 upon passage of the Budget Act and the remaining half on January 1, 2006, 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 one-half of \$597,000 upon passage of the Budget Act and the remaining half on January 1, 2006, 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 2005–06 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.	
0845-101-0217—For local assistance, Department of Insurance, payable from the Insurance Fund.....	44,757,000
Schedule:	
(1) 12-Consumer Protection	750,000
(2) 20-Fraud Control.....	44,007,000

Item	Amount
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.....	(365,745,000)

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 2006–07 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, 2006, a copy of the proposed administrative budget for the California State Lottery Commission for the 2006–07 fiscal year that is included in the Governor’s Budget.
 - (c) No later than June 1, 2006, a copy of the proposed administrative budget and expected sales revenue for the California State Lottery Commission for the 2006–07 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, 2006, the final 2006–07 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, 2006, proposed budget. The report shall detail any administrative funding that is proposed to be used to supplement the prize pool of any lottery game.

Item	Amount
0855-001-0367—For support of California Gambling Control Commission, payable from the Indian Gaming Special Distribution Fund.....	6,203,000
Schedule:	
(1) 10-California Gambling Control Commission.....	6,203,000
0855-001-0567—For support of California Gambling Control Commission, payable from the Gambling Control Fund.....	2,187,000
Schedule:	
(1) 10-California Gambling Control Commission.....	2,187,000
0855-101-0366—For local assistance, California Gambling Control Commission, payable from the Indian Gaming Revenue Sharing Trust Fund.....	96,500,000
Provisions:	
1. The funds appropriated in this item are for distribution to noncompact tribes pursuant to Section 12012.90 of the Government Code.	
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.	
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. Upon receiving additional expenditure authority for distributing funds under the trust fund, the commission shall submit that information to the	

Item	Amount
chairpersons of the committees on a quarterly basis concurrent with the distribution of the funds to the noncompact tribes.	
0855-101-0367—For local assistance, California Gambling Control Commission, payable from the Indian Gaming Special Distribution Fund	50,000,000
Provisions:	
1. Funds appropriated in this item shall be used to provide grants to local government agencies pursuant to Section 12715 of the Government Code.	
2. Notwithstanding any other provision of law, the Department of Finance may augment the amount available for expenditure in this item, if sufficient funds are available in the Indian Gaming Special Distribution Fund after fulfillment of the provisions of subdivision (g) of Section 12012.85 of the Government Code.	
0855-111-0367—For transfer by the Controller, upon order of the Director of Finance, from the Indian Gaming Special Distribution Fund, to the Indian Gaming Revenue Sharing Trust Fund	(50,500,000)
0860-001-0001—For support of State Board of Equalization	211,158,000
Schedule:	
(1) 100000-Personal Services	275,822,880
(2) 300000-Operating Expenses and Equipment	89,199,120
(3) Reimbursements	-104,504,000
(4) Amount payable from the Breast Cancer Fund (Item 0860-001-0004).....	-261,000
(5) Amount payable from the State Emergency Telephone Number Account (Item 0860-001-0022).....	-583,000
(6) Amount payable from the Motor Vehicle Fuel Account, Transportation Tax Fund (Item 0860-001-0061).....	-19,455,000
(7) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 0860-001-0070).....	-637,000
(8) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 0860-001-0080).....	-458,000
(9) Amount payable from the Cigarette and Tobacco Products Surtax Fund (Item 0860-001-0230)	-3,455,000

Item	Amount
(10) Amount payable from the Oil Spill Prevention and Administration Fund (Item 0860-001-0320).....	-235,000
(11) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 0860-001-0387).	-410,000
(12) Amount payable from the Underground Storage Tank Cleanup Fund (Item 0860-001-0439).....	-2,118,000
(13) Amount payable from the Energy Resources Programs Account (Item 0860-001-0465)	-235,000
(14) Amount payable from the California Children and Families First Trust Fund (Item 0860-001-0623).	-4,698,000
(15) Amount payable from the Timber Tax Fund (Item 0860-001-0965)...	-2,069,000
(16) Amount payable from the Gas Consumption Surcharge Fund (Item 0860-001-3015)	-419,000
(17) Amount payable from the Water Rights Fund (Item 0860-001-3058).....	-362,000
(18) Amount payable from the Electronic Waste Recovery and Recycling Account (Item 0860-001-3065).....	-4,999,000
(19) Amount payable from the Cigarette and Tobacco Products Compliance Fund (Item 0860-001-3067).....	-8,966,000

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 both its authorized budget and with 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 Com-

Item

Amount

mittee. No such position may be transferred from the organizational unit to which it was assigned in the 2005–06 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. The Board of Equalization shall provide to the Chair of the Joint Legislative Budget Committee and the chairs of the fiscal committees of each house of the Legislature by April 1, 2006, a report containing the following information: (a) actual closure or consolidation information for the Torrance, Stockton, Eureka and New York offices, including: relocation costs, lease buy-out costs, the number of staff affected, current disposition of those staff, and the revenues generated annually by each office prior to closure, (b) a comprehensive description of the decision criteria used to close or consolidate those field offices, (c) the estimated impact on all board-collected tax revenues from field office consolidations identified in (a) above, (d) the procedures for ongoing evaluation of field office performance and potential for consolidation and closures, and (e) the board’s strategic plan for district office facilities as it relates to growth in electronic filing and processing. The board shall also report on the number of single-entity electronic filers, subdivided by the closest field office. Data provided shall include one-time and ongoing budgetary and revenue impacts. The information shall also be provided to the Department of Finance.

0860-001-0004—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Breast Cancer Fund

Provisions:

261,000

- 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.

Item	Amount
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.....	583,000
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.....	19,455,000
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	637,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified by Section 13332.18 of the Government Code.	
0860-001-0080—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Childhood Lead Poisoning Prevention Fund	458,000
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified by Section 13332.18 of the Government Code.	
0860-001-0230—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Cigarette and Tobacco Products Surtax Fund	3,455,000
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	235,000
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.....	410,000
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	2,118,000

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.	
0860-001-0465—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Energy Resources Programs Account	235,000
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	4,698,000
0860-001-0965—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Timber Tax Fund.....	2,069,000
0860-001-3015—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Gas Consumption Surcharge Fund	419,000
0860-001-3058—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Water Rights Fund.....	362,000
0860-001-3065—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Electronic Waste Recovery and Recycling Account	4,999,000
0860-001-3067—For support of State Board of Equalization, for payment to Item 0860-001-0001, payable from the Cigarette and Tobacco Products Compliance Fund	8,966,000
0890-001-0001—For support of Secretary of State.....	21,874,000
Schedule:	
(1) 100000-Personal Services	30,870,000
(2) 300000-Operating Expenses and Equipment	21,006,000
(3) Special Item of Expense-Election Related Costs.....	11,460,000
(4) Reimbursements	-7,339,000
(5) Amount payable from the Secretary of State's Business Fees Fund (Item 0890-001-0228).....	-30,823,000
(6) Amount payable from the Federal Trust Fund (Item 0890-001-0890).....	-1,700,000
(7) Amount payable from the Victims of Corporate Fraud Compensation Fund (Item 0890-001-3042).....	-1,600,000

Item	Amount
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.	
2. Of the amounts appropriated in this item, \$1,700,000 shall be used for operational costs associated with implementation of the Help America Vote Act.	
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.....	30,823,000
0890-001-0890—For support of Secretary of State, for payment to Item 0890-001-0001, payable from the Federal Trust Fund	1,700,000
0890-001-3042—For support of Secretary of State, for payment to Item 0890-001-0001, payable from the Victims of Corporate Fraud Compensation Fund	1,600,000
0890-003-0001—For support of Secretary of State, for rental payments on lease-revenue bonds	9,432,000
Schedule:	
(1) Base Rental and Fees	9,408,000
(2) Structural Insurance.....	74,000
(3) Reimbursements.....	-50,000
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
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...	2,978,000
Schedule:	
(1) Base Rental and Fees	2,971,000
(2) Structural Insurance.....	23,000
(3) Reimbursements.....	-16,000

Item		Amount
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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.
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.

0890-490—Reappropriation, Secretary of State. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in the appropriations and shall be available for encumbrance or expenditure until June 30, 2006:

0890—Federal Trust Fund

- (1) Item 0890-001-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)
- (2) Item 0890-101-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)

Provisions:

1. Funds shall be used consistent with the March 11, 2005 Help America Vote Act spending plan as approved by the Department of Finance. The amounts spent on each activity shall not exceed the following maximums:

(a) County voting equipment grants	195,000,000
(b) Voter registration cards	1,111,000
(c) Voting system review	25,000
(d) Punch card replacement	3,205,657
(e) Disabilities grants	2,357,711
2. Notwithstanding any other provision of law, any funds not needed for an activity authorized in Provision 1 shall not be redirected to other activities and are not authorized for expenditure.
3. The Secretary of State shall forward to the Chairperson of the Joint Legislative Budget Committee copies of quarterly reports sent to the Department of Finance.
4. At the time of authorizing any reappropriation under this item, the Department of Finance shall report to the Chairperson of the Joint Legislative Budget Committee the amount and the purposes for which the funds are being reappropriated.

Item	Amount
<ul style="list-style-type: none"> 5. Funds designated for the statewide database shall be authorized for expenditure by the Department of Finance not sooner than 30 days after notification in writing by the Department of Finance to the Chairperson of the Joint Legislative Budget Committee of its approval of a feasibility study report. The notification shall include a copy of the approved report, any conditions of the approval, and detailed information regarding how the funds shall be used. 6. Notwithstanding any other provision of law, the Secretary of State shall not enter into a contract for the development of a new statewide voter registration database prior to May 1, 2006. Any such contract shall be subject to the notification and other requirements under Section 11.00. The validity of any such contract shall be contingent upon the appropriation of funding in future budget acts. During the 2005–06 fiscal year, the Secretary of State may also contract for assistance in the development of any necessary procurement documents. 	
0950-001-0001—For support of State Treasurer	6,068,000
Schedule:	
(1) 100000-Personal Services	17,297,000
(2) 300000-Operating Expenses and Equipment	5,418,000
(3) Reimbursements.....	-16,647,000
Provisions:	
<ul style="list-style-type: none"> 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 (3) of this item to the State Treasurer’s office, provided that: <ul style="list-style-type: none"> (a) The loan is to meet cash needs resulting from a delay in receipt of reimbursements. (b) The loan is short term, and shall be repaid within two 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 committees in each house that 	

Item	Amount
<p>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.</p> <p>(e) At the end of the two-month term of the loan, the State Treasurer’s office shall notify the Chairperson of the Joint Legislative Budget Committee whether the State Treasurer’s office has repaid the loan pursuant to subdivision (b).</p>	
<p>0954-001-0001—For support of the Scholarshare Investment Board</p>	1,100,000
<p>Schedule:</p> <p>(1) 20-Governor’s Scholars Programs.. 1,117,000</p> <p>(2) 97.20.001-Unallocated Reduction... -17,000</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>0954-001-0564—For support of the Scholarshare Investment Board, payable from the Scholarshare Administrative Fund</p>	1,006,000
<p>Schedule:</p> <p>(1) 10-Golden State Scholarshare Trust Program..... 1,006,000</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>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</p>	

Item	Amount
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.	
0956-001-0171—For support of California Debt and Investment Advisory Commission, payable from the California Debt and Investment Advisory Commission Fund	2,035,000
Schedule:	
(1) 10-California Debt and Investment Advisory Commission.....	2,135,000
(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.	
0959-001-0169—For support of California Debt Limit Allocation Committee, payable from the California Debt Limit Allocation Committee Fund.....	1,128,000
Schedule:	
(1) 10-Debt Limit Allocation Committee	1,128,000
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.....	484,000

Item	Amount
Schedule:	
(1) 10-Industrial Development Financing Advisory Commission	559,000
(2) Reimbursements	-75,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Industrial Development Financing Advisory Commission in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
0968-001-0448—For support of California Tax Credit Allocation Committee, payable from the Occupancy Compliance Monitoring Account, Tax Credit Allocation Fee Account	1,347,000
Schedule:	
(1) 10-California Tax Credit Allocation Committee	1,377,000
(2) Reimbursements	-30,000
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	1,655,000
Schedule:	
(1) 10-California Tax Credit Allocation Committee	1,685,000
(2) Reimbursements	-30,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the California Tax Credit Allocation Commit-	

Item	Amount
<p>tee 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>0968-001-3038—For support of California Tax Credit Allocation Committee, payable from the Community Revitalization Fee Fund</p>	92,000
<p>Schedule:</p>	
<p>(1) 20-Community Revitalization Program.....</p>	92,000
<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>0971-001-0528—For support of California Alternative Energy and Advanced Transportation Financing Authority, payable from the California Alternative Energy Authority Fund</p>	203,000
<p>Schedule:</p>	
<p>(1) 10-California Alternative Energy and Advanced Transportation Financing Authority</p>	203,000
<p>Provisions:</p>	
<p>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.</p>	

Item	Amount
0977-001-6046—For the support of California Health Facilities Financing Authority, payable from the Children’s Hospital Fund	289,000
Schedule:	
(1) 30-Children’s Hospital Program.....	289,000
0985-001-0890—For support of California School Finance Authority, payable from the Federal Trust Fund	225,000
Schedule:	
(1) 20-Charter School Facilities Program.....	225,000
0985-001-6040—For support of California School Finance Authority, payable from the Charter School Facilities Account, 2002 State School Facilities Fund	543,000
Schedule:	
(1) 20-Charter School Facilities Program.....	543,000
0985-101-0890—For local assistance, California School Finance Authority, State Charter School Facilities Incentive Grant Program, payable from the Federal Trust Fund.....	19,475,000
Provisions:	
1. Of the amount appropriated in this item, up to \$9,725,000 may be used to reimburse charter schools for facility costs incurred in the 2004–05 fiscal year. The remainder shall be used to reimburse charter schools for facility costs anticipated in the 2005–06 fiscal year. No charter school receiving funds under the program authorized under this provision shall receive funding in excess of 75 percent of annual lease costs through this program or in combination with any other source of funding provided in this or any other act.	

STATE AND CONSUMER SERVICES

1100-001-0001—For support of California Science Center	11,787,000
Schedule:	
(1) 10-Education.....	11,148,000
(2) 20-Exposition Park Management ...	4,261,000
(3) 30-California African-American Museum	2,110,000
(4) 40.01-Administration.....	1,176,000
(5) 40.02-Distributed Administration ...	-1,176,000

Item	Amount
(6) 97.20.001-Unallocated Reduction...	-183,000
(7) Reimbursements-Education.....	-1,213,000
(8) Reimbursements-Exposition Park Management	-350,000
(9) Reimbursements-California African-American Museum	-75,000
(10) Amount payable from the Exposition Park Improvement Fund (Item 1100-001-0267).....	-3,911,000
1100-001-0267—For support of California Science Center, for payment to Item 1100-001-0001, payable from the Exposition Park Improvement Fund	3,911,000
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.	
1100-003-0001—For support of the California Science Center, for rental payments on lease-revenue bonds	2,738,000
Schedule:	
(1) Base Rental and Fees	2,702,000
(2) Insurance	37,000
(3) Reimbursements.....	-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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
1100-497—Reversion, California Science Center. As of June 30, 2005, the unencumbered balance of the appropriation provided for in the following citation shall revert to the balance of the fund from which the appropriation was made:	
0660—Public Buildings Construction Fund	
(1) Item 1100-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 11.01-Science Center Phase II—Construction	

Item	Amount
1110-001-0024—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.....	153,000
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.	
1110-001-0069—For support of the State Board of Barbering and Cosmetology, payable from the Barbering and Cosmetology Fund	14,326,000
Schedule:	
(1) 22-Board of Barbering and Cosmetology	14,383,000
(2) Reimbursements	-57,000
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.	
1110-001-0093—For support of Contractors’ State License Board, for payment to Item 1110-001-0735, 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.	
1110-001-0108—For support of Acupuncture Board, payable from the Acupuncture Fund.....	2,274,000
Schedule:	
(1) 56-Acupuncture Board	2,297,000
(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.	
1110-001-0175—For support of Medical Board of California, Registered Dispensing Opticians, for payment to Item 1110-001-0758, payable from the Dispensing Opticians Fund	265,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and	

Item	Amount
penalties imposed as specified in Section 13332.18 of the Government Code.	
1110-001-0205—For support of Board for Geologists and Geophysicists, Program 51, payable from the Geology and Geophysics Fund.....	969,000
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.	
1110-001-0210—For support of Medical Board of California, Outpatient Setting, for payment to Item 1110-001-0758, 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.	
1110-001-0264—For support of Osteopathic Medical Board of California, payable from the Osteopathic Medical Board of California Contingent Fund	1,082,000
Schedule:	
(1) 70-Osteopathic Medical Board of California	1,132,000
(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.	
1110-001-0280—For support of Physician Assistant Committee, payable from the Physician Assistant Fund	943,000
Schedule:	
(1) 59-Physician Assistant Committee .	968,000
(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.	
1110-001-0295—For support of California Board of Podiatric Medicine, payable from the Board of Podiatric Medicine Fund	1,150,000

Item	Amount
Schedule:	
(1) 61-California Board of Podiatric Medicine	1,154,000
(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.	
1110-001-0310—For support of Board of Psychology, payable from the Psychology Fund	3,016,000
Schedule:	
(1) 62-Board of Psychology	3,067,000
(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.	
1110-001-0319—For support of Respiratory Care Board of California, payable from the Respiratory Care Fund	2,571,000
Schedule:	
(1) 64-Respiratory Care Board of Cali- fornia	2,637,000
(2) Reimbursements	-66,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1110-001-0326—For support of State Athletic Commis- sion, payable from the State Athletic Commission Fund	815,000
Schedule:	
(1) 9-State Athletic Commission.....	1,015,000
(2) Amount payable from the Boxer’s Pension Fund (Item 1110-002- 9250).....	-93,000
(3) Amount payable from the Boxer’s Neurological Examination Ac- count (Item 1110-001-0492)	-107,000
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
1110-001-0376—For support of the Speech-Language Pathology and Audiology Board, payable from the Speech-Language Pathology and Audiology Fund... Schedule:	609,000
(1) 65-Speech-Language Pathology and Audiology Board	633,000
(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.	
1110-001-0380—For support of the Committee on Dental Auxiliaries, Board of Dentistry, payable from the State Dental Auxiliary Fund.....	1,653,000
Schedule:	
(1) 36.20-Committee on Dental Auxiliaries	1,675,000
(2) Reimbursements	-2,000
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.	
1110-001-0399—For support of Structural Pest Control Board, for payment to Item 1110-001-0775, payable from the Structural Pest Control Education and Enforcement Fund	286,000
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.	
1110-001-0492—For support of State Athletic Commission, for payment to Item 1110-001-0326, payable from the Boxer’s Neurological Examination Account	107,000
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.	
1110-001-0704—For support of California Board of Accountancy, payable from the Accountancy Fund, Professions and Vocations Fund	9,836,000

Item	Amount
Schedule:	
(1) 3-California Board of Accountancy.	10,040,000
(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.	
1110-001-0706—For support of California Architects Board, payable from the California Architects Board Fund	2,864,000
Schedule:	
(1) 06.10.010-California Architects Board	2,895,000
(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.	
1110-001-0735—For support of Contractors’ State License Board, payable from the Contractors’ License Fund	51,075,000
Schedule:	
(1) 30-Contractors’ State License Board	51,443,000
(2) Reimbursements	-353,000
(3) Amount payable from the Construction Management Education Account (Item 1110-001-0093)	-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.	
2. The Secretary for State and Consumer Services shall report to the Director of Finance, and the Joint Legislative Budget Committee on the progress of the Underground Economy Enforcement and shall provide justification for its continuance by September 13, 2007.	
1110-001-0741—For support of Dental Board of California, Board of Dentistry, payable from the State Dentistry Fund.....	8,380,000

Item	Amount
Schedule:	
(1) 36.10-Dental Board of California...	8,550,000
(2) Reimbursements	-170,000
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.	
1110-001-0757—For support of California Architects Board, Landscape Architect Technical Committee, Program 06.20, payable from California Architects Board Fund-Landscape Architects Fund	1,068,000
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.	
1110-001-0758—For support of Medical Board of California, payable from the Contingent Fund of the Medical Board of California	42,568,000
Schedule:	
(1) 55.10.010-Medical Board of California	43,665,000
(2) 55.15-Registered Dispensing Opticians.....	265,000
(3) 55.17-Outpatient Setting	24,000
(4) 55.10.020-Distributed Medical Board of California.....	-713,000
(5) Reimbursements.....	-384,000
(6) Amount payable from the Dispensing Opticians Fund (Item 1110-001-0175).....	-265,000
(7) Amount payable from the Outpatient Setting Fund of the Medical Board of California (Item 1110-001-0210).....	-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.	
1110-001-0759—For support of Physical Therapy Board of California, payable from the Physical Therapy Fund	2,524,000

Item	Amount
Schedule:	
(1) 58-Physical Therapy Board of California	2,623,000
(2) Reimbursements	-99,000
Provisions:	
1. The amount appropriated in this item may include revenues derived from the assessment of fines and penalties imposed as specified in Section 13332.18 of the Government Code.	
1110-001-0761—For support of Board of Registered Nursing, payable from the Board of Registered Nursing Fund, Professions and Vocations Fund.....	19,504,000
Schedule:	
(1) 78-Board of Registered Nursing	20,518,000
(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.	
1110-001-0763—For support of State Board of Optometry, payable from the State Optometry Fund, Professions and Vocations Fund	1,465,000
Schedule:	
(1) 69-State Board of Optometry.....	1,471,000
(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.	
1110-001-0767—For support of California State Board of Pharmacy, payable from the Pharmacy Board Contingent Fund, Professions and Vocations Fund..	7,982,000
Schedule:	
(1) 72-California State Board of Pharmacy	8,233,000
(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.	
1110-001-0770—For support of Board for Professional Engineers and Land Surveyors, payable from the Professional Engineers’ and Land Surveyors’ Fund.	7,765,000

Item	Amount
Schedule:	
(1) 75-Board for Professional Engineers and Land Surveyors	7,781,000
(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.	
1110-001-0771—For support of Court Reporters Board of California, payable from the Court Reporters Fund	727,000
Schedule:	
(1) 81-Court Reporters Board of California	745,000
(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.	
1110-001-0773—For support of Board of Behavioral Science, payable from the Behavioral Science Examiners Fund, Professions and Vocations Fund	4,809,000
Schedule:	
(1) 18-Board of Behavioral Science	4,985,000
(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.	
1110-001-0775—For support of Structural Pest Control Board, payable from the Structural Pest Control Fund, Professions and Vocations Fund	3,596,000
Schedule:	
(1) 84-Structural Pest Control Board ...	3,884,000
(2) Reimbursements	-2,000
(3) Amount payable from the Structural Pest Control Education and Enforcement Fund (Item 1110-001-0399)	-286,000
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
1110-001-0777—For support of Veterinary Medical Board, payable from the Veterinary Medical Board Contingent Fund.....	1,962,000
Schedule:	
(1) 90-Veterinary Medical Board.....	1,988,000
(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.	
1110-001-0779—For support of Board of Vocational Nurse and Psychiatric Technician Examiners, payable from the Vocational Nurse Examiners Fund	5,357,000
Schedule:	
(1) 91.10.010-Vocational Nurses Program.....	5,746,000
(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.	
1110-001-0780—For support of Board of Vocational Nurse and Psychiatric Technician Examiners, payable from the Psychiatric Technicians Account, Vocational Nurse and Psychiatric Technician Examiners Fund.....	1,251,000
Schedule:	
(1) 91.20-Psychiatric Technician Program.....	1,273,000
(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.	
1110-001-3017—For support of California Board of Occupational Therapy, payable from the Occupational Therapy Fund.....	741,000
Schedule:	
(1) 67-California Board of Occupational Therapy.....	763,000
(2) Reimbursements.....	-22,000

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.	
1110-002-9250—For support of State Athletic Commission, for payment to Item 1110-001-0326, payable from the Boxer’s Pension Fund.....	93,000
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.	
1110-101-0093—For local assistance, Contractors’ State License Board, Department of Consumer Affairs, payable from the Construction Management Education Account.....	239,000
1111-002-0166—For support of the Arbitration Certification Program, Department of Consumer Affairs, payable from the Consumer Affairs-Certification Account.....	875,000
Schedule:	
(1) 23-Arbitration Certification Program.....	875,000
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.....	686,000
Schedule:	
(1) 24-Hearing Aid Dispensers Bureau.	695,000
(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	7,241,000

Item	Amount
Schedule:	
(1) 25.10.010-Bureau of Security and Investigative Services, Private Security Services Program	9,695,000
(2) 25.10.020-Distributed Private Security Services.....	-104,000
(3) Reimbursements.....	-2,350,000
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.	
1111-002-0305—For support of the Bureau for Private Postsecondary and Vocational Education, Department of Consumer Affairs, payable from the Private Postsecondary Education Administration Fund.....	5,952,000
Schedule:	
(1) 27.10.010-Bureau for Private Postsecondary and Vocational Education.....	6,142,000
(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	2,014,000
Schedule:	
(1) 28-Bureau of Electronic and Appliance Repair.....	2,027,000
(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..	100,720,000

Item	Amount
Schedule:	
(1) 31.10.016-Automotive Repair and Smog Check Programs.....	100,909,000
(2) 31.10.090-Distributed Automotive Repair and Smog Check Programs	-71,000
(3) 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.	
1111-002-0459—For support of the Telephone Medical Advice Services Program, Department of Consumer Affairs, payable from the Telephone Medical Advice Services Fund.....	145,000
Schedule:	
(1) 37-Telephone Medical Advice Services Program.....	145,000
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.....	39,832,000
Schedule:	
(1) 31.20.016-Vehicle Repair Assistance.....	15,789,000
(2) 31.20.030-Vehicle Retirement	16,300,000
(3) 31.20.040-Program Administration.	7,743,000
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) and (2) of this item. Any transfer made pursuant to this provision 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 of the transfer.	

Item	Amount
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	38,087,000
(2) 35.10.015-Communications and Education Division.....	1,398,000
(3) 35.10.020-Consumer Relations and Outreach Division	10,133,000
(4) 35.10.025-Division of Investigation	7,328,000
(4.5) 35.10.030-DCA Workers' Compensation	6,350,000
(5) 35.20.010-Distributed Administrative and Information Services Division	-37,512,000
(6) 35.20.015-Distributed Communications and Education Division.....	-1,342,000
(7) 35.20.020-Distributed Consumer Relations and Outreach Division ..	-10,133,000
(8) 35.20.025-Distributed Division of Investigation	-7,328,000
(8.5) 35.20.030-Distributed DCA Workers' Compensation.....	-6,350,000
(9) Reimbursements	-631,000
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.....	2,085,000
Schedule:	
(1) 38.10.005-Cemetery Program	2,319,000
(2) 38.10.010-Distributed Cemetery Program.....	-115,000
(3) Reimbursements.....	-119,000
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
1111-002-0750—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.....	1,516,000
Schedule:	
(1) 38.20-Funeral Directors and Embalmers Program.....	1,528,000
(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.....	3,745,000
Schedule:	
(1) 34-Bureau of Home Furnishings and Thermal Insulation	3,750,000
(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	626,000
Schedule:	
(1) 25.20-Private Investigators Program.....	736,000
(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.	
1111-002-0890—For support of the Bureau for Private Postsecondary and Vocational Education, Department of Consumer Affairs, payable from the Federal Trust Fund.....	1,209,000
Schedule:	
(1) 27.20-Federal Trust Program	1,209,000

Item	Amount
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	125,000
Schedule:	
(1) 27.30-Student Tuition Recovery Program.....	125,000
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.	
1111-002-3069—For support of the Bureau of Naturopathic Medicine, Department of Consumer Affairs, payable from the Naturopathic Doctor’s Fund	118,000
Schedule:	
(1) 39-Bureau of Naturopathic Medicine	121,000
(2) Reimbursements.....	-3,000
1111-003-0001—For support of the Office of Privacy Protection, Department of Consumer Affairs	822,000
Schedule:	
(1) 40-Office of Privacy Protection	863,000
(2) 97.20.001-Unallocated Reduction...	-6,000
(3) Reimbursements.....	-35,000

Item	Amount
1700-001-0001—For support of Department of Fair Employment and Housing.....	13,668,000
Schedule:	
(1) 50-Administration of Civil Rights Law.....	19,363,000
(2) 97.20.001-Unallocated Reduction...	-211,000
(3) Amount payable from the Federal Trust Fund (Item 1700-001-0890).	-5,484,000
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.....	5,484,000
1705-001-0001—For support of the Fair Employment and Housing Commission	1,087,000
Schedule:	
(1) 10-Fair Employment and Housing Commission.....	1,259,000
(2) 97.20.001-Unallocated Reduction...	-17,000
(3) Reimbursements.....	-155,000
1730-001-0001—For support of Franchise Tax Board ...	508,091,000
Schedule:	
(1) 10-Tax Programs	432,283,000
(2) 20-Homeowners and Renters Assistance.....	5,774,000
(3) 30-Political Reform Audit (1,522,000)	0
(4) 40-Child Support Collections.....	4,400,000
(5) 45-Child Support Automation	237,661,000
(6) 50-DMV Collections	5,647,000
(7) 60-Court Collections	5,966,000
(8) 70-Contract Work.....	7,408,000
(9) 80.01-Administration.....	23,051,000
(10) 80.02-Distributed Administration.....	-23,051,000
(11) 97.20.001-Unallocated Reduction.	-7,840,000
(12) Reimbursements	-8,702,000
(13) Reimbursements-Child Support Existing/Expanded Collections	-4,400,000
(14) Reimbursements-Child Support Automation	-157,807,000
(15) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 1730-001-0044)...	-1,988,000
(16) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 1730-001-0064)	-3,751,000

Item	Amount
(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
(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)	-6,062,000
(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 California 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 the California Missions Foundation Fund (Item 1730-001-8017)	-6,000
(31) Amount payable from the California Military Family Relief Fund (Item 1730-001-8022)	-6,000

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(32) Amount payable from the California Prostate Cancer Research Fund (Item 1730-001-8025)	-6,000
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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 both its authorized budget and with 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 approval of the Director of Finance. The director shall not approve any such reduction or redirection sooner than 30 days after providing notification to the Joint Legislative Budget Committee. No such position may be transferred from the organizational unit to which it was assigned in the 2005–06 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 2005–06 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 \$120.
4. During the 2005–06 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 \$204.

Item	Amount
5. Of the amounts appropriated in this item, the amounts provided in Schedule (5) and Schedule (14), Reimbursements—Child Support Automation, are, pursuant to Section 5 of Chapter 479 of the Statutes of 1999, available for the 2005–06 and 2006–07 fiscal years.	
6. It is the intent of the Legislature that the California Child Support Automation System 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 System project shall support all child support collections activities in compliance with federal certification requirements.	
8. Of the amount available for the Franchise Tax Board to conduct tax gap and discovery activities, the board may redirect up to \$200,000 for the purpose of engaging experts and consultants to do the following: (a) identify and evaluate independent contractor withholding alternatives, (b) determine the impact of those alternatives on state revenues, (c) determine technical and administrative capabilities to implement a withholding program and its impacts to business and industry, and (d) evaluate potential methods to implement a withholding program.	
9. Of the amount appropriated in this item, no more than \$215,000 may be used for the Ready Return Pilot tax return filing project. It is the intent of the Legislature that if the Franchise Tax Board decides to continue this project during the 2005–06 fiscal year, then that continuation shall be on a pilot basis and any further continuation of the project after the 2005–06 fiscal year should be subject to legislation that will be enacted.	
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	1,988,000
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.....	3,751,000
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

Item	Amount
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.....	6,062,000
1730-001-0803—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the State Children’s Trust Fund.....	11,000
1730-001-0823—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Alzheimer’s Disease and Related Disorders Research Fund	11,000
1730-001-0886—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 California 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
1730-001-8017—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Missions Foundation Fund.....	6,000
1730-001-8022—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Military Family Relief Fund	6,000
1730-001-8025—For support of Franchise Tax Board, for payment to Item 1730-001-0001, payable from the California Prostate Cancer Research Fund.....	6,000
1730-002-0001—For support of Franchise Tax Board, for rental payments on lease-revenue bonds	7,258,000

Item	Amount
Schedule:	
(1) Central Office—Buildings 1 and 2.	7,192,000
(2) Insurance	119,000
(3) Reimbursements	-53,000
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
1760-001-0001—For support of Department of General Services, for payment to Item 1760-001-0666	750,000
Provisions:	
1. Any unencumbered funds remaining in this item as of June 30, 2006, shall revert to the General Fund.	
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.....	2,941,000
Provisions:	
1. Of the amount appropriated in this item, \$1,633,000 is a loan from the General Fund, provided for the purposes of supporting the management of the state’s real property assets.	
2. Repayment of loans provided for the purposes of supporting the management of the state’s real property assets shall be repaid within 60 days of the close of escrow from the sale of surplus property, pursuant to Government Code Section 11011.	
3. To the extent that the annual surplus property listing enacted in separate legislation changes the workload related to the management of the state’s real property assets, the Director of Finance may adjust the amount of the General Fund loan and the total amount appropriated in this item not sooner than 30 days after notifying the Joint Legislative Budget Committee.	

Item	Amount
1760-001-0003—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Motor Vehicle Parking Facilities Moneys Account.....	3,327,000
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	5,293,000
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.....	4,748,000
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.	
1760-001-0450—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.	1,439,000
1760-001-0602—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the Architecture Revolving Fund	38,085,000
1760-001-0666—For support of Department of General Services, payable from the Service Revolving Fund	590,238,000
Schedule:	
(1) Program support.....	802,572,000
(2) Distributed services	-12,994,000
(3) Reimbursements—Lease revenue...	-73,000
(3.5) Amount payable from the General Fund (Item 1760-001-0001).....	-750,000
(4) Amount payable from the General Fund (Item 1760-002-0001).....	-329,000
(5) Amount payable from the Property Acquisition Law Money Account (Item 1760-001-0002)	-2,941,000
(6) Amount payable from the Motor Vehicle Parking Facilities Moneys Account (Item 1760-001-0003).....	-3,327,000

Item	Amount
(7) Amount payable from the State Emergency Telephone Number Ac- count (Item 1760-001-0022).....	-5,293,000
(8) Amount payable from the State Mo- tor Vehicle Insurance Account (Item 1760-001-0026)	-4,748,000
(9) Amount payable from the Seismic Gas Valve Certification Fee Ac- count (Item 1760-001-0450).....	-75,000
(10) Amount payable from the Energy Resources Programs Account (Item 1760-001-0465)	-1,439,000
(11) Amount payable from the Archi- tecture Revolving Fund (Item 1760-001-0602)	-38,085,000
(12) Amount payable from the Earth- quake Safety and Public Buildings Rehabilitation Fund of 1990 (Item 1760-001-0768)	-636,000
(13) Amount payable from the State School Deferred Maintenance Fund (Item 1760-001-0961).....	-150,000
(14) Amount payable from the 2002 State School Facilities Fund (Item 1760-001-6036)	-12,191,000
(15) Amount payable from the Motor Vehicle Parking Facilities Money Account (Item 1760-002-0003).....	-1,097,000
(16) Amount payable from the Service Revolving Fund (Item 1760-002- 0666)	-113,638,000
(17) Amount payable from the Service Revolving Fund (Item 1760-003- 0666).....	-14,568,000
Provisions:	
1. Notwithstanding any other provision of law, rev- enues from the sale of legislative bills and publi- cations received by the Bill Room shall be depos- ited 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 mon- eys to that special fund in the amount necessary to make payment or payments, as a loan from the	

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- 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 moneys 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 2005–06 fiscal 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. 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. The Director of General Services shall not

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use this provision to augment this item or Item 1760-001-0002, 1760-001-0003, 1760-001-0026, or 1760-001-0602 for costs that the Department of General Services had knowledge of in time to include in the May Revision.

4. 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 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. The Director of Finance shall not use this provision to augment this item or Item 1760-001-0002, 1760-001-0003, 1760-001-0026, or 1760-001-0602 for costs that the Departments of Finance or General Services had knowledge of in time to include in the May Revision.
5. 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 pro-

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- vision, 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 be provided in a format consistent with normal budget change requests, including identification of 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 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.
 8. It is the intent of the Legislature that the state provide parolee medications in the most cost-effective manner. In deciding how to purchase parolee medications, the Department of Corrections, in coordination with the Department of General Services, shall consider, but not be limited to, contracting with a pharmacy benefits manager and purchasing medications under pharmacy contracts used for prison inmates. The department shall compare the cost of those options and choose the lowest cost options.
 9. Notwithstanding any other provision of law, due to the inability to issue energy efficiency revenue bonds pursuant to Chapter 2.7 (commencing with Section 15814.10) of Part 10b of Division 3 of Title 2 of the Government Code, in order to repay the General Fund for the cost of completing energy efficiency projects on specified buildings,

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the Department of General Services shall, within 10 fiscal years, recover an amount sufficient to repay the costs associated with completed energy efficiency projects plus 5 percent interest, through utility rates charged to tenants. On August 1 of each fiscal year beginning with the 2005–06 fiscal year, the Department of General Services shall transfer that amount to the General Fund. Once the General Fund has been fully repaid, the Department of General Services shall adjust utility rates for all tenants to accurately reflect the current rates.

10. The Director of Finance is authorized to increase this item by up to \$10,673,000 and to increase the number of associated positions for the Office of Network Services within the Telecommunications Division, for any period prior to the effective date of the Governor's Reorganization Plan, or to the date of the enactment of similar legislation, intended to create the Department of Technology Services.
11. The Director of General Services shall, by June 30, 2006, establish a California State Travel Portal for travel bookings. Up to \$250,000 and 1.0 position from the amount appropriated in this item may be used for this purpose, which may include staff support, travel, and training costs associated with the establishment of the portal. The Director of General Services may charge a fee to clients using the state travel contracts sufficient to recover the costs of its establishment, operations, and maintenance, as well as any associated costs, such as training.
 - (a) All departments shall use the California State Travel Portal for their travel bookings and shall revise their booking policies to provide for the purchase of non-emergency tickets at least two weeks before the flight date.
 - (b) The Director of General Services shall study the feasibility of expanding the California State Travel Portal to other airlines and other alternative approaches to reduce travel costs and report his or her findings to the Legislature no later than June 30, 2006. This study shall be completed with existing resources as provided in this appropriation.

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12. On or before February 1, 2006, the Department of General Services shall report to the appropriate policy and fiscal committees of the Legislature the activities that it has undertaken or will undertake pursuant to Chapter 12 (commencing with Section 14977) of Part 5.5 of Division 3 of Title 2 of the Government Code. The report shall include, but not be limited to, the following:
 - (a) The number and a description of contracts entered into with manufacturers and suppliers of drugs pursuant to Section 14977.1 of the Government Code, including any discounts, rebates, or refunds obtained.
 - (b) The number and a description of entities that elect to participate in the coordinated purchase program pursuant to Section 14977.5 of the Government Code.
 - (c) Other options and strategies that have been or will be implemented pursuant to Sections 14978 and 14980 of the Government Code.
 - (d) Estimated costs and savings attributable to activities that have been or will be undertaken pursuant to Chapter 12 (commencing with Section 14977) of Part 5.5 of Division 3 of Title 2 of the Government Code.
13. Upon the transfer of the Special Education Dispute Resolution Program, up to \$9,254,000 is available for the Office of Administrative Hearings to administer and operate the program.
14. Of the amount appropriated in this item, \$64,000 shall be provided as a one-time cash payment to the Employment Development Department to purchase video production equipment.
15. This item includes funding of \$163,000 related to the transfer of the Employment Development Department video production facility and related equipment to the Department of General Services. No later than April 1, 2006, the Department of General Services shall provide to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of each house of the Legislature a report containing cost and descriptive information for every video production service provided, and to be provided in the 2005–06 fiscal year.

Item	Amount
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	636,000
1760-001-0961—For support of Department of General Services, for payment to Item 1760-001-0666, payable from the State School Deferred Maintenance Fund	150,000
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.....	12,191,000
1760-002-0001—For support of Department of General Services, for payment to Item 1760-001-0666	329,000
1760-002-0003—For support of Department of General Services, for rental payments on lease-revenue bonds, for payment to Item 1760-001-0666, payable from the Motor Vehicle Parking Facilities Moneys Account	1,097,000
Provisions:	
1. The funds appropriated in this item are for the following:	
(a) Base Rental and Fees.....	1,090,000
(b) Insurance.....	7,000
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.	
3. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
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.....	113,638,000
Provisions:	
1. The funds appropriated in this item are for the following:	
(a) Base rental and fees.....	112,733,000
(1) Capitol Area Development Authority, Sacramento	692,000

Item	Amount
(2) State Office Building, Riverside	2,050,000
(3) Department of Justice Building, Sacramento	4,931,000
(4) San Francisco Civic Center Building	25,642,000
(5) Ronald Reagan Building, Los Angeles	18,017,000
(6) Elihu M. Harris Building, Oakland	11,518,000
(7) LA Junipero Serra II	4,803,000
(8) State Office Building, San Diego (Suburban) ..	2,882,000
(9) Capitol East End Garage	980,000
(10) Stephen P. Teale Data Center	3,495,000
(11) Capitol Area East End Complex	32,673,000
(12) Butterfield Warehouse Plant	2,505,000
(13) Food and Agriculture	696,000
(14) Butterfield Office Building	1,849,000
(b) Insurance	978,000
(c) Reimbursements	-73,000
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.	
3. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	

Item	Amount
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.....	14,568,000
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.	
2. This item may contain adjustments pursuant to Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30.	
1760-011-0001—For transfer by the Controller, upon order of the Director of Finance, to the Service Revolving Fund.....	(227,000)
Provisions:	
1. The amount appropriated in this item is a loan from the General Fund. The Department of General Services shall, within three years, recover the costs associated with the transfer and operation of video production facilities plus 5 percent interest through rates or fees charged to client departments.	
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	139,601,000
1760-301-0001—For capital outlay, Department of General Services.....	11,937,000
Schedule:	
(1) 50.99.079-California State Prison San Quentin, Building 22: Structural Retrofit—Construction	11,937,000
1760-301-0660—For capital outlay, Department of General Services, payable from the Public Buildings Construction Fund	84,508,000

Item	Amount
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Schedule:

- | | |
|--|------------|
| (1) 50.10.151-Library and Courts Building Renovation—Preliminary plans, working drawings, and construction | 49,082,000 |
| (2) 50.10.160-Office Building 8 and 9 Renovation, 714 P Street, Sacramento—Construction | 26,844,000 |
| (3) 50.20.515-Marysville Office Building: Replacement—Construction... | 8,582,000 |

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 design and 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.
3. The State Public Works Board may authorize the augmentation of the costs of design and 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 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.

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- 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 any other provision of law, the funds appropriated by Schedule (1) of this item shall be available for expenditure until June 30, 2010. In addition, the balance of funds appropriated for construction by Schedule (1) that have not been allocated, through fund transfer or approval to proceed to bid, by the Department of Finance on or before June 30, 2008, shall revert as of the date to the fund from which the appropriation was made.
- 7. Notwithstanding any other provision of law, the funds appropriated in Schedules (2) and (3) shall be available for expenditure until June 30, 2009. In addition, the balance of funds appropriated for construction in Schedules (2) and (3) 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 that date to the fund from which the appropriation was made.

1760-301-0768—For capital outlay, Department of General Services, payable from the Earthquake Safety and Public Buildings Rehabilitation Fund of 1990..
Schedule:

5,750,000

- (1) 50.99.029-Program Management.... 750,000
- (2) 50.99.079-California State Prison
San Quentin, Building 22: Structural Retrofit—Construction 5,000,000

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 pro-

Item	Amount
gram 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.	
1760-490—Reappropriation, Department of General Services. The balances of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation:	
0660—Public Buildings Construction Fund	
(1) Item 1760-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 1760-490, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(3) 50.10.161-Office Building 10 Renovation, 721 Capitol Mall, Sacramento—Construction	
(2) Item 1760-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(1) 50.10.200-Central Plant Renovation—Working drawings and construction	
(3) Item 1760-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 1760-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(2) 50.20.515-Marysville Office Building Replacement—Construction	
0768—Earthquake Safety and Public Buildings Rehabilitation Fund of 1990	
(1) Item 1760-301-0768, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(3) 50.99.091-California Department of Corrections, DVI, Tracy, Hospital Building: Structural Retrofit—Construction	
(2) Item 1760-301-0768, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 1760-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(4) 50.99.092-California Department of Corrections, California Correctional Institution, Tehachapi, Dorm E1, E2, E3, E4: Structural Retrofit—Construction	

Item	Amount
(3) Item 1760-301-0768, Budget Act of 2004 (Ch. 208, Stats. 2004) <ul style="list-style-type: none"> (2) 50.99.408-California Correctional Institution, Tehachapi, Dormitory F5, F6, F7, F8: Structural Retrofit—Construction 	
Provisions:	
<ol style="list-style-type: none"> 1. Notwithstanding any other provision of law, the funds appropriated by Item (2), Schedule (1) and Item (3), Schedule (2) of the Public Buildings Construction Fund in this item shall be available for expenditure until June 30, 2009. In addition, the balance of funds reappropriated for construction by Item (2), Schedule (1) and Item (3), Schedule (2) of the Public Buildings Construction Fund 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 that date to the fund from which the appropriation was made. 2. Notwithstanding any other provision of law, the funds appropriated by Item (1), Schedule (3), of the Public Buildings Construction Fund in this item shall be available for expenditure until June 30, 2008. In addition, the balance of funds reappropriated for construction by Item (1), Schedule (3) of the Public Buildings Construction Fund 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. 3. 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 projects authorized in Item (1), Schedule (3) and Item (3), Schedule (2) of the Public Buildings Construction Fund, and to finance the acquisition, design, and construction of the project authorized in Item (2), Schedule (1) of the Public Buildings Construction Fund of this item. 4. The State Public Works Board may authorize the augmentation of the costs of design and construction of the projects in Item (1), Schedule (3) and Item (3), Schedule (2) of the Public Buildings 	

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Construction Fund, and the acquisition, design, and construction of the project authorized in Item (2), Schedule (1) of the Public Buildings Construction Fund 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.

1760-491—Reappropriation, Department of General Services. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended to June 30, 2006:

0768—Earthquake Safety and Public Buildings Rehabilitation Fund of 1990

(1) Item 1760-301-0768, Budget Act of 2002 (Ch. 379, Stats. 2002)

(10) 50.99.079-Department of Corrections, San Quentin, Building 22: Structural Retrofit—Working drawings

1760-492—Reappropriation, Department of General Services. As of June 30, 2005, the balance of the funds appropriated pursuant to Item 1760-101-0768, Budget Act of 1994 (Ch. 139, Stats. 1994), as reappropriated by Item 1760-492, Budget Act of 2003 and 2004 (Ch. 157, Stats. 2003 and Ch. 208, Stats. 2004), is reappropriated and shall be available for expenditure until June 30, 2007:

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

Provisions:

1. After June 30, 2007, these funds will no longer be available for expenditure and shall not be reappropriated.

1870-001-0001—For support of California Victim Compensation and Government Claims Board.....

Item	Amount
Schedule:	
(1) 11-Citizens Indemnification	65,498,000
(2) 12-Quality Assurance and Revenue Recovery Division	8,251,000
(3) 21-Disaster Relief Claim Program .	19,000
(4) 31-Civil Claims Against the State..	876,000
(5) 41-Citizens Benefiting the Public...	20,000
(6) 51.01-Administration.....	7,872,000
(7) 51.03-Executive Office Administration.....	297,000
(8) 51.02-Distributed Administration Executive Office	-8,169,000
(9) Reimbursements	-895,000
(10) Amount payable from the Restitution Fund (Item 1870-001-0214)...	-42,733,000
(11) Amount payable from the Federal Trust Fund (Item 1870-001-0890).	-31,016,000
(12) Amount payable from the Restitution Fund (Item 1870-002-0214)...	-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.	
1870-001-0214—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 1870-001-0001, payable from the Restitution Fund.	42,733,000
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 appro-	

Item	Amount
<p>appropriate subcommittees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee.</p>	
<p>1870-001-0890—For support of California Victim Compensation and Government Claims Board, for payment to Item 1870-001-0001, payable from the Federal Trust Fund.....</p>	31,016,000
<p>1870-002-0214—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 1870-001-0001, payable from the Restitution Fund..</p>	20,000
<p>1880-001-0001—For support of State Personnel Board . Schedule:</p>	3,878,000
<p>(1) 10-Merit System Administration</p>	14,991,000
<p>(2) 40-Local Government Services</p>	2,759,000
<p>(3) 50.01-Administration Services</p>	2,770,000
<p>(4) 50.02-Distributed Administration Services.....</p>	-1,938,000
<p>(5) 97.20.001-Unallocated Reduction...</p>	-60,000
<p>(6) Reimbursements.....</p>	-14,644,000
<p>Provisions:</p>	
<p>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:</p>	
<p>(a) The loan is to meet cash needs resulting from the delay in receipt of reimbursements for services provided.</p>	
<p>(b) The loan is for a short term and shall be repaid by September 30, 2006.</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 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.</p>	

Item	Amount
1900-001-0950—For support of Board of Administration of the Public Employees’ Retirement System, payable from the Public Employees’ Contingency Reserve Fund	18,276,000
Provisions:	
1. The appropriation made in this item is for support of the board of administration pursuant to Section 22910 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.....	(372,377,000)
Provisions:	
1. The amount displayed in this item is based on the estimate by the Public Employees’ Retirement System of expenditures for external investment advisers and other investment-related expenses to be made during the 2005–06 fiscal year pursuant to Sections 20172, 20208, and 20210 of the Government Code. The Board of Administration of the Public Employees’ Retirement System shall report to the fiscal committees of the Legislature and the Joint Legislative Budget Committee on or before January 10, 2006, 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 2006–07 fiscal year. The Board of Administration of the Public Employees’ Retirement System shall report on or before January 10, 2007, 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	

Item	Amount
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 2004–05 and 2005–06 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	(807,000)
Provisions:	
1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees’ Retirement System (PERS), in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:	
(a) No later than January 10, 2006, a copy of the proposed budget for PERS for the 2006–07 fiscal year as included with the Governor’s Budget.	
(b) No later than May 15, 2006, a copy of the proposed budget for PERS for the 2006–07 fiscal year as approved by the board of administration.	
(c) The revisions to the proposed budget for PERS for the 2005–06 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, 2005, 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.	

Item	Amount
1900-015-0820—For support of Board of Administration of the Public Employees’ Retirement System, payable from the Legislators’ Retirement Fund	(344,000)

Provisions:

1. Notwithstanding any other provisions of law, the Board of Administration of the Public Employees’ Retirement System, in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature all of the following:
 - (a) A copy of the proposed budget for the Public Employees’ Retirement System for the 2006–07 fiscal year by January 10, 2006, as included with the Governor’s Budget.
 - (b) A copy of the proposed budget for the Public Employees’ Retirement System for the 2006–07 fiscal year as approved by the board of administration by May 15, 2006.
 - (c) The revisions to the proposed budget for the Public Employees’ Retirement System for the 2005–06 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, 2005, 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.....	(239,649,000)
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Provisions:

1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees’ Retirement System, in accordance with all

Item

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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 2006–07 fiscal year by January 10, 2006, as included with the Governor's Budget.
 - (b) A copy of the proposed budget for the Public Employees' Retirement System for the 2006–07 fiscal year as approved by the board of administration by May 15, 2006.
 - (c) The revisions to the proposed budget for the Public Employees' Retirement System for the 2005–06 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.
2. Commencing October 1, 2005, 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, 2005, 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...

(508,000)

Item	Amount
Provisions:	
1. Notwithstanding any other provision of law, the Board of Administration of the Public Employees' Retirement System (PERS), in accordance with all applicable provisions of the California Constitution, shall submit to the Controller, the Department of Finance, the Joint Legislative Budget Committee, and the fiscal committees of the Legislature, all of the following:	
(a) No later than January 10, 2006, a copy of the proposed budget for PERS for the 2006–07 fiscal year as included with the Governor's Budget.	
(b) No later than May 15, 2006, a copy of the proposed budget for PERS for the 2006–07 fiscal year as approved by the board of administration.	
(c) The revisions to the proposed budget for PERS for the 2005–06 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, 2005, all expenditure and performance workload data provided to the board of administration, as updated on a quarterly basis. This quarterly update information is to be submitted to the Joint Legislative Budget Committee and the fiscal committees of the Legislature, and shall be in sufficient detail to be useful for legislative oversight purposes and to sustain a thorough ongoing review of Public Employees' Retirement System expenditures.	
1900-015-0962—For support of Board of Administration of the Public Employees' Retirement System, payable from the Volunteer Firefighter Length of Service Award Fund	(129,000)
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	

Item	Amount
<p>Committee, and the fiscal committees of the Legislature, all of the following:</p> <p>(a) A copy of the proposed budget for the Public Employees' Retirement System for the 2006–07 fiscal year by January 10, 2006, as included with the Governor's Budget.</p> <p>(b) A copy of the proposed budget for the Public Employees' Retirement System for the 2006–07 fiscal year as approved by the board of administration by May 15, 2006.</p> <p>(c) The revisions to the proposed budget for the Public Employees' Retirement System for the 2005–06 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.</p> <p>(d) Commencing October 1, 2005, 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.</p>	
<p>1900-017-0950—For support of Public Employees' Retirement System payable from the Public Employees' Contingency Reserve Fund.....</p>	223,000
<p>Provisions:</p> <p>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.</p>	
<p>1920-001-0835—For support of State Teachers' Retirement System, payable from the State Teachers' Retirement Fund.....</p>	118,205,000
<p>Schedule:</p> <p>(1) 10-Services to Members and Employers</p> <p>(2) Reimbursements.....</p>	<p>118,607,000</p> <p>–339,000</p>

Item		Amount
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| | (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, 2005, 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 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.

	1920-002-0835—For support of State Teachers' Retirement System (external investment advisers), payable from the State Teachers' Retirement Fund.....	(106,000,000)
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Provisions:

1. The amount displayed in this item is for informational purposes only, and is based on the current estimate by the State Teachers' Retirement System (STRS) of expenditures for external investment advisers to be made during the 2005-06 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, 2006, 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 2006-07 fiscal year. The STRS shall report on or before January 10, 2007, on the final expenditures under this item, including an accounting and explanation of changes from estimates previously reported to the Legislature.

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2. Each of the two reports described in Provision 1 also shall include all of the following:
 - (a) A summary and comparison of the externally managed portfolios, the internally managed portfolios, and the total fund. This information shall include the value of the assets, the gross and net returns, the benchmark returns, and the costs by dollars and basis points for these portfolios.
 - (b) A description of the actions the State Teachers' Retirement System will take to ensure that any future expenditures for outside advisers will result in a greater return on investments, including costs for these advisers, than if in-house advisers were used.
 - (c) Separate listings of adviser contracts in effect, and approved, during the 2004–05 and 2005–06 fiscal years, with (1) amounts (total contract and annual basis) for each contract for base fees and performance-based fees, (2) summary statements of the purposes of each contract.

1920-011-0001—For transfer by the Controller to the State Teachers' Retirement Fund.....(1,050,414,000)

Schedule:

- (1) Supplemental Benefit Maintenance Account (SBMA)..... (581,367,000)
- (2) Benefits Funding (469,047,000)

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 \$3,217,000 of the balance as of June 30, 2005, 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, 2006. Any amount of this reappropriation that is not expended in 2005–06 shall be carried over to 2006–07 and is hereby reappropriated. In no event

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shall the total amounts reappropriated for the 2006–07 Budget exceed 3 percent of STRS’ 2005–06 appropriation.

0835—State Teachers’ Retirement Fund

(1) Item 1920-001-0835, Budget Act of 2004 (Ch. 208, Stats. 2004)

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 2005–06 fiscal year on expenditures made pursuant to this item.

1955-001-9730—For support of Department of Technology Services, payable from the Department of Technology Services Revolving Fund.....		225,545,000
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Schedule:

(1) 10-Administration of Technology Services.....		225,545,000
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Provisions:

1. The language in this item shall become applicable once the Governor’s Reorganization Plan, or similar legislation creating the Department of Technology Services, becomes law.
2. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Department of Technology 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 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.
3. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated pursuant to Section 11544 of the Government Code.
4. 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 Department of

Item	Amount
Technology Services shall report to the Department of Finance actual expenditures associated with the projects when purchase agreements have been executed. Changes in project scope must receive approval using the established administrative and legislative reporting requirements.	
5. Notwithstanding any other provision of law, upon request by the Department of Technology Services, the Director of Finance may adjust the amount available for expenditure in this item to pay costs associated with the Child Welfare Services/Case Management System (CWS/CMS) Application Re-Hosting Project. The adjustment 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 revised expenditure authority granted pursuant to this provision shall be consistent with the current approved project or an amount approved by the Director of Finance based on his or her review of a subsequent special project report or equivalent document.	

BUSINESS, TRANSPORTATION AND HOUSING

2100-001-3036—For support of Department of Alcoholic Beverage Control, payable from the Alcohol Beverage Control Fund.....	42,973,000
Schedule:	
(1) 10.10-Licensing.....	23,763,000
(2) 10.20-Compliance	20,257,000
(3) 10.30.010-Administration	3,852,000
(4) 10.30.020-Distributed Administration.....	-3,852,000
(5) Reimbursements.....	-1,047,000
2100-011-0081—For transfer by the Controller, from the Alcohol Beverage Control Fund to the Alcohol Beverage Control Fund	(93,000)
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

Item	Amount
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 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 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.	
2100-495—Reversion, Department of Alcoholic Beverage Control. As of June 30, 2005, the amounts specified below of the appropriation provided for in the following citation shall revert to the balance of the fund from which the appropriation was made:	
3036—Alcohol Beverage Control Fund	
(1) Item 2100-001-3036, Budget Act of 2004 (Ch. 208, Stats. 2004), \$500,000 appropriated in Program 10.10-Licensing, and \$461,000 appropriated in Program 10.20-Compliance	
2120-001-0117—For support of Alcoholic Beverage Control Appeals Board, Program 10, payable from the Alcoholic Beverage Control Appeals Fund.....	968,000
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	365,000
2150-001-0298—For support of Department of Financial Institutions, payable from the Financial Institutions Fund	18,882,000
Schedule:	
(1) 10-Licensing and Supervision of Banks and Trust Companies	17,147,000
(2) 20-Special Licensees	1,155,000
(3) 40-Administration of Local Agency Security	365,000
(4) 50-Supervision of California Business and Industrial Development Corporations	30,000

Item	Amount
(5) 60-Credit Unions.....	3,827,000
(6) 70-Savings and Loan.....	95,000
(7) 80-Industrial Banks	1,055,000
(8) 90.01-Administration.....	4,903,000
(9) 90.02-Distributed Administration ...	-4,903,000
(10) Reimbursements	-600,000
(11) Amount payable from the Local Agency Deposit Security Fund (Item 2150-001-0240)	-365,000
(12) Amount payable from the Credit Union Fund (Item 2150-001-0299).....	-3,827,000

Provisions:

1. The Department of Financial Institutions shall report to the budget committees of each house of the Legislature and to the Legislative Analyst by January 10, 2006, on the level of noncompliance found with the California Financial Privacy Act (Division 1.2 (commencing with Section 4050) of the Financial Code), any changes to state or federal law, or court decisions, that affect the workload of the Department of Financial Institutions as it relates to the California Financial Information Privacy Act, and any staffing changes requested based on the level of compliance or changes in the law.

2150-001-0299—For support of Department of Financial Institutions, for payment to Item 2150-001-0298, payable from the Credit Union Fund..... 3,827,000

2180-001-0067—For support of Department of Corporations, payable from the State Corporations Fund..... 30,672,000

Schedule:

(1) 10-Investment Program	17,392,000
(2) 20-Lender-Fiduciary Program	13,430,000
(3) 50.01-Administration.....	5,812,000
(4) 50.02-Distributed Administration ...	-5,812,000
(5) Reimbursements.....	-150,000

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 Department of Corporations shall report to the committee of each house of the Legislature that considers the Budget Bill and the Legislative Analyst’s Office by January 10, 2006, (a) the level of noncompliance with the California Financial

Item	Amount
Privacy Act (Division 1.2 (commencing with Section 4050) of the Financial Code), (b) any changes to state or federal law, including court decisions, that affect workload under that act, and (c) any staffing changes requested based on (a) or (b).	
3. The Department of Corporations shall report to the committee of each house of the Legislature that considers the Budget Bill and the Legislative Analyst’s Office by January 10, 2007, on the level of noncompliance with Chapter 940 of the Statutes of 2004, and any staffing changes requested based on the level of noncompliance.	
2240-001-0001—For support of Department of Housing and Community Development	5,014,000
Schedule:	
(1) 10-Codes and Standards Program ..	25,008,000
(2) 20-Community Affairs Program.....	15,503,000
(3) 30-Housing Policy Development Program.....	2,500,000
(4) 50.01-Administration.....	10,198,000
(5) 50.02-Distributed Administration ..	-10,039,000
(6) 50.03-Distributed Administration of the Housing Policy Development Program.....	-122,000
(7) 97.20.001-Unallocated Reduction...	-76,000
(8) Reimbursements	-1,187,000
(9) Amount payable from the Mobile-home Park Revolving Fund (Item 2240-001-0245)	-5,104,000
(10) Amount payable from the Mobile-home Park Purchase Fund (Item 2240-001-0530)	-545,000
(11) Amount payable from the Mobile-home-Manufactured Home Revolving Fund (Item 2240-001-0648).....	-17,904,000
(12) Amount payable from the Self-Help Housing Fund (Item 2240-001-0813)	-106,000
(13) Amount payable from the Federal Trust Fund (Item 2240-001-0890).....	-8,266,000
(14) Amount payable from the Housing Rehabilitation Loan Fund (Item 2240-001-0929)	-2,243,000

Item	Amount
(15) Amount payable from the Rental Housing Construction Fund (Item 2240-001-0938)	-739,000
(16) Amount payable from the Predevelopment Loan Fund (Item 2240-001-0980)	-297,000
(17) Amount payable from the Emergency Housing and Assistance Fund (Item 2240-001-0985).....	-450,000
(18) Amount payable from the Jobs-Housing Balance Improvement Account (Item 2240-001-3006)	-787,000
(19) Amount payable from the Building Equity and Growth in Neighborhoods Fund (Item 2240-001-6038).....	-330,000
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	5,104,000
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	545,000
2240-001-0648—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Mobilehome-Manufactured Home Revolving Fund	17,904,000
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.	

Item	Amount
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	106,000
2240-001-0890—For support of Department of Housing and Community Development, for payment to Item 2240-001-0001, payable from the Federal Trust Fund	8,266,000
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	2,243,000
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	739,000
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.....	297,000
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	450,000
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.....	787,000
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.....	330,000
2240-101-0001—For local assistance, Department of Housing and Community Development	5,291,000
Schedule:	
(1) 20-Community Affairs Program.....	174,228,000
(2) Amount payable from the Federal Trust Fund (Item 2240-101-0890)	-168,937,000

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.....	168,937,000
Provisions:	
1. Notwithstanding any other provision of law, federal funds appropriated by this item but not encumbered or expended by June 30, 2006, 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	4,000,000
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.	
2240-113-0813—For transfer upon order of the Director of Finance, from the Self-Help Housing Fund to the General Fund.....	(1,670,000)
Provisions:	
1. The amount displayed in this item is for informational purposes only and is based upon the current estimate of the remaining unused portion of the California Homebuyers Downpayment Assistance Program (CHDAP) funds provided to the	

Item	Amount
California Housing Finance Agency (CalHFA) through Provision 4 of Item 2240-103-0001 of the Budget Act of 2000 (Ch. 52, Stats. 2000). The actual amount to be transferred through this item shall include all remaining unused portions of CHDAP funds by the CalHFA from Provision 4 of Item 2240-103-0001 of the Budget Act of 2000 (Ch. 52, Stats. 2000).	
2240-115-0843—For transfer, upon order of the Director of Finance, from the California Housing Trust Fund to the General Fund.....	(2,000,000)
2310-001-0400—For support of Office of Real Estate Appraisers payable from the Real Estate Appraisers Regulation Fund.....	4,069,000
Schedule:	
(1) 10-Administration of Real Estate Appraisers Program.....	4,149,000
(2) Reimbursements.....	-80,000
2320-001-0317—For support of Department of Real Estate, payable from the Real Estate Fund.....	34,319,000
Schedule:	
(1) 10-Licensing and Education.....	8,061,000
(2) 20-Enforcement and Recovery.....	20,832,000
(3) 30-Subdivisions.....	5,726,000
(4) 40.10-Administration.....	5,349,000
(5) 40.20-Distributed Administration ...	-5,349,000
(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.....	33,614,000
Schedule:	
(1) 30-Health Plan Program.....	33,614,000
(2) 50.01-Administration.....	9,082,000
(3) 50.02-Distributed Administration ...	-9,082,000
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.	
2400-002-0933—For support of Department of Managed Health Care, for the Office of Patient Advocate, payable from the Managed Care Fund.....	2,269,000

Item	Amount
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	782,000
2600-001-0046—For support of California Transportation Commission, payable from the Public Transportation Account, State Transportation Fund	1,269,000
Schedule:	
(1) 10-Administration of California Transportation Commission	2,051,000
(2) Amount payable from the State Highway Account, State Transportation Fund (Item 2600-001-0042).....	-782,000
2600-402—Before allocating projects in the 2005–06 fiscal year that would result in the issuance of notes pursuant to Section 14553 of the Government Code exceeding \$800,000,000, the California Transportation Commission shall consult with the Business, Transportation and Housing Agency, the Department of Transportation, and the Department of Finance pursuant to Section 14553.8 of the Government Code to consider and determine the appropriateness of the mechanism authorized by Section 14553 of the Government Code in comparison to other funding mechanisms, and to determine and report to the Governor and the Legislature the effect of issuance of the notes on future federal funding commitments. Allocations exceeding \$800,000,000 shall not be made prior to providing 60 days’ notice to the chairpersons of the transportation committees of each house and the Chairperson of the Joint Legislative Budget Committee.	
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	200,757,000
Provisions:	
1. Notwithstanding Sections 99313 and 99314 of the Public Utilities Code, not more than \$67,387 of the amount appropriated in 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, \$33,956 of the amount appropriated in this item shall reimburse the General	

Item	Amount
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	3,051,000
2660-001-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund.....	2,094,561,000
Schedule:	
(1) 10-Aeronautics	3,355,000
(2) 20.10-Highway Transportation— Capital Outlay Support	1,242,703,000
(3) 20.30-Highway Transportation— Local Assistance	30,045,000
(4) 20.40-Highway Transportation— Program Development.....	75,942,000
(5) 20.65-Highway Transportation— Legal.....	63,161,000
(6) 20.70-Highway Transportation— Operations.....	161,882,000
(7) 20.80-Highway Transportation— Maintenance.....	834,302,000
(8) 30-Mass Transportation.....	112,923,000
(9) 40-Transportation Planning	91,943,000
(10) 50.00-Administration	295,624,000
(10.5) 97.20.001-Unallocated reduction	-50,000,000
(11) Reimbursements.....	-124,916,000
(12) Amount payable from the Aeronautics Account, State Transportation Fund (Item 2660-001-0041)...	-3,051,000
(13) Amount payable from the Bicycle Transportation Account, State Transportation Fund (Item 2660-001-0045)	-22,000
(14) Amount payable from the Public Transportation Account, State Transportation Fund (Item 2660-001-0046)	-132,409,000
(15) Amount payable from the Historic Property Maintenance Fund (Item 2660-001-0365)	-1,500,000

Item	Amount
(16) Amount payable from the Federal Trust Fund (Item 2660-001-0890)	-492,906,000
(17) Amount payable from the Transportation Financing Subaccount, State Highway Account, State Transportation Fund (Item 2660-001-6801)	-12,515,000

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 spending funds to expand activities above budgeted levels or to implement a new activity not identified in this act, including any of those expenditures to be funded through a transfer of moneys from other expenditure categories or programs, except in the case of emergency work increases caused by fire, 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.

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- (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, 2660-301-0042, or 2660-302-0042 for local assistance or capital outlay projects approved by the California Transportation Commission. The Director of Finance shall authorize the transfer not sooner than 30 days after notification in writing to the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee.
4. Notwithstanding any other provision of law, 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

Item	Amount
	financial adjustment process pursuant to Sections 11251 and 16365 of the Government Code.
8.	Of the funds appropriated in Schedule (2) of this item, \$6,891,000 is for the cost of non-project-specific capital outlay support contracts. Any of these funds to be used on information technology projects may not be encumbered or expended until the Director of Finance approves the Feasibility Study Report. The funds shall be made available consistent with the amount approved by the Director of Finance, based upon the approved Feasibility Study Report.
9.	Of the funds appropriated in Schedule (7) of this item, \$52,300,000 is for major maintenance contracts for the preservation of highway pavement and shall not be used to supplant any other funding that would have been used for major pavement maintenance.
10.	Of the funds appropriated in this item, \$3,450,000 shall be used to implement the state-wide culvert inspection and repair program. Using redirected or grant funds, the Department of Transportation shall assess coastal streams outside of Mendocino, Humboldt, and Del Norte Counties, for barriers to migratory fish passage. The Department shall coordinate its culvert inspection program activities to facilitate these fish passage assessments. Priority shall be given to coastal watersheds for culvert inspections and passage assessments.
11.	Of the funds appropriated in Schedule (6), \$577,000 is for the deployment and maintenance of the Performance Measurement System.
12.	Notwithstanding any other provision of law, the unallocated reduction referenced in Schedule 10.5 may be distributed among the other schedules in this item or any other state operations item in the Department of Transportation, upon approval by the Department of Finance. The Director of Finance shall notify in writing the chairperson of the committee in each house of the Legislature that considers appropriations, and the Chairperson of the Joint Legislative Budget Committee, of any reallocation pursuant to this provision.

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- 13. Of the funds appropriated in Schedule (2) of this item, \$55,418,000 is for capital outlay support costs funded by tribal gaming bond revenues. This full amount shall not be available for expenditure unless the state issues tribal gaming bonds that generate at least \$755,000,000 on or before July 1, 2005. If these bonds are issued later than July 1, 2005, or generate less than \$755,000,000, the amount available for expenditure shall be \$55,418,000 multiplied by (a) the percentage of the 2005–06 fiscal year remaining when the bonds are sold and (b) the quotient of the amount received from tribal gaming bonds divided by \$755,000,000. Notwithstanding any other provision of law, this amount may be increased and the amount described in Provision 2 of Item 2660-002-3007 may be decreased by equal amounts, so that the proportion of capital outlay support expenditure authority provided by this provision and Provision 2 of Item 2660-002-3007 are equal to the proportion of tribal gaming bond revenues provided to the State Highway Account and the Traffic Congestion Relief Fund.

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..... 22,000

Provisions:

- 1. Of the amount appropriated in this item, \$30,000 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.

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..... 132,409,000

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 deter-

Item	Amount
<p>mined 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.</p>	
<p>2660-001-0365—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Historic Property Maintenance Fund</p>	1,500,000
<p>Provisions:</p>	
<p>1. The funds appropriated in this item shall be made available for the rehabilitation of properties in an area along a proposed State Route 710 in Pasadena. The availability of these funds shall be contingent upon the submission of a plan for the maintenance and rehabilitation of historic properties, and for the increasing of rental revenues to align revenues and expenditures from this fund. These funds shall be made available only upon approval of the plan by the Department of Finance.</p>	
<p>2660-001-0650—For support of Department of Transportation, payable from the Toll Bridge Seismic Retrofit Account, State Transportation Fund.....</p>	152,204,000
<p>Schedule:</p>	
<p>(1) 20.10-Highway Transportation</p>	150,000,000
<p>(2) 50-Administration</p>	2,204,000
<p>Provisions:</p>	
<p>1. For the 2005–06 fiscal year, the Director of Finance may increase expenditure authority in this item from funds identified in the Toll Bridge Seismic Retrofit Account pursuant to Chapter 907 of the Statutes of 2001, after notifying the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations no later than 30 days prior to the effective date of the approval, 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.</p>	

Item	Amount
2660-001-0890—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Federal Trust Fund	492,906,000
Provisions:	
1. For Program 20—Highway Transportation. For purposes of Section 163 of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.	
2. For Program 20—Highway Transportation. Federal funds may be received from any federal source, and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.	
3. Notwithstanding any other provision of law, the Director of Finance may augment this item with additional federal funds in conjunction with an equivalent offsetting reduction in State Highway Account funds in Item 2660-001-0042, pursuant to Provision 3 of that item or Public Transportation Account funds in Item 2660-001-0046, pursuant to Provision 2 of that item.	
2660-001-6801—For support of Department of Transportation, for payment to Item 2660-001-0042, payable from the Transportation Financing Subaccount, State Highway Account, State Transportation Fund	12,515,000
2660-002-0042—For support of Department of Transportation, payable from State Highway Account to fund Garvee increase for ongoing administrative costs....	600,000
2660-002-0608—For support of Department of Transportation, payable from the Equipment Service Fund...	69,445,000
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.	
2. Of the funds appropriated in this item, \$97,000 shall be used for the reimbursement of the Office of State Audits and Evaluations within the Department of Finance by the Department of Transportation for consulting services related to the accounting and administration of the Equipment Service Program within the Department of Transportation. The consulting services shall include an evaluation of the appropriateness of operating the Equipment Service Program as an in-	

Item	Amount
<p>ternal service fund. On or before January 10, 2006, the Department of Finance shall report to the appropriate fiscal and policy committees in the Legislature and the Legislative Analyst concerning their findings on whether the internal service fund should be (a) retained as is; (b) retained, but modified; (c) discontinued, but with certain features retained; or (d) discontinued completely.</p>	
<p>2660-002-3007—For support of Department of Transportation, payable from the Traffic Congestion Relief Fund</p>	78,284,000
<p>Schedule:</p>	
<p>(1) 20.10-Highway Transportation</p>	
<p>Capital Outlay Support.....</p>	76,880,000
<p>(2) 30-Mass Transportation</p>	265,000
<p>(3) 50-Administration</p>	1,139,000
<p>Provisions:</p>	
<p>1. Notwithstanding any other provision of law, if the California Transportation Commission allocates funds to Traffic Congestion Relief Program projects in the 2005–06 fiscal year, the Director of Finance may increase expenditure authority in this item for additional capital outlay staffing directly related to new Traffic Congestion Relief Program allocations after notifying the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committee in each house that considers appropriations no later than 30 days prior to the effective date of the approval.</p>	
<p>2. Of the funds appropriated in Schedule (1), \$33,966,000 is for capital outlay support costs funded by tribal gaming bond revenues. This full amount shall not be available for expenditure unless the state issues tribal gaming bonds that generate at least \$755,000,000 on or before July 1, 2005. If these bonds are issued later than July 1, 2005, or generate less than \$755,000,000, the amount available for expenditure shall be \$33,966,000 multiplied by (a) the percentage of the 2005–06 fiscal year remaining when the bonds are sold and (b) the quotient of the amount received from tribal gaming bonds divided by \$755,000,000. Notwithstanding any other provision of law, this amount may be decreased and the amount described in Provision 13 of Item 2660-001-0042 may be increased by equal amounts, so that the proportion of capital outlay support ex-</p>	

Item	Amount
penditure authority provided by this provision and Provision 13 of Item 2660-001-0042 are equal to the proportion of tribal gaming bond revenues provided to the Traffic Congestion Relief Fund and the State Highway Account.	
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	15,134,000
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.	
3. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
2660-007-0042—For support of Department of Transportation, payable from the State Highway Account, State Transportation Fund	100,206,000
Schedule:	
(1) 20.10-Highway Transportation— Capital Outlay Support.....	54,224,000
(2) 20.65-Highway Transportation— Legal.....	698,000
(3) 20.70-Highway Transportation— Operations	986,000
(4) 20.80-Highway Transportation— Maintenance	44,280,000
(5) 50-Administration	18,000
Provisions:	
1. The funds appropriated in this item may be expended only to attain compliance with (a) the	

Item	Amount
<ul style="list-style-type: none"> 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, (b) the Statewide Storm Water Management Plan, or (c) as required by court order. 	
<ul style="list-style-type: none"> 2. The funds appropriated in this item may be transferred between schedules. Any transfer will require the prior approval of the Department of Finance. 	
2660-011-0041—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)
2660-012-0042—For augmentation for emergencies relating to a state of emergency declared by the Governor, payable from the State Highway Account.....	(40,000,000)
Provisions:	
<ul style="list-style-type: none"> 1. Required notification to the Legislature of 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 appropriation, and (b) explanation of the necessity of the proposed appropriation given anticipated federal funds or other funds. 	
<ul style="list-style-type: none"> 2. Funds appropriated in this item may be used for support, local assistance, or capital outlay expenditures. 	
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	(21,659,000)
2660-022-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund, to the Environmental Enhancement and Mitigation Program Fund, as prescribed by Section 164.56 of the Streets and Highways Code.....	(10,000,000)
2660-101-0042—For local assistance, Department of Transportation, State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund.....	10,000,000

Item	Amount
Schedule:	
(1) 20.30-Highway Transportation—	
Local Assistance	7,500,000
(a) Regional Improve-	
ments	(7,125,000)
(b) Interregional Im-	
provements	(375,000)
(2) 30-Mass Transportation	2,500,000
Provisions:	
1. Funds appropriated in this item shall be available for allocation by the California Transportation Commission through fiscal year 2007–08 and available for encumbrance and liquidation through June 30, 2011.	
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intra-schedule or to Items 2660-301-0042, 2660-102-0042, or 2660-302-0042. These transfers shall require the prior approval of the Department of Finance.	
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 Program Fund	10,000,000
2660-101-0890—For local assistance, Department of Transportation, State Transportation Improvement Program (STIP), payable from the Federal Trust Fund	10,000,000
Schedule:	
(1) 20-Highway Transportation.....	10,000,000
(a) Regional Improve-	
ments	(9,500,000)
(b) Interregional Im-	
provements	(500,000)

Item	Amount
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 intra-schedule or to Items 2660-301-0890, 2660-302-0890, or 2660-102-0890. These transfers shall require the prior approval of the Department of Finance. These funds shall be available for allocation by the California Transportation Commission through fiscal year 2007–08.	
2660-102-0042—For local assistance, Department of Transportation, Non-State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund.....	123,064,000
Schedule:	
(1) 20-Highway Transportation.....	116,064,000
(a) Regional Surface Transportation Program Exchange.....	(48,000,000)
(b) Local Assistance.....	(66,064,000)
(2) 40-Transportation Planning.....	7,000,000
Provisions:	
1. Funds appropriated in Schedule (1) shall be available for allocation by the California Transportation Commission until June 30, 2008, and available for encumbrance and liquidation until June 30, 2011.	
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intra-schedule or to Item 2660-101-0042, 2660-301-0042, or 2660-302-0042. These transfers shall require the prior approval of the Department of Finance.	
2660-102-0890—For local assistance, Department of Transportation, Non-State Transportation Improvement Program (STIP), payable from the Federal Trust Fund.....	962,500,000

Item

Amount

Schedule:

- (1) 20-Highway Transportation 879,600,000
- (2) 30-Mass Transportation 31,900,000
- (3) 40-Transportation Planning 51,000,000

Provisions:

1. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intra-schedule or to Item 2660-101-0890, 2660-301-0890, or 2660-302-0890. These transfers shall require the prior approval of the Department of Finance. Funds appropriated in Schedules (1) and (2) shall be available for allocation by the California Transportation Commission until June 30, 2008.
2. For Program 20—Highway Transportation. For purposes of the Streets and Highways Code, all expenditures from this item shall be deemed to be expenditures from the State Highway Account, State Transportation Fund.
3. For Program 20—Highway Transportation. Federal funds may be received from any federal source and shall be deposited in the Federal Trust Fund. Any federal reimbursements shall be credited to the account from which the expenditures were originally made.
4. Of the amount appropriated in this item, \$5,000,000 is for regional blueprint planning grants. Of the \$5,000,000, at least 20 percent of the funds shall be allocated by the Department of Transportation, in consultation with the Department of Housing and Community Development, for grants to those regional councils of governments that have Regional Housing Needs Assessment tasks scheduled for the 2005–06 fiscal year to assist with preparation of their Regional Housing Needs Assessment in order to coordinate and integrate housing and transportation planning to the extent allowable under federal law. If the Regional Housing Needs Assessment is determined to be a reimbursable state mandate pursuant to Section 6 of Article XIII B of the California Constitution, then any grants received by councils of governments to prepare the assessment under this item shall be considered an offsetting revenue for the purposes of claiming state reimbursement.

Item	Amount
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	2,908,000
2660-301-0042—For capital outlay, Department of Transportation, State Transportation Improvement Program (STIP), payable from the State Highway Account, State Transportation Fund.....	25,000,000
Schedule:	
(1) 20-Highway Transportation.....	25,000,000
(a) Regional Improvements	(15,250,000)
(b) Interregional Improvements	(9,750,000)
Provisions:	
1. These funds shall be available for allocation by the California Transportation Commission through fiscal year 2007–08 and available for encumbrance and liquidation through June 30, 2011.	
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred intraschedule or to Items 2660-101-0042, 2660-102-0042, 2660-302-0042, or 2660-311-0042. These transfers shall require the prior approval of the Department of Finance.	
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.	
2660-301-0890—For capital outlay, Department of Transportation, State Transportation Improvement Program (STIP), payable from the Federal Trust Fund	70,000,000
Schedule:	
(1) 20-Highway Transportation.....	70,000,000
(a) Regional Improvements	(42,700,000)
(b) Interregional Improvements	(27,300,000)

Item		Amount
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Provisions:

1. Notwithstanding any other provision of law, amounts scheduled in this item may be transferred intraschedule or to Items 2660-101-0890, 2660-102-0890, or 2660-302-0890. These transfers shall require the prior approval of the Department of Finance. These funds shall be available for allocation by the California Transportation Commission through fiscal year 2007–08.
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.....	1,384,600,000
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Schedule:

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|---|-----------------|
| (1) 20-Highway Transportation | 2,084,600,000 |
| (a) State Highway
Operation and
Protection
Program | (2,084,600,000) |
| (2) Reimbursements | -700,000,000 |

Provisions:

1. These funds shall be available for allocation by the California Transportation Commission through fiscal year 2007–08 and available for encumbrance and liquidation through June 30, 2011.
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-101-0042, 2660-102-0042, 2660-301-0042, or 2660-311-0042. These transfers shall require the prior approval of the Department of Finance.
3. The Director of Finance may increase this item pursuant to allocations made from tribal gaming bond revenues no sooner than 30 days after written notification of the allocation is provided to the chairpersons of the fiscal committees in each

Item	Amount
house of the Legislature 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 determine.	
4. No funds appropriated in this item are available for expenditure on specialty building facilities. For the purpose of this item, specialty building facilities are equipment facilities, maintenance facilities, and traffic management centers.	
2660-302-0046—For capital outlay, Department of Transportation, payable from the Public Transportation Account, State Transportation Fund.....	150,000,000
Schedule:	
(1) 30-Mass Transportation	175,000,000
(2) Reimbursements.....	-25,000,000
Provisions:	
1. The Director of Finance may increase this item pursuant to allocations made from tribal gaming bond revenues no sooner than 30 days after written notification of the allocation 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 Joint Legislative Budget Committee, or his or her designee, may determine.	
2660-302-0890—For capital outlay, Department of Transportation, Non-State Transportation Improvement Program (STIP), payable from the Federal Trust Fund.....	738,000,000
Schedule:	
(1) 20-Highway Transportation.....	738,000,000
(a) State Highway Operation and Protection Program.....	(738,000,000)
Provisions:	
1. Notwithstanding any other provision of law, amounts scheduled in this item may be transferred to Item 2660-101-0890, 2660-102-0890, or 2660-301-0890. These transfers shall require the prior approval of the Department of Finance. These funds shall be available for allocation by the California Transportation Commission until June 30, 2008.	

Item	Amount
<ul style="list-style-type: none"> 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. 4. No funds appropriated in this item are available for expenditure on specialty building facilities. For the purpose of this item, speciality building facilities are equipment facilities, maintenance facilities, material labs, and traffic management centers. 	
<p>2660-303-0042—For capital outlay, Department of Transportation, specialty building facilities, payable from the State Highway Account, State Transportation Fund</p>	14,000,000
<p>Provisions:</p> <ul style="list-style-type: none"> 1. For the purpose of this item, specialty building facilities are equipment facilities, maintenance facilities, material labs, and traffic management centers. 2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-101-0042, 2660-102-0042, 2660-301-0042, or 2660-302-0042. These transfers shall require the prior approval of the Department of Finance and the California Transportation Commission. 	
<p>2660-311-0042—For capital outlay, Department of Transportation, payable from the State Highway Account, State Transportation Fund</p>	2,310,000
<p>Schedule:</p> <ul style="list-style-type: none"> (1) 20-Highway Transportation..... 2,310,000 <ul style="list-style-type: none"> (a) 20.20.500-State-wide: Studies, pre-planning and budget packages..... (100,000) (c) 20.20.516-Oakland Seismic Retrofit Project: Working drawings..... (2,210,000) 	

Item	Amount
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 or Item 2660-302-0042 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.	
2. Notwithstanding any other provision of law, the project identified in Schedule (1)(c) of this item shall be subject to administrative oversight by the State Public Works Board.	
3. Funds appropriated in this item are available to the Department of Transportation to purchase one modular office unit totaling 5,700 square feet in the City of Stockton, and one modular office unit totaling 5,040 square feet in the City of Bishop. The Department of Transportation is directed to redirect two dollars (\$2) from its support appropriation for this purpose.	
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, 2006.....	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.	
2. Notwithstanding any other provision of law, funds appropriated in this item may be transferred to Item 2660-001-0890, 2660-101-0890, 2660-102-0890, 2660-301-0890, or 2660-302-0890. These transfers shall require the prior approval of the Department of Finance.	

Item	Amount
2660-401—Notwithstanding any other provision of law, various items of appropriation in this act may be reduced, upon approval of the Director of Finance, if the equipment rental rates for 2005–06 charged by the Department of Transportation, Division of Equipment, to the department’s programs, would result in costs below the budgeted level. The following items of appropriation include funding for rental payments and may be reduced by an amount not to exceed the savings in each item attributable to reduced equipment rental rates: Item 2660-001-0041, Item 2660-001-0042, Item 2660-001-0046, Item 2660-001-0650, Item 2660-001-0890.	
2660-402—Before allocating projects in the 2005–06 fiscal year that would result in the issuance of notes pursuant to Section 14553 of the Government Code exceeding \$800,000,000, the California Transportation Commission shall consult with the Business, Transportation and Housing Agency, the Department of Transportation, and the Department of Finance pursuant to Section 14553.8 of the Government Code to consider and determine the appropriateness of the mechanism authorized by Section 14553 of the Government Code in comparison to other funding mechanisms, and to determine and report to the Governor and the Legislature the effect of issuance of the notes on future federal funding commitments. Allocations above \$800,000,000 shall not be made prior to providing 60 days notice to the chairpersons of the transportation committees of each house and the Chairperson of the Joint Legislative Budget Committee.	
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, 2006.	
0890—Federal Trust Fund	
(1) Item 2660-301-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(2) Item 2660-302-0890, Budget Act of 2002 (Ch. 379, Stats. 2002)	

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, 2006. The unencumbered balance shall not be available for encumbrance.	
0042—State Highway Account	
(1) Item 2660-301-0042, Budget Act of 1997 (Ch. 282, Stats. 1997)	
(2) Item 2660-301-0042, Budget Act of 1998 (Ch. 324, Stats. 1998)	
(3) Item 2660-301-0042, Budget Act of 1999 (Ch. 50, Stats. 1999)	
(4) Item 2660-301-0042, Budget Act of 2000 (Ch. 52, Stats. 2000)	
0853—Petroleum Violation Escrow Account	
(1) Chapter 1434, Statutes of 1988	
(2) Chapter 1648, Statutes of 1990	
(3) Item 2660-101-853, Budget Act of 1992 (Ch. 587, Stats. 1992)	
(4) Chapter 1159, Statutes of 1993	
(5) Chapter 980, Statutes of 1995	
0890—Federal Trust Fund	
(1) Item 2660-301-0890, Budget Act of 1996 (Ch. 162, Stats. 1996)	
(2) Item 2660-301-0890, Budget Act of 1997 (Ch. 282, Stats. 1997)	
(3) Item 2660-301-0890, Budget Act of 1998 (Ch. 324, Stats. 1998)	
2660-492—Reappropriation, Department of Transportation. The balance of the funds for the appropriation provided in the following citation is reappropriated for the purposes provided for in the appropriation and is available for encumbrance and expenditure until June 30, 2006.	
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), and Budget Act of 2003 (Ch. 157, Stats. 2003), 20.10—Highway Transportation—Capital Outlay Support, up to \$7,057,000 shall be available for the Project Resourcing and Schedule Maintenance System. Beginning July 1, 2005, the Department of Transportation shall provide to the Chairperson of the Joint Legislative Budget	

Item	Amount
<p>Committee copies of the monthly status and oversight reports submitted to the Department of Finance for the Project Resource and Scheduling Management Project on a quarterly basis.</p> <p>0890—Federal Trust Fund</p> <p>(1) Item 2660-399-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)</p> <p>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, 2005. These appropriations are not available for encumbrance or liquidation and shall revert on June 30, 2006:</p> <p>0890—Federal Trust Fund</p> <p>(1) Item 2660-001-890, Budget Act of 1987 (Ch. 135, Stats. 1987)</p> <p>(2) Item 2660-001-890, Budget Act of 1988 (Ch. 313, Stats. 1988)</p> <p>(3) Item 2660-001-890, Budget Act of 1989 (Ch. 93, Stats. 1989)</p> <p>(4) Item 2660-001-890, Budget Act of 1990 (Ch. 467, Stats. 1990)</p> <p>(5) Item 2660-001-890, Budget Act of 1991 (Ch. 118, Stats. 1991)</p> <p>(6) Item 2660-001-890, Budget Act of 1992 (Ch. 587, Stats. 1992)</p> <p>(7) Item 2660-001-890, Budget Act of 1993 (Ch. 55, Stats. 1993)</p> <p>(8) Item 2660-001-890, Budget Act of 1994 (Ch. 139, Stats. 1994)</p> <p>(9) Item 2660-001-890, Budget Act of 1995 (Ch. 303, Stats. 1995)</p> <p>(10) Item 2660-301-890, Budget Act of 1992 (Ch. 587, Stats. 1992)</p> <p>(11) Item 2660-001-0890, Budget Act of 1996 (Ch. 162, Stats. 1996)</p> <p>(12) Item 2660-001-0890, Budget Act of 1997 (Ch. 282, Stats. 1997)</p> <p>(13) Item 2660-001-0890, Budget Act of 1998 (Ch. 324, Stats. 1998)</p> <p>(14) Item 2660-001-0890, Budget Act of 1999 (Ch. 50, Stats. 1999)</p> <p>(15) Item 2660-001-0890, Budget Act of 2000 (Ch. 52, Stats. 2000)</p>	

Item	Amount
2660-494—Extension of liquidation period, Department of Transportation. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations is extended until June 30, 2006:	
0042—State Highway Account, State Transportation Fund	
(1) Item 2660-001-0042, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 2660-492, Budget Act of 2001 (Ch. 106, Stats. 2001), and extension of liquidation by Item 2660-492, Budget Act of 2004 (Ch. 208, Stats. 2004), 50.00—Administration, up to \$5,253,000 shall be available for the Transportation Permits Management Systems Information Technology Project.	
2660-495—Reversion, Department of Transportation. As of June 30, 2005, the balance specified below of the appropriations provided in the following citations shall revert to the fund from which the appropriation was made.	
0041—Aeronautics Account	
(1) \$4,000 from Item 2660-001-0041, Budget Act of 2004 (Ch. 208, Stats. 2004)	
0042—State Highway Account	
(2) \$37,451,000 from Item 2660-001-0042, Budget Act of 2004 (Ch. 208, Stats. 2004)	
0046—Public Transportation Account	
(3) \$145,000 from Item 2660-001-0046, Budget Act of 2004 (Ch. 208, Stats. 2004)	
0890—Federal Trust Fund	
(4) \$14,000,000 from Item 2660-001-0980, Budget Act of 2004 (Ch. 208, Stats. 2004)	
2665-001-0046—For support of High-Speed Rail Authority, Program 10-High-Speed Rail Authority, payable from the Public Transportation Account, State Transportation Fund.....	4,251,000
Schedule:	
(1) 10-High Speed Rail Authority	4,576,000
(2) Reimbursements.....	-325,000
Provisions:	
1. Of the funds appropriated in this item, \$500,000 is allocated for the preparation of a financing plan. This amount shall not be available for expenditure and shall revert to the Public Transportation Account if legislation is enacted in the first year of	

Item	Amount
the 2005–06 Regular Session that removes the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century from the November 7, 2006, statewide general election ballot.	
2. Of the funds appropriated in this item, \$325,000 is allocated for a study of route alternatives and potential station locations along the Fresno-to-Bakersfield corridor. This amount shall be available for expenditure only if a local match of \$325,000 is provided.	
2665-490—Reappropriation, High Speed Rail Authority. 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 or expenditure until June 30, 2006:	
0890—Federal Trust Fund	
(1) Item 2665-001-0890, Budget Act of 2003 (Ch. 157, Stats. 2003)	
2700-001-0044—For support of Office of Traffic Safety, payable from the Motor Vehicle Account, State Transportation Fund.....	409,000
Schedule:	
(1) 10-California Traffic Safety	58,543,000
(2) Amount payable from the Federal Trust Fund (Item 2700-001-0890).—	58,134,000
2700-001-0890—For support of Office of Traffic Safety, for payment to Item 2700-001-0044, payable from the Federal Trust Fund, not subject to the provisions of Section 28.00	58,134,000
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	52,484,000
2720-001-0044—For support of Department of the California Highway Patrol, payable from the Motor Vehicle Account, State Transportation Fund.....	1,282,149,000
Schedule:	
(1) 10-Traffic Management.....	1,231,684,000
(2) 20-Regulation and Inspection	153,929,000
(3) 30-Vehicle Ownership Security	34,452,000
(4) 40.01-Administration.....	163,949,000

Item	Amount
(5) 40.02-Distributed Administration	-163,949,000
(6) Reimbursements	-66,373,000
(7) Amount payable from the State Highway Account (Item 2720-001-0042)	-52,484,000
(8) Amount payable from the Motor Carrier Safety Improvement Fund (Item 2720-001-0293)	-1,456,000
(9) Amount payable from the California Motorcyclist Safety Fund (Item 2720-001-0840)	-1,451,000
(10) Amount payable from the Federal Trust Fund (Item 2720-001-0890)	-13,859,000
(11) Amount payable from the Hazardous Substance Account, Special Deposit Fund (Item 2720-001-0942)	-210,000
(12) Amount payable from the Asset Forfeiture Account, Special Deposit Fund (Item 2720-011-0942)	-2,083,000
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	1,456,000
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	1,451,000
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	13,859,000
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	210,000
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	950,000
Schedule:	
(1) Base Rental and Fees	949,000
(2) Insurance	4,000
(3) Reimbursements	-3,000

Item	Amount
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
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	2,083,000
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 2005–06 fiscal year, for delivery beginning in the 2006–07 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.....	10,237,000
Schedule:	
(1) 50.16.106-Williams: Replacement Facility—Working drawings and construction	4,289,000
(2) 50.57.507-Santa Fe Springs: Replacement Facility—Acquisition and preliminary plans.....	3,290,000
(3) 50.58.500-Central Los Angeles: Purchase option	2,393,000
(4) 50.62.602-San Diego: Building Alterations—Preliminary plans and working drawings.....	215,000
(5) 50.90.901-Statewide: Studies, pre-planning and budget packages.....	50,000

Item	Amount
2720-490—Reappropriation, Department of the California Highway Patrol. The balances of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, in the appropriation:	
0042—State Highway Account	
(1) Item 2720-301-0042, Budget Act of 1999 (Ch. 50, Stats. 1999), as reappropriated by Item 2720-490, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 50.56.506-Los Angeles Regional Transportation Management Center—Equipment	
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.....	40,202,000
2740-001-0044—For support of Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund	413,413,000
Schedule:	
(1) 11-Vehicle/Vessel Identification and Compliance.....	437,104,000
(2) 22-Driver Licensing and Personal Identification	193,867,000
(3) 25-Driver Safety	98,250,000
(4) 32-Occupational Licensing and Investigative Services.....	41,472,000
(5) 35-New Motor Vehicle Board.....	1,934,000
(6) 41.01-Administration.....	91,529,000
(7) 41.02-Distributed Administration ...	-91,529,000
(8) Reimbursements.....	-13,485,000
(9) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-001-0042).....	-40,202,000
(10) Amount payable from the New Motor Vehicle Board Account (Item 2740-001-0054)	-1,934,000
(11) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-001-0064).....	-298,580,000
(12) Amount payable from the Harbors and Watercraft Revolving Fund (Item 2740-001-0516)	-5,013,000

Item	Amount
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 ..	1,934,000
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	298,580,000
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	5,013,000
Provisions:	
1. The funds appropriated in this item are for undocumented vessel registration and fee collection.	
2740-002-0064—For support of Department of Motor Vehicles, payable from the Motor Vehicle License Fee Account, Transportation Tax Fund, for payment of costs associated with the Woosley litigation	1,500,000
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.....	635,000
2740-301-0044—For capital outlay, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund.....	6,264,000
Schedule:	
(1) 71.03.019-Sacramento Headquarters: 3rd Floor Asbestos Removal and Seismic Retrofit—Working drawings and construction	11,186,000
(2) 71.22.010-Statewide: Studies, pre-planning and budget packages	100,000
(3) Amount payable from the State Highway Account, State Transportation Fund (Item 2740-301-0042).....	-635,000
(4) Amount payable from the Motor Vehicle License Fee Account, Transportation Tax Fund (Item 2740-301-0064)	-4,387,000
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.....	4,387,000

Item	Amount
2740-495—Reversion, Department of Motor Vehicles. As of June 30, 2005, the unencumbered balances of the appropriations provided in the following citations shall revert to the balances of the funds from which the appropriations were made:	
0042—State Highway Account, State Transportation Fund	
(1) Item 2740-301-0042, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(1) 71.03.020-Sacramento Headquarters: 5th Floor Asbestos Removal and Seismic Retrofit—Construction	
(2) Item 2740-301-0042, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(1) 71.03.019-Sacramento Headquarters: 3rd Floor Asbestos Removal and Seismic Retrofit—Construction	
0044—Motor Vehicle Account, State Transportation Fund	
(1) Item 2740-301-0044, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(1) 71.03.020-Sacramento Headquarters: 5th Floor Asbestos Removal and Seismic Retrofit—Construction	
(2) Item 2740-301-0044, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(1) 71.03.019-Sacramento Headquarters: 3rd Floor Asbestos Removal and Seismic Retrofit—Construction	
0064—Motor Vehicle License Fee Account, State Transportation Fund	
(1) Item 2740-301-0064, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(1) 71.03.020-Sacramento Headquarters: 5th Floor Asbestos Removal and Seismic Retrofit—Construction	
(2) Item 2740-301-0064, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(1) 71.03.019-Sacramento Headquarters: 3rd Floor Asbestos Removal and Seismic Retrofit—Construction	
2780-001-0683—For support of Stephen P. Teale Data Center, payable from the Stephen P. Teale Data Center Revolving Fund.....	99,600,000
Provisions:	
1. The funds appropriated in this item are available for expenditure or encumbrance and the language	

Item

Amount

included in this item is applicable only until the Governor's Reorganization Plan, or similar legislation creating the Department of Technology Services, becomes law. At the time the Department of Technology Services is created, the unencumbered balance of funds appropriated in this item shall immediately revert to the Teale Data Center Revolving Fund.

2. 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.
3. 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.

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 205,000

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 deposited in the account for activities authorized pursuant to Section 5064 of the Vehicle Code (Chapter 1273, Statutes of 1992).

Item	Amount
3110-101-0140—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the California Environmental License Plate Fund	3,514,000
3110-101-0516—For local assistance, Special Resources Program, Program 10—Tahoe Regional Planning Agency, payable from the Harbors and Watercraft Revolving Fund.....	124,000
Provisions:	
1. Notwithstanding any other provision of law, funds in this item shall be expended to implement motorized watercraft regulations adopted by the Tahoe Regional Planning Agency.	
3125-001-0001—For support of California Tahoe Conservancy	0
Schedule:	
(1) 10-Tahoe Conservancy	4,805,000
(2) Reimbursements.....	-60,000
(3) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3125-001-0005).	-150,000
(4) Amount payable from the California Environmental License Plate Fund (Item 3125-001-0140).....	-2,912,000
(5) Amount payable from the Habitat Conservation Fund (Item 3125-001-0262).....	-100,000
(6) Amount payable from the Lake Tahoe Conservancy Account (Item 3125-001-0286)	-376,000
(7) Amount payable from the Tahoe Conservancy Fund (Item 3125-001-0568).....	-202,000
(8) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3125-001-6029).....	-631,000
(9) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3125-001-6031)	-374,000
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...	150,000

Item	Amount
3125-001-0140—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the California Environmental License Plate Fund.....	2,912,000
3125-001-0262—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Habitat Conservation Fund	100,000
3125-001-0286—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Lake Tahoe Conservancy Account	376,000
3125-001-0568—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Tahoe Conservancy Fund.....	202,000
Provisions:	
1. Of this amount, pursuant to Section 66908.3 of the Government Code, the conservancy shall pay \$48,480 to the County of Placer, and \$2,020 to the County of El Dorado.	
2. Fifty percent 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.	
3125-001-6029—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	631,000
3125-001-6031—For support of California Tahoe Conservancy, for payment to Item 3125-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	374,000
3125-101-6029—For local assistance, California Tahoe Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	3,000,000
Schedule:	
(1) 10-Tahoe Conservancy	3,000,000
Provisions:	
1. The acquisition of real property or an interest in real property 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.	

Item	Amount
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from review of the State Public Works Board.	
3. This appropriation shall be available for expenditure until June 30, 2008.	
3125-101-6031—For local assistance, California Tahoe Conservancy, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	9,000,000
Schedule:	
(1) 10-Tahoe Conservancy	9,000,000
Provisions:	
1. The acquisition of real property or an interest in real property 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 local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from review of the State Public Works Board.	
3. This appropriation shall be available for expenditure until June 30, 2008.	
3125-301-0262—For capital outlay, California Tahoe Conservancy, payable from the Habitat Conservation Fund	400,000
Schedule:	
(1) 50.30.003-Acquisition, restoration, and enhancement of habitat	400,000
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, 2008. Expenditures of	

Item	Amount
<p>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.</p>	
<p>3125-301-0286—For capital outlay, California Tahoe Conservancy, payable from the Lake Tahoe Conservancy Account.....</p>	754,000
<p>Schedule:</p>	
<p>(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</p>	377,000
<p>(2) 50.30.004-Land acquisition and site improvements—Stream environment zones and watershed restorations pursuant to Title 7.42 (commencing with Section 66905) of the Government Code</p>	377,000
<p>Provisions:</p>	
<p>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.</p>	
<p>2. The amount appropriated in this item is available for expenditure for capital outlay or for local assistance until June 30, 2008. 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.</p>	
<p>3125-301-6029—For capital outlay, California Tahoe Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....</p>	7,123,000
<p>Schedule:</p>	
<p>(1) 50.30.002-For land acquisition and site improvements for public access and recreation pursuant to Title 7.42 (commencing with Section 66905) of the Government Code.....</p>	1,223,000

Item	Amount
(2) 50.30.003-For land acquisition and site improvements for wildlife enhancement pursuant to Title 7.42 (commencing with Section 66905) of the Government Code	750,000
(3) 50.30.004-For land acquisition and site improvements for stream environment zones and watershed restorations pursuant to Title 7.42 (commencing with Section 66905) of the Government Code	4,090,000
(4) 50.30.005-For land acquisitions pursuant to Title 7.42 (commencing with Section 66905) of the Government Code	1,500,000
(5) Reimbursements	-440,000
Provisions:	
1. The acquisition of real property or an interest in real property 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 local assistance. Expenditures of funds for grants to public agencies and grants to nonprofit organizations, as authorized by subdivision (a) of Section 66907.7 of the Government Code, are exempt from the review of the State Public Works Board.	
3. The amount appropriated in this item is available for expenditure until June 30, 2008.	
3340-001-0001—For support of California Conservation Corps	24,130,000
Schedule:	
(1) 10-Training and Work Program.....	58,080,000
(2) 20.01-Administration.....	6,480,000
(3) 20.02-Distributed Administration.....	-6,480,000
(4) 97.20.001-Unallocated Reduction...	-378,000
(5) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3340-001-0005).	-5,000
(6) Amount payable from the California Environmental License Plate Fund (Item 3340-001-0140).....	-306,000

Item	Amount
(7) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3340-001-0235)	-292,000
(8) Amount payable from the Collins-Dugan California Conservation Corps Reimbursement Account (Item 3340-001-0318)	-31,745,000
(9) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3340-001-6029).....	-1,224,000

Provisions:

1. 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 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.
2. To the extent that funds in excess of the amount identified in Provision 1 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..... 5,000

Item	Amount
3340-001-0140—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the California Environmental License Plate Fund	306,000
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	292,000
3340-001-0318—For support of California Conservation Corps, for payment to Item 3340-001-0001, payable from the Collins-Dugan California Conservation Corps Reimbursement Account	31,745,000

Provisions:

1. Notwithstanding Section 14316 of the Public Resources Code, the Department of Finance may make a loan from the General Fund to the Collins-Dugan California Conservation Corps reimbursement account for the purposes of this item, in the amount of 25 percent of the reimbursements anticipated in the Collins-Dugan California Conservation Corps Reimbursement Account to be received by the California Conservation Corps from each client agency, not to exceed an aggregate total of \$7,936,250 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 of 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. Notwithstanding Section 28.50 of the 2005 Budget Act, the Department of Finance may augment this item to reflect increases in reimbursements in the Collins-Dugan California Conservation Corps Reimbursement Account received from another officer, department, division, bureau, or other agency of the state.

Item	Amount
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	64,000
3340-101-6029—For local assistance, California Conservation Corps, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	2,105,000
3340-301-0660—For Capital Outlay California Conservation Corps, payable from the Public Buildings Construction Fund	37,096,000

Schedule:

- (1) 20.10.150-Delta Service District Center—Acquisition, preliminary plans, working drawings, and construction..... 21,717,000
- (2) 20.10.145-Camarillo Satellite Relocation/construction—Working drawings and construction 15,379,000

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 California Conservation Corps 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 costs of acquisition, design, and 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

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reasonable construction reserve and to pay the cost 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 California Conservation Corps is authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the financing of the projects authorized in this item.
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 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the California Conservation Corps from the requirements of the California Environmental Quality Act. This provision is intended to be declarative of existing law.

3340-490—Reappropriation, California Conservation Corps. Notwithstanding any other provision of law, 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:

0660—Public Buildings Construction Fund

- (1) Item 3340-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 3340-490, Budget Act of 2004 (Ch. 208, Stats. 2004)

- (1) 20.10.170-Tahoe Base Center Relocation—Acquisition, preliminary plans, working drawings and construction

Provisions:

1. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2008, except appropriations for preliminary plans which shall be available until June 30, 2006, and appropriations for working drawings which shall be available for expenditure until June 30, 2007.

Item	Amount
3340-491—Reappropriation, California Conservation Corps. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure until June 30, 2006:	
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	
(1) \$590,000 in Item 3340-101-0005, Budget Act of 2004 (Ch. 208, Stats. 2004), for local assistance to local conservation corps. Of that amount, \$106,000 shall be for Long Beach local corps for resource conservation projects, and \$484,000 shall be for Fresno local corps for the construction of a recreation building with a neighborhood youth center.	
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) \$2,000,000 in Item 3340-101-6029, Budget Act of 2004 (Ch. 208, Stats. 2004) for local assistance to local conservation corps. Of that amount, \$1,200,000 shall be for Fresno local corps, and \$800,000 shall be for San Francisco local corps, for capital outlay projects to meet their program needs.	
3340-495—Reversion, California Conservation Corps. As of June 30, 2005, the unencumbered balances of the appropriations provided for in the following citations shall revert to the fund from which the appropriation was made:	
0660—Public Buildings Construction Fund	
(1) Item 3340-301-0660, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3340-490, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 20.10.145-Camarillo Satellite Relocation/Construction—Construction	
(2) Funds appropriated in paragraph (1) of subdivision (b) of Section 2 of Chapter 3 of the Statutes of 2002, Third Extraordinary Session, as reappropriated by Item 3340-490, Budget Act of 2002 (Ch. 379, Stats. 2002), for the Delta Service Center District Site Selection and Acquisition Project 20.10.150 shall be available for acquisition, preliminary plans, working drawings, and construction.	

Item	Amount
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	139,000
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	80,080,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated in this item shall be available for expenditure during the 2005–06 and 2006–07 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, 2011.	
3. Notwithstanding any other provision of law, funds appropriated in this item may be used by the Energy Resources Conservation and Development Commission to provide grants, loans, or repayable research contracts. When the commission evaluates proposals, a high-point scoring method may be used in lieu of lowest cost. Repayment terms shall be determined by the commission.	
3360-001-0382—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Renewable Resource Trust Fund	4,748,000
3360-001-0465—For support of Energy Resources Conservation and Development Commission, payable from the Energy Resources Programs Account	49,807,000
Schedule:	
(1) 10-Regulatory and Planning.....	25,731,000
(2) 20-Energy Resources Conservation.	16,669,000
(3) 30-Development.....	108,595,000
(4) 40.01-Policy, Management and Administration.....	11,522,000
(5) 40.02-Distributed Policy, Management and Administration	-11,522,000
(6) Reimbursements	-5,745,000
(7) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3360-001-0044)...	-139,000

Item	Amount
(8) Amount payable from the Public Interest Research, Development and Demonstration Fund (Item 3360-001-0381)	-80,080,000
(9) Amount payable from the Renewable Resource Trust Fund (Item 3360-001-0382)	-4,748,000
(10) Amount payable from the Energy Technologies Research Development and Demonstration Account (Item 3360-001-0479)	-100,000
(11) Amount payable from the Local Government Geothermal Resources Revolving Subaccount, GRDA (Item 3360-001-0497).....	-307,000
(12) Amount payable from the Federal Trust Fund (Item 3360-001-0890).	-8,911,000
(13) Amount payable from the Gas Consumption Surcharge Fund (Item 3360-001-3015)	-535,000
(14) Amount payable from the Energy Facility License and Compliance Fund (Item 3360-001-3062).....	-623,000
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, 2009.	
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.....	100,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, funds appropriated in this item shall be available for expenditure during the 2005–06 and 2006–07 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.	

Item	Amount
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	307,000
3360-001-0890—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Federal Trust Fund	8,911,000
3360-001-3015—For support of Energy Resources Conservation and Development Commission, for payment to Item 3360-001-0465, payable from the Gas Consumption Surcharge Fund	535,000
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	623,000
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	(4,000,000)
Provisions:	
1. The amount displayed in this item is for informational purposes only and is based upon the current estimate of interest earned by the Public Interest Research, Development, and Demonstration Fund for the 2005–06 fiscal year. The actual amount to be transferred through this item shall be the actual amount of interest earned for the 2005–06 fiscal year as determined by the Controller.	
3360-101-0497—For local assistance, Energy Resources Conservation and Development Commission, pursuant to Section 3822 of the Public Resources Code, payable from the Local Government Geothermal Resources Revolving Subaccount, GRDA.....	3,500,000
Schedule:	
(1) 30-Development.....	3,500,000

Item	Amount
Provisions:	
1. Funds appropriated in this item shall be available for expenditure until June 30, 2007.	
2. Notwithstanding Section 16304.1 of the Government Code, funds appropriated in this item shall be available for liquidation until June 30, 2009.	
3360-490—Reappropriation, Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the period to liquidate encumbrance of the following citations are extended to June 30, 2006:	
0381—Public Interest Research, Development, and Demonstration Fund	
(1) Item 3360-001-0381, Budget Act of 1999 (Ch. 50, Stats. 1999).	
0497—Local Government Geothermal Resources Revolving Subaccount, Geothermal Resources Development Account	
(1) Item 3360-101-0497, Budget Act of 1999 (Ch. 50, Stats. 1999).	
3360-491—Reappropriation, Energy Resources Conservation and Development Commission. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2007:	
0465—Energy Resources Programs Account	
(1) Item 3360-001-0465, Budget Act of 2002 (Ch. 379, Stats. 2002).	
3460-001-0001—For support of Colorado River Board of California	0
Schedule:	
(1) 10-Protection of California’s Colorado River Rights and Interests	1,237,000
(2) Reimbursements	-1,237,000
3480-001-0001—For support of Department of Conservation	4,006,000
Schedule:	
(1) 10-Geologic Hazards and Mineral Resources Conservation	27,276,000
(2) 20-Oil, Gas, and Geothermal Resources	16,594,000
(3) 30-Land Resource Protection	4,256,000
(4) 40.01-Administration	11,329,000
(5) 40.02-Distributed Administration ...	-11,329,000
(6) 50-Beverage Container Recycling and Litter Reduction Program	35,227,000
(7) 97.20.001-Unallocated Reduction...	-62,000

Item	Amount
(8) Reimbursements.....	-8,713,000
(9) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3480-001-0005).	-433,000
(10) Amount payable from the Surface Mining and Reclamation Account (Item 3480-001-0035)	-1,269,000
(11) Amount payable from the State Highway Account, State Transportation Fund (Item 3480-001-0042).	-12,000
(12) Amount payable from the California Beverage Container Recycling Fund (Item 3480-001-0133).....	-35,127,000
(13) Amount payable from the Soil Conservation Fund (Item 3480-001-0141)	-2,599,000
(14) Amount payable from the Hazardous and Idle-Deserted Well Abatement Fund (Section 3206, Public Resources Code)	-100,000
(15) Amount payable from the Mine Reclamation Account (Item 3480-001-0336)	-2,855,000
(16) Amount payable from the Strong Motion Instrumentation and Seismic Hazards Mapping Fund (Item 3480-001-0338)	-8,475,000
(17) Amount payable from the Federal Trust Fund (Item 3480-001-0890).	-1,730,000
(18) Amount payable from the Bosco Keene Renewable Resources Investment Fund (Item 3480-001-0940).....	-858,000
(19) Amount payable from the Abandoned Mine Reclamation and Mineral Fund Subaccount, Mine Reclamation Account (Item 3480-001-3025).....	-409,000
(20) Amount payable from the Oil, Gas, and Geothermal Administrative Fund (Item 3480-001-3046)...	-15,501,000
(21) Amount payable from the Agriculture and Open Space Mapping Subaccount (Item 3480-001-6004).....	-430,000

Item	Amount
(22) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund of 2002 (Item 3480-001-6029)	-540,000
(23) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3480-001-6031)	-234,000
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.	
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.....	433,000
3480-001-0035—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Surface Mining and Reclamation Account	1,269,000
3480-001-0042—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the State Highway Account, State Transportation Fund	12,000
Provisions:	
1. The funds appropriated in this item are for the state’s share of costs of the California Institute of Technology seismograph network.	
3480-001-0133—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the California Beverage Container Recycling Fund	35,127,000

Item	Amount
3480-001-0141—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Soil Conservation Fund	2,599,000
3480-001-0336—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Mine Reclamation Account.....	2,855,000
3480-001-0338—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Strong Motion Instrumentation and Seismic Hazards Mapping Fund.....	8,475,000
3480-001-0890—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Federal Trust Fund	1,730,000
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.....	858,000
3480-001-3025—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Abandoned Mine Reclamation and Minerals Fund Subaccount, Mine Reclamation Account...	409,000
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	15,501,000
3480-001-6004—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Agriculture and Open Space Mapping Subaccount.....	430,000
3480-001-6029—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund of 2002.....	540,000
3480-001-6031—For support of Department of Conservation, for payment to Item 3480-001-0001, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	234,000
3480-012-0001—For transfer by the Controller to the Oil, Gas, and Geothermal Administrative Fund.....	859,000
3480-101-6029—For local assistance, Department of Conservation, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund.....	14,944,000
Provisions:	
1. The funds appropriated in this item shall be available for expenditure until June 30, 2007.	

Item	Amount
3480-101-6031—For local assistance, Department of Conservation, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002.....	3,000,000
Provisions:	
1. The funds appropriated in this item shall be available for expenditure until June 30, 2007.	
3540-001-0001—For support of Department of Forestry and Fire Protection	435,993,000
Schedule:	
(1) 10-Office of the State Fire Marshal	13,793,000
(2) 11-Fire Protection.....	745,090,000
(3) 12-Resource Management.....	51,380,000
(4) 20.01-Administration	57,060,000
(5) 20.02-Distributed Administration	-56,630,000
(4) Reimbursements	-223,932,000
(6) Amount payable from the General Fund (Item 3540-006-0001).....	-95,000,000
(7) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3540-001-0005).	-254,000
(8) Amount payable from the State Emergency Telephone Number Account (Item 3540-001-0022).....	-1,078,000
(9) Amount payable from the Unified Program Account (Item 3540-001-0028).....	-318,000
(10) Amount payable from the State Fire Marshal Licensing and Certification Fund (Item 3540-001-0102).....	-1,949,000
(11) Amount payable from the California Environmental License Plate Fund (Item 3540-001-0140).....	-395,000
(12) Amount payable from the California Fire and Arson Training Fund (Item 3540-001-0198)	-1,619,000
(13) Amount payable from the Hazardous Liquid Pipeline Safety Fund (Item 3540-001-0209)	-2,731,000
(14) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3540-001-0235)	-396,000

Item	Amount
(15) Amount payable from the Professional Forester Registration Fund (Item 3540-001-0300)	-197,000
(16) Amount payable from the Federal Trust Fund (Item 3540-001-0890).....	-31,309,000
(17) Amount payable from the Forest Resources Improvement Fund (Item 3540-001-0928)	-4,625,000
(17.5) Amount payable from the Renewable Resources Investment Fund (Item 3540-001-0940).....	-3,000,000
(18) Amount payable from the Timber Tax Fund (Item 3540-001-0965)...	-30,000
(19) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3540-001-6029).....	-7,713,000
(20) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3540-001-6031)	-154,000
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	254,000
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	1,078,000
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 ..	318,000
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	1,949,000

Item	Amount
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	395,000
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.....	1,619,000
3540-001-0209—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the California Hazardous Liquid Pipeline Safety Fund.....	2,731,000
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.....	396,000
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.....	197,000
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	31,309,000
3540-001-0928—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Forest Resources Improvement Fund.....	4,625,000
3540-001-0940—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the Bosco-Keene Renewable Resources Investment Fund.....	3,000,000
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.....	30,000
3540-001-6029—For support of the Department of Forestry and Fire Protection, for payment to Item 3540-001-0001, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	7,713,000
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.....	154,000
3540-003-0001—For support of Department of Forestry and Fire Protection for rental payments on lease-revenue bonds	1,683,000

Item	Amount
Schedule:	
(1) Base Rental and Fees	1,675,000
(2) Insurance	8,000
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
3540-006-0001—For support of Department of Forestry and Fire Protection, for payment to Item 3540-001-0001.....	95,000,000
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. 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
3540-301-0001—For capital outlay, Department of Forestry and Fire Protection	6,555,000

Item	Amount
Schedule:	
(.5) 30.30.175-Owens Valley Conservation Camp: Construct Utility Upgrades—Construction.....	1,511,000
(2) 30.40.110-Hollister Air Attack Base: Relocate Facility—Preliminary plans	269,000
(3) 30.60.050-Statewide: Construct Communications Facilities—Preliminary plans and working drawings.....	2,660,000
(4) 30.80-Minor capital outlay	2,115,000
Provisions:	
1. The funds appropriated by Schedules (3) and (4) 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, 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 by the State Public Works Board.	
3540-301-0660—For capital outlay, Department of Forestry and Fire Protection, payable from the Public Buildings Construction Fund.....	137,532,000
Schedule:	
(0.5) 30.10.005-Alma Helitack Base: Replace Facility—Preliminary plans, working drawings, and construction	6,469,000
(0.7) 30.10.035-Stevens Creek Forest Fire Station: Replace Facility—Acquisition, working drawings, and construction.....	2,902,000
(1) 30.10.055-Ukiah Air Attack Base: Relocate Facility—Acquisition, preliminary plans, working drawings, and construction	9,956,000
(1.4) 30.10.090-Pacheco Forest Fire Station: Replace Facility—Acquisition and construction	2,445,000

Item	Amount
(1.6) 30.10.110-Elk Camp Forest Fire Station: Relocate Facility—Working drawings and construction.....	2,833,000
(1.8) 30.10.125-Mendocino Ranger Unit Headquarters: Replace Automotive Shop—Working drawings and construction.....	3,258,000
(2) 30.10.065-Sweetwater Forest Fire Station: Replace Facility—Preliminary plans, working drawings, and construction	3,117,000
(3) 30.10.130-Santa Clara Ranger Unit Headquarters: Construct Facility—Working drawings and construction.....	2,721,000
(3.1) 30.20.030-Harts Mill Forest Fire Station: Relocate Facility—Construction	2,392,000
(3.15) 30.40.105-Vallecito Conservation Camp: Replace Apparatus Buildings and Utilities—Working drawings and construction.....	3,483,000
(3.2) 30.30.015-Independence Forest Fire Station: Relocate Facility—Working drawings and construction.....	2,758,000
(3.25) 30.30.020-San Luis Obispo Ranger Unit Headquarters: Replace Facility—Construction	10,303,000
(3.3) 30.30.060-Hemet-Ryan Air Attack Base: Replace Facility—Acquisition and construction	8,296,000
(3.35) 30.30.065-San Marcos Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction	2,933,000
(3.4) 30.30.075-Warner Springs Forest Fire Station: Replace Facility—Acquisition, preliminary plans, working drawings, and construction.....	3,600,000
(3.45) 30.30.115-Ventura Youth Conservation Camp: Construct Apparatus Buildings, Shop, and Warehouse—Working drawings and construction.....	2,657,000

Item	Amount
(3.5) 30.30.150-Nipomo Forest Fire Station: Replace Facility—Acquisition and construction	2,936,000
(3.55) 30.40.050-Rancheria Forest Fire Station: Replace Facility—Working drawings and construction.....	3,272,000
(3.6) 30.40.075-Usona Forest Fire Station: Replace Facility—Working drawings and construction.....	2,325,000
(3.65) 30.40.090-Antelope Forest Fire Station: Replace Barracks and Messhall Building—Construction .	236,000
(3.7) 30.40.120-Dew Drop Forest Fire Station: Replace Facility—Acquisition and construction	2,457,000
(3.75) 30.40.125-Twain Harte Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction	3,826,000
(3.8) 30.40.130-Springville Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction	3,697,000
(3.85) 30.40.135-Raymond Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction	3,444,000
(3.9) 30.40.145-Bautista Conservation Camp: Replace Modular Buildings—Preliminary plans, working drawings, and construction.....	4,758,000
(3.95) 34.40.195-Altaville Forest Fire Station: Replace Facility—Working drawings and construction.....	3,754,000
(4) 30.60.045-Statewide: Construct Forest Fire Stations—Preliminary plans, working drawings, and construction	36,704,000

Provisions:

1. The State Public Works Board may issue lease-revenue bonds, notes, or bond anticipation notes pursuant to Chapter 5 (commencing with Section

Item	Amount
<p>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.</p> <ol style="list-style-type: none"> 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 costs of acquisition, design, and 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. Notwithstanding any other provision of law, the funds appropriated by Schedules (1) and (4) of this item shall be available for expenditure during the 2005–06 fiscal year, except appropriations for working drawings which shall be available for expenditure until June 30, 2007, and appropriations for construction which shall be available for expenditure until June 30, 2010. In addition, the balance of funds appropriated for construction by Schedules (1) and (4) that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2008, 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. 	

Item	Amount
<p>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.</p> <p>7. Notwithstanding any other provision of law, the funds appropriated by Schedule (1) of this item may be used to acquire fee acquisition through a purchase option or less than fee acquisition, through a long-term lease or prepaid long-term lease, subject to approval by the Department of Finance.</p> <p>8. The funds appropriated in Schedule (4) 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.</p> <p>3540-495—Reversion, Department of Forestry and Fire Protection. As of June 30, 2005, the unencumbered balance of the appropriations provided for in the following citations shall revert to the balance of the fund from which the appropriation was made:</p> <p>0660—Public Buildings Construction Fund</p> <p>(1) Item 3540-301-0660 of Section 2 of Chapter 3 of the Statutes of 2002, Third Extraordinary Session</p> <p>(7) 30.10.125-Mendocino Ranger Unit Headquarters: Replace Automotive Shop—Construction</p>	

Item	Amount
<ul style="list-style-type: none"> (9) 30.40.105-Vallecito Conservation Camp: Replace Utilities/Construct Apparatus Buildings—Working drawings and construction 	
<ul style="list-style-type: none"> (2) Item 3540-301-0660, Budget Act of 2001 (Ch. 106, Stats. 2001), as partially reappropriated by Item 3540-490, Budget Acts of 2002 (Ch. 379, Stats. 2002) and 2003 (Ch. 157, Stats. 2003), and Item 3540-491, Budget Act of 2004 (Ch. 208, Stats. 2004), as partially reverted by Item 3540-496, Budget Act of 2004 (Ch. 208, Stats. 2004) <ul style="list-style-type: none"> (1) 30.10.035-Stevens Creek Forest Fire Station: Replace Facility—Working drawings and 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 (9) 30.40.120-Dew Drop Forest Fire Station: Replace Facility—Construction 	
<ul style="list-style-type: none"> (3) Item 3540-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002), as partially reappropriated by Item 3540-490, Budget Act of 2003 (Ch. 157, Stats. 2003), and Item 3540-491, Budget Act of 2004 (Ch. 208, Stats. 2004) <ul style="list-style-type: none"> (2) 30.10.065-Sweetwater Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction (3) 30.10.110-Elk Camp Forest Fire Station: Relocate Facility—Working drawings and construction (4) 30.10.130-Santa Clara Ranger Unit Headquarters: Replace Automotive Shop—Construction (5) 30.20.030-Harts Mill Forest Fire Station: Relocate Facility—Construction (8.5) 30.30.015-Independence Forest Fire Station: Construct Facility—Construction (8.7) 30.30.020-San Luis Obispo Ranger Unit Headquarters: Replace Facility—Construction (8.8) 30.30.060-Hemet-Ryan Air Attack Base: Replace Facility—Acquisition and construction 	

Item

Amount

- (9) 30.30.065-San Marcos Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction
- (10) 30.30.115-Ventura Youth Conservation Camp: Construct Vehicle Apparatus Building, Shop, Warehouse—Construction
- (11) 30.30.120-Fenner Canyon Conservation Camp: Construct Vehicle Apparatus Buildings, Replace Office—Construction
- (12) 30.30.150-Nipomo Forest Fire Station: Replace Facility—Construction
- (13) 30.30.160-South Operations Area Headquarters: Relocate Facility—Working drawings and construction
- (16) 30.40.050-Rancheria Forest Fire Station: Replace Facility—Construction
- (17) 30.40.075-Usona Forest Fire Station: Replace Facility—Working drawings and construction
- (17.6) 30.40.105-Vallecito Conservation Camp: Replace Utilities/Construct Apparatus Building—Working drawings and construction
- (18) 30.40.130-Springville Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction
- (19) 30.40.135-Raymond Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction
- (20) 30.40.145-Bautista Conservation Camp: Replace Modular Buildings—Preliminary plans, working drawings, and construction
- (21) 30.40.195-Altaville Forest Fire Station: Replace Facility—Working drawings and construction
- (4) Item 3540-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003), as partially reappropriated by Item 3540-491, Budget Act of 2004 (Ch. 208, Stats. 2004)
 - (1) 30.10.005-Alma Helitack Base: Replace Facility—Preliminary plans, working drawings, and construction
 - (1.5) 30.10.035-Stevens Creek Forest Fire Station: Replace Facility—Construction
 - (1.6) 30.10.090-Pacheco Forest Fire Station: Replace Facility—Construction

Item	Amount
(1.7) 30.20.030-Harts Mill Forest Fire Station: Relocate Facility—Construction	
(2.5) 30.30.015-Independence Forest Fire Station: Construct Facility—Construction	
(3) 30.30.075-Warner Springs Forest Fire Station: Replace Facility—Preliminary plans, working drawings, and construction	
(3.1) 30.30.120-Fenner Canyon Conservation Camp: Construct Vehicle Apparatus and Replace Office—Construction	
(3.2) 30.30.150-Nipomo Forest Fire Station: Replace Facility—Construction	
(4) 30.40.020-Batterson Forest Fire Station: Relocate Facility—Working drawings and construction	
(4.6) 30.40.050-Rancheria Forest Fire Station: Replace Facility—Construction	
(6) 30.40.110-Hollister Air Attack Base: Relocate Facility—Acquisition, working drawings, and construction	
(6.1) 30.40.120-Dew Drop Forest Fire Station: Replace Facility—Construction	
(7) 30.40.125-Twain Harte Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction	
(8) 30.40.150-Baseline Conservation Camp: Remodel Facility—Working drawings and construction	
(5) Item 3540-301-0660, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(0.6) 30.10.035-Stevens Creek Forest Fire Station: Replace Facility—Acquisition	
(0.7) 30.10.090-Pacheco Forest Fire Station: Replace Facility—Acquisition	
(3.5) 30.30.060-Hemet Ryan Air Attack Base: Relocate Facility—Construction	
(3.6) 30.30.075-Warner Springs Forest Fire Station: Replace Facility—Acquisition	
(3.7) 30.30.150-Nipomo Forest Fire Station: Replace Facility—Acquisition	
(3.8) 30.30.160-South Operations Area Headquarters: Relocate Facility—Acquisition, working drawings, and construction	
(5) 30.40.120-Dew Drop Forest Fire Station: Replace Facility—Acquisition	

Item	Amount
(6) 30.40.145-Bautista Conservation Camp: Replace Modular Buildings—Preliminary plans, working drawings, and construction	
3560-001-0001—For support of State Lands Commission.....	8,801,000
Schedule:	
(1) 10-Mineral Resources Management.....	6,819,000
(2) 20-Land Management.....	8,271,000
(3) 30.01-Executive and Administration.....	3,214,000
(4) 30.02-Distributed Administration ...	-3,214,000
(5) 40-Marine Facilities Management.....	8,557,000
(6) 97.20.001-Unallocated Reduction...	-137,000
(7) Reimbursements.....	-3,386,000
(8) Amount payable from the Marine Invasive Species Control Fund (Item 3560-001-0212)	-1,938,000
(9) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3560-001-0320).....	-8,959,000
(10) Amount payable from the Land Bank Fund (Item 3560-001-0943).	-426,000
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 funded from 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 Marine Invasive Species Control Fund.....	1,938,000
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	8,959,000
3560-001-0943—For support of State Lands Commission, for payment to Item 3560-001-0001, payable from the Land Bank Fund.....	426,000

Item	Amount
3600-001-0001—For support of Department of Fish and Game	44,431,000
Schedule:	
(1) 20-Biodiversity Conservation Program.....	137,172,000
(2) 25-Hunting, Fishing and Public Use.....	48,920,000
(3) 30-Management of Department Lands and Facilities	43,374,000
(4) 40-Conservation Education and Enforcement	55,643,000
(5) 50-Spill Prevention and Response..	29,737,000
(6) 70.01-Administration.....	33,756,000
(7) 70.02-Distributed Administration ...	-33,756,000
(8) 97.20.001-Unallocated Reduction...	-569,000
(9) Reimbursements.....	-38,819,000
(10) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3600-001-0005).	-1,537,000
(11) Amount payable from the California Environmental License Plate Fund (Item 3600-001-0140).....	-15,802,000
(12) Amount payable from the Fish and Game Preservation Fund (Item 3600-001-0200).....	-103,919,000
(13) Amount payable from the Fish and Wildlife Pollution Account (Item 3600-001-0207)	-2,577,000
(14) Amount payable from the California Waterfowl Habitat Preservation Account, Fish and Game Preservation Fund (Item 3600-001-0211)...	-220,000
(15) Amount payable from the Exotic Species Control Fund (Item 3600-001-0212).....	-1,199,000
(16) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-0235)	-2,542,000
(17) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-0320).....	-21,503,000
(18) Amount payable from the Environmental Enhancement Fund (Item 3600-001-0322)	-381,000

Item	Amount
(18.5) Amount payable from the Salmon and Steelhead Trout Restoration Account (Item 3600-001-0384).....	-8,000,000
(19) Amount payable from the Central Valley Project Improvement Sub-account (Item 3600-001-0404).....	-54,000
(20) Amount payable from the Federal Trust Fund (Item 3600-001-0890).....	-66,656,000
(22) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3600-001-6031)	-4,245,000
(23) Amount payable from the Salton Sea Restoration Fund (Item 3600-001-8018).....	-2,392,000

Provisions:

1. The funds appropriated in this item may be increased with the approval of, and under the conditions set by, the Department of Finance to meet current obligations proposed to be funded in Schedules (9) and (20). The funds appropriated in 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 (9) and (20) shall be used in repayment of any funds used to meet current obligations pursuant to this provision.
2. Of the amount appropriated in Schedule (3), \$95,000 from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund and \$622,000 in reimbursements shall be available for fire prevention projects until June 30, 2007.
3. It is the intent of the Legislature that, of the funds appropriated in this item, \$5,000,000 be provided for the hiring of additional game wardens in order to ensure that California's natural environment is protected through tough enforcement of existing laws.

Item	Amount
4. It is the intent of the Legislature that, of the funds provided in this item, \$1,000,000 be provided for the purposes of protecting and preserving California’s wild and heritage trout populations.	
5. It is the intent of the Legislature that, of the funds appropriated in this item, \$1,700,000 be provided for the hiring of Fish and Game staff to review timber harvest plans in order to ensure that California’s natural environment is protected through tough enforcement of existing laws.	
6. Funds provided to rebuild the Wild/Heritage Trout Program may be used to match federal funds. Any matching federal funds received may be expended by the Department of Fish and Game to hire a seasonal team in each region to augment the work of the department’s biologists. The notification requirements of Section 28.00 do not apply to federal funds received for this purpose.	
3600-001-0005—For support of 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.....	1,537,000
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	15,802,000
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.....	103,919,000
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.	
2. Of the funds appropriated in this item, \$5,000,000 shall be available only if legislation reforming the fee structure of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code) is enacted.	
3. It is the intent of the Legislature that, should legislation be enacted creating the Commercial Fishing Conservation, Management, and Research Fund, funds from this item shall be transferred from this account to the Commercial Fishing Conservation, Management, and Research Fund for expenditure as provided in that legislation.	

Item	Amount
4. Of the funds appropriated in this item, \$3,000,000 shall be available to continue operations of state fish hatcheries located in various regions of the state.	
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.....	2,577,000
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	220,000
3600-001-0212—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Marine Invasive Species Control Fund	1,199,000
3600-001-0235—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund	2,542,000
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	21,503,000
3600-001-0322—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Environmental Enhancement Fund	381,000
3600-001-0384—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Salmon and Steelhead Trout Restoration Account	8,000,000
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.....	54,000
3600-001-0890—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Federal Trust Fund	66,656,000
3600-001-6010—For support of Department of Fish and Game, payable from the Yuba Feather Flood Protection Subaccount.....	11,555,000
Schedule:	
(1) 20-Biodiversity Conservation Program	11,555,000
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	4,245,000

Item	Amount
3600-001-8018—For support of Department of Fish and Game, for payment to Item 3600-001-0001, payable from the Salton Sea Restoration Fund	2,392,000
3600-011-0001—For support of Department of Fish and Game (reimbursement of free fishing licenses), for transfer to the Fish and Game Preservation Fund....	17,000
3600-101-0001—For local assistance, Department of Fish and Game	559,000
Schedule:	
(1) 20-Biodiversity Conservation Program.....	559,000
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	34,000
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	923,000
3600-490—Reappropriation, Department of Fish and Game. 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 or expenditure until June 30, 2007:	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(20) Item 3600-001-6031, Budget Act of 2004 (Ch. 208, Stats. 2004)	
3600-491—Reappropriation, Department of Fish and Game. The balances of the appropriations provided in the following citations or the amount specified, are reappropriated for the purposes provided for in the appropriations and shall be available for encumbrance or expenditure until June 30, 2006:	
0200—Fish and Game Preservation Fund	
(10) \$4,000,000 in Item 3600-001-0200, Budget Act of 2004 (Ch. 208, Stats. 2004) to continue operation of state fish hatcheries located in various regions of the state.	
0384—Salmon and Steelhead Restoration Account	
(16.5) Item 3600-001-0384, Budget Act of 2004 (Ch. 208, Stats. 2004)	
3600-495—Reversion, Department of Fish and Game. As of June 30, 2005, the unencumbered balance of the appropriation provided in the following citation shall	

Item	Amount
revert to the balance of the fund from which the appropriation was made:	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(20) Item 3600-001-6031, Budget Act of 2004 (Ch. 208, Stats. 2004), \$10,000,000 appropriated in Program 20—Biodiversity Conservation Program.	
3640-001-0001—For support of Wildlife Conservation Board, payable to Item 3640-001-0447.....	197,000
3640-001-0140—For support of Wildlife Conservation Board, payable to Item 3640-001-0447, from the California Environmental License Plate Fund	220,000
3640-001-0262—For support of Wildlife Conservation Board, payable to Item 3640-001-0447, from the Habitat Conservation Fund.....	449,000
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.	
3640-001-0447—For support of Wildlife Conservation Board, payable from the Wildlife Restoration Fund	1,100,000
Schedule:	
(1) 10-Wildlife Conservation Board.....	6,122,000
(2) 97.20.001-Unallocated Reduction...	-3,000
(3) Amount payable from the General Fund (Item 3640-001-0001).....	-197,000
(4) Amount payable from the California Environmental License Plate Fund (Item 3640-001-0140).....	-220,000
(5) Amount payable from the Habitat Conservation Fund (Item 3640-001-0262)	-449,000
(6) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3640-001-6029).....	-651,000
(7) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3640-001-6031)	-3,502,000

Item	Amount
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	651,000
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	3,502,000
3640-301-0262—For capital outlay, Wildlife Conservation Board, payable from the Habitat Conservation Fund	20,551,000
Schedule:	
(1) 80.10.000-Wildlife Conservation Board Projects (Unscheduled)	10,551,000
(2) 80.10.101-Department of Fish and Game—Ecosystem Restoration.....	10,000,000
Provisions:	
1. The funds appropriated in this item, except for funds for the purposes described in Provision 3 of this item, are provided in accordance with the Wildlife Conservation Law of 1947 and, therefore, shall not be subject to Public Works Board review.	
2. The amount appropriated in this item is available for expenditure for capital outlay or local assistance through fiscal year 2007–08.	
3. Of the amount appropriated in this item, \$10,000,000 shall be available to the Department of Fish and Game for its Ecosystem Restoration Program in accordance with Water Code Section 79550(e). Funds are available for encumbrance for the purposes of support, local assistance or capital outlay through June 30, 2008.	
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

Item	Amount
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.	
3640-302-6029—For capital outlay, Wildlife Conservation Board, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	1,545,000
Schedule:	
(1) 80.10.103-San Joaquin River Conservancy—Project and acquisition	2,545,000
(2) Reimbursements	-1,000,000
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, 2008.	
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	17,100,000
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 Sections 79565, 79572, and 79550 of the Water Code as follows:	
(1) Water Code Section 79565	4,000,000
(2) Water Code Section 79572	3,100,000
(3) Water Code Section 79550	10,000,000
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.	

Item	Amount
3640-312-0940—For transfer by the Controller from the Renewable Resources Investment Fund to the Habitat Conservation Fund.....	(1,300,000)
Provisions:	
1. The funds transferred in this item shall be used for purposes consistent with the requirements of the Habitat Conservation Fund.	
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.	
3640-401—Notwithstanding any other provision of law, the balance of revenues that would have been deposited in the California Housing Trust Fund and the Resources Trust Fund, pursuant to Section 6217 of the Public Resources Code, shall be allocated in the following order:	
Provisions:	
1. \$8,000,000 shall be deposited into the State Parks and Recreation Fund for the Department of Parks and Recreation Maintenance and Park Ranger staff and deferred maintenance. It is the intent of the Legislature that this augmentation be used to establish up to 40 new parks positions. These funds are intended to be ongoing.	
2. \$8,000,000 shall be deposited into the Salmon and Steelhead Trout Restoration Account for salmon and steelhead trout restoration projects authorized by Section 6217.1 of the Public Resources Code, including, but not limited to, projects that implement the Coho Salmon Recovery Plan.	
3. \$48,000,000 shall be deposited in the General Fund.	
4. \$3,000,000 shall be deposited into the Fish and Game Preservation Fund to continue operation of state fish hatcheries located in various regions of the state.	
5. \$3,000,000 shall be deposited into the State Parks and Recreation Fund for deferred maintenance.	
6. Any revenues remaining after expenditure for the purposes specified in Provisions 1, 2, 3, 4, and 5 shall be deposited in the General Fund.	
3640-490—Reappropriation, Wildlife Conservation Board. The balance of the appropriation provided in the following citation is reappropriated for the purposes provided for in that appropriation, and shall be	

Item	Amount
available for encumbrance or expenditure until June 30, 2008:	
6029—Payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) Item 3640-302-6029 of the Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 80.10.603.000-San Joaquin River Conservancy—Project and acquisition	
3640-491—Reappropriation, Wildlife Conservation Board. The amounts specified in the appropriations provided for in the following citations are reappropriated for the purposes provided for in those appropriations, and shall be available for encumbrance or expenditure until June 30, 2008:	
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) The balance of Program 80.10.410-Oak Woodlands Conservation Act (Ch. 983, Stats. 2002)	
(2) The balance of Program 80.10.420-Rangeland, Grazing Land, and Grassland Protection Act (Ch. 984, Stats. 2002)	
3640-495—Reversion, Wildlife Conservation Board. As of June 30, 2005, the unencumbered balances of the appropriations made in the following citations shall revert to the funds from which the appropriations were made:	
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) Item 3640-302-6029 of the Budget Act of 2002 (Ch. 379, Stats. 2002), as amended by Section 62 of Chapter 3 of the Statutes of 2003, First Extraordinary Session	
(1.5) 80.10.500-Wetlands Restoration and Acquisition	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(1) Item 3640-301-6031 of the Budget Act of 2002 (Ch. 379, Stats. 2002), as added by Section 63 of Chapter 3 of the Statutes of 2003, First Extraordinary Session	
(1) 80.10.800-Cargill Property—Project and acquisition	
3680-001-0516—For support of Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund	15,862,000

Item	Amount
Schedule:	
(1) 10-Boating Facilities	14,765,000
(2) 20-Boating Operations.....	6,481,000
(3) 30-Beach Erosion Control	601,000
(4) 40.01-Administration.....	2,338,000
(5) 40.02-Distributed Administration ...	-2,338,000
(6) Reimbursements.....	-15,000
(7) Amount payable from the Federal Trust Fund (Item 3680-001-0890).	-5,893,000
(8) Less funding provided by capital outlay	-77,000
Provisions:	
1. Notwithstanding Section 85.2 of the Harbors and Navigation Code, \$601,000 of the funds appropriated in this item shall be expended for support of the 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.....	5,893,000
3680-101-0516—For local assistance, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund.....	43,130,000
Schedule:	
(1) 10-Boating Facilities	36,457,000
(a) Launching Facility Grants	(12,714,000)
(1) Antioch Marina BLF	(2,039,000)
(2) Bonelli BLF	(100,000)
(3) Broderick BLF.....	(793,000)
(4) Dana Point BLF ...	(1,800,000)
(5) Floating Restrooms	(500,000)
(6) Live Oak BLF	(561,000)
(7) Lopez Lake BLF ...	(755,000)
(8) Oyster Point Marina BLF	(745,000)
(9) Pepper Park BLF ...	(690,000)
(10) Port of Redwood City BLF.....	(1,081,000)
(11) Ramp Repair and Modifications	(500,000)
(12) Shelter Island BLF	(2,000,000)
(13) Signs	(50,000)
(14) Vessel Pumpout ...	(100,000)
(15) Reimbursement Grants	(1,000,000)

Item	Amount
(b) Public Small Craft Harbor Loans.....	(19,000,000)
(1) Alamitos Bay Basin	
1	(1,875,000)
(2) Long Beach Down-town Marinas	(8,125,000)
(3) Dana Point Marina.....	(3,700,000)
(4) Sacramento Marina	(500,000)
(5) Long Beach Basins 2 and 3.....	(100,000)
(6) San Francisco Marina	(3,700,000)
(7) Moss Landing Marina	(500,000)
(8) Emergency Loans ..	(500,000)
(c) Private Loans	(3,500,000)
(d) Clean Vessel Act Grant Program....	(843,000)
(e) Boating Trails	(300,000)
(f) Boating Infrastructure Grant Program.....	(100,000)
(2) 20-Boating Operations.....	9,575,000
(3) 30-Beach Erosion Control	816,000
(4) Reimbursements.....	-1,000,000
(5) Amount payable from the Abandoned Watercraft Abatement Fund (Item 3680-101-0577)	-500,000
(6) Amount payable from the Federal Trust Fund (Item 3680-101-0890).	-2,218,000
Provisions:	
1. Of the funds appropriated in Schedule (2), Program 20-Boating Operations, \$8,100,000 is for boating safety and enforcement programs pursuant to Section 663.7 of the Harbors and Navigation 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.....	2,218,000
Provisions:	
1. Of the amount appropriated in this item, \$975,000 shall be for grants to local governments for boating safety and law enforcement, 15 percent of which shall be allocated according to the depart-	

Item	Amount
<p>ment’s discretion, and 85 percent of which shall be allocated by the department in accordance with the following priorities:</p> <p>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 need as calculated pursuant to Section 663.7 of the Harbors and Navigation Code.</p> <p>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.</p> <p>Third—To local governments whose boating revenue exceeds their need, but who are not spending sufficient local revenue to meet their calculated need.</p>	
3680-301-0516—For capital outlay, Department of Boating and Waterways, payable from the Harbors and Watercraft Revolving Fund	3,546,000
Schedule:	
(0.5) 50.56.010-Channel Islands: Boating Instruction and Safety Center—Working drawings	166,000
(1) 50.99.010-Project Planning	80,000
(2) 50.99.020-Minor Projects	3,300,000
Provisions:	
1. Funds appropriated in Schedule (1) 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 2006–07 or 2007–08 fiscal year.	
3720-001-0001—For support of California Coastal Commission.....	10,751,000
Schedule:	
(1) 10-Coastal Management Program ..	14,573,000
(2) 20-Coastal Energy Program	1,147,000
(3) 30.01-Administration.....	1,619,000
(4) 30.02-Distributed Administration ...	-1,538,000
(5) 97.20.001-Unallocated Reduction...	-152,000
(6) Reimbursements.....	-1,284,000

Item	Amount
(7) Amount payable from California Beach and Coastal Enhancement Account (Item 3720-001-0371).....	-582,000
(8) Amount payable from the Federal Trust Fund (Item 3720-001-0890).	-3,032,000
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	582,000
3720-001-0890—For support of California Coastal Commission, for payment to Item 3720-001-0001, payable from the Federal Trust Fund	3,032,000
3720-101-0371—For local assistance, California Coastal Commission, payable from California Beach and Coastal Enhancement Account, California Environmental License Plate Fund	778,000
Schedule:	
(1) 10-Coastal Management Program ..	778,000
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.....	1,414,000
3760-001-0140—For support of State Coastal Conservancy, for payment to Item 3760-001-0565, payable from the California Environmental License Plate Fund	1,200,000
3760-001-0565—For support of State Coastal Conservancy, payable from the State Coastal Conservancy Fund	4,938,000
Schedule:	
(1) 15-Coastal Resource Development.	4,744,000
(2) 25-Coastal Resource Enhancement.	4,610,000
(3) 90.01-Administration and Support .	3,174,000
(4) 90.02-Distributed Administration.....	-3,174,000
(5) Reimbursements.....	-120,000
(6) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3760-001-0005).	-1,414,000
(7) Amount payable from the California Environmental License Plate Fund (Item 3760-001-0140).....	-1,200,000
(8) Amount payable from the Federal Trust Fund (Item 3760-001-0890).....	-125,000

Item	Amount
(9) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3760-001-6029).....	-887,000
(10) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3760-001-6031)	-670,000
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	125,000
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.....	887,000
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	670,000

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	14,777,000
Schedule:	
(1) 80.00.023-San Francisco Bay Area Conservancy Program	2,244,000
(2) 80.97.030-Conservancy Programs ..	13,033,000
(3) Reimbursements	-500,000
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, 2008.	
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	4,300,000
(2) Reimbursements	-300,000
Provisions:	
1. (a) The State Coastal Conservancy shall not enter into a grant contract with a nonprofit organization or local government for property ac-	

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quisition 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.

3760-301-0371—For capital outlay, State Coastal Conservancy, payable from the California Beach and Coastal Enhancement Account, California Environmental License Plate Fund.....

400,000

Schedule:

(1) 80.00.020-Public Access..... 400,000

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

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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, 2008.

3760-301-0565—For capital outlay, State Coastal Conservancy, payable from the State Coastal Conservancy Fund

650,000

Schedule:

(1) 80.00.020-Public Access..... 650,000

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.

Item	Amount
2. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance until June 30, 2008.	
3760-301-0593—For capital outlay, State Coastal Conservancy, payable from the Coastal Access Account, State Coastal Conservancy Fund	950,000
Schedule:	
(1) 80.00.020-Public Access.....	950,000
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, 2008.	
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.	

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<ul style="list-style-type: none"> (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. <p>2. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance until June 30, 2008.</p> <p>3760-301-6029—For capital outlay, State Coastal Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund</p>	4,000,000
Schedule:	
<ul style="list-style-type: none"> (1) 80.00.023-San Francisco Bay Conservancy Program (2) Reimbursements 	<p>4,500,000</p> <p>–500,000</p>
Provisions:	
<ul style="list-style-type: none"> 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. 	

Item	Amount
2. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance until June 30, 2008.	
3760-301-6031—For capital outlay, State Coastal Conservancy, payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	31,500,000
Schedule:	
(1) 80.02.032-Watershed, Water Quality Protection, and Enhancement Program.....	32,000,000
(2) Reimbursements.....	-500,000
Provisions:	
1. The amount appropriated in this item is available for encumbrance for either capital outlay or local assistance until June 30, 2008.	
2. 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.	
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.....	4,000,000
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	

Item	Amount
of subdivision (a) of Section 79570 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.	
3760-490—Reappropriation, State Coastal Conservancy. The amount specified in the appropriation provided for in the following citation is reappropriated for the purposes specified in that appropriation, and shall be available for encumbrance or expenditure until June 30, 2008:	
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) The balance of Item 3760-301-6029 of the Budget Act of 2002 (Ch. 379, Stats. 2002)	
3760-495—Reversion, State Coastal Conservancy. As of June 30, 2005, the balances of the appropriations provided for in the following citations shall revert to the funds from which the appropriations were made:	
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	
(1) \$3,117,000 from Program 80.93.015—Coastal Resource Development in Item 3760-301-0005 of the Budget Act of 2000 (Ch. 52, Stats. 2000)	
(2) \$7,404,000 from Program 80.01.027—Upper Newport Bay Restoration and Protection Program in Item 3760-301-0005 of the Budget Act of 2001 (Ch. 106, Stats. 2001)	
(3) \$2,582,000 from Program 80.93.025—Coastal Resource Enhancement in Item 3760-301-0005 of the Budget Act of 2001 (Ch. 106, Stats. 2001)	
(4) \$35,000 from Program 80.97.030—Conservancy Programs (2) (S) in Item 3760-302-0005 of the Budget Act of 2000 (Ch. 52, Stats. 2000)	
(5) \$4,387,000 from Program 80.97.030—Conservancy Programs (2) (Z) in Item 3760-302-0005 of the Budget Act of 2000 (Ch. 52, Stats. 2000)	
3780-001-0001—For support of Native American Heritage Commission	532,000
Schedule:	
(1) 10-Native American Heritage Commission.....	545,000
(2) 97.20.001-Unallocated Reduction...	-8,000
(3) Reimbursements.....	-5,000

Item	Amount
3790-001-0001—For support of Department of Parks and Recreation	100,976,000
Schedule:	
(1) For support of the Department of Parks and Recreation	353,003,000
(2) Unallocated Reduction	-1,567,000
(3) Reimbursements	-34,575,000
(4) Less funding provided by capital outlay	-4,000,000
(5) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3790-001-0005).....	-10,179,000
(5.5) Amount payable from the Surface Mining and Reclamation Account (Item 3790-001-0035)	-500,000
(6) Amount payable from the California Environmental License Plate Fund (Item 3790-001-0140).....	-2,635,000
(7) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3790-001-0235)	-9,858,000
(8) Amount payable from the Off-Highway Vehicle Trust Fund (Item 3790-001-0263)	-36,579,000
(9) Amount payable from the State Parks and Recreation Fund (Item 3790-001-0392).....	-134,779,000
(10) Amount payable from the Winter Recreation Fund (Item 3790-001-0449).....	-346,000
(11) Amount payable from the Harbors and Watercraft Revolving Fund (Item 3790-001-0516)	-689,000
(12) Amount payable from the Federal Trust Fund (Item 3790-001-0890). ..	-3,652,000
(13) Amount payable from the California Main Street Program Fund (Item 3790-001-3077)	-175,000
(14) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3790-001-6029)	-12,022,000

Item	Amount
(15) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3790-001-6031)	-471,000
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 should also be reflected in the department's state operations budget in the Governor's Budget as a special item of expense reflecting the funding provided from the capital outlay appropriations.	
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	10,179,000
3790-001-0035—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Surface Mining and Reclamation Account	500,000
Provisions:	
1. Notwithstanding Section 2796.5 of the Public Resources Code, the funds appropriated in this item shall be available for a water pollution mitigation study of the Empire Mine State Historic Park.	
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.....	2,635,000
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.....	9,858,000

Item	Amount
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	36,579,000
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	134,779,000
3790-001-0449—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Winter Recreation Fund	346,000
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	689,000
3790-001-0890—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the Federal Trust Fund.....	3,652,000
3790-001-3077—For support of Department of Parks and Recreation, for payment to Item 3790-001-0001, payable from the California Main Street Program Fund	175,000
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	12,022,000
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	471,000
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, the amount appropriated in this item normally transferred to the Harbors and Watercraft Revolving	

Item	Amount
<p>Fund from the Motor Vehicle Fuel Account, Transportation Tax Fund, shall be available for transfer to the State Parks and Recreation Fund.</p> <p>3790-101-0005—For local assistance, Department of Parks and Recreation, payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund, to be available for expenditure through fiscal year 2007–08.....</p>	835,000
<p>Schedule:</p> <p>(1) 80.25-Recreational Grants 835,000</p> <p style="padding-left: 2em;">(a) Local Agencies Operating Park Units</p>	
<p>Provisions:</p> <p>1. The funds appropriated in Schedule (1)(a) shall be available to the City of Huntington Beach for improvements to the bicycle and pedestrian trail and for bluff erosion and safety railing at Bolsa Chica State Beach.</p>	
<p>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 2007–08.....</p>	4,592,000
<p>Schedule:</p> <p>(1) 80.25-Recreational Grants 3,092,000</p> <p>(2) 80.28-Local Projects..... 1,500,000</p> <p style="padding-left: 2em;">(a) Monterey County, Monterey Peninsula Regional Park District-Santa Lucia Mountain Range.....(1,500,000)</p>	
<p>Provisions:</p> <p>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.</p>	
<p>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 2007–08.....</p>	18,000,000
<p>Schedule:</p> <p>(1) 80.12-OHV Grants 18,000,000</p>	

Item	Amount
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 2007–08	6,200,000
Schedule:	
(1) 80.12-OHV Grants	1,200,000
(2) 80.25-Recreational Grants	5,000,000
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 2007–08	14,200,000
Schedule:	
(1) 80.25-Recreational Grants	13,000,000
(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.	
3790-101-8017—For local assistance, Department of Parks and Recreation, payable from the California Missions Foundation Fund, to be available for expenditure through fiscal year 2007–08.....	260,000
Schedule:	
(1) 80.30-Historic Preservation Grants	260,000
Provisions:	
1. The funds appropriated in this item shall be available for allocation to the California Missions Foundation for the restoration of California missions.	
2. The Department of Parks and Recreation, upon approval by the Department of Finance, may adjust the appropriation specified in this item to the amount deposited in the fund from voluntary contributions made by taxpayers.	

Item	Amount
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	5,404,000
Schedule:	
(1) 90.AI.101-Millerton Lake SRA: Rehabilitate La Playa Day Use Area—Preliminary plans	200,000
(1.1) 90.EX.101-Malibu Creek SP: Restore Sepulveda Adobe—Construction	384,000
(1.2) 90.E4.103-Chino Hills SP: Visitor Center—Construction	726,000
(1.3) 90.GG.101-Silverwood Lake SRA: Campground and Day Use Improvements—Construction	526,000
(2) 90.G3.101-Antelope Valley Indian Museum-Structural Improvements—Preliminary plans and working drawings	149,000
(2.1) 90.H9.101-Cardiff SB: Rebuild South Cardiff Facilities—Construction	500,000
(3) 90.I6.101-San Elijo SB: Replace Main Lifeguard Tower—Preliminary plans and working drawings	418,000
(4) 90.RS.205-Statewide: State Park System—Minor projects	975,000
(5) 90.RS.250-Statewide: Interpretive Exhibits—Minor projects	500,000
(6) 90.RS.260-Statewide: Recreational Trails—Minor projects	250,000
(7) 90.RS.601-Statewide: Budget Development—Study	500,000
(8) 90.8J.101-Columbia SHP: Drainage Improvements—Preliminary plans.	144,000
(9) 90.86.100-Rancho San Andres: Castro Adobe—Construction	132,000
Provisions:	
1. The funds appropriated in Schedule (7) 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 that are anticipated to be included in the Governor’s Budget for the 2006–07 and 2007–08 fiscal years.	

Item	Amount
3790-301-0262—For capital outlay, Department of Parks and Recreation, payable from the Habitat Conservation Fund	1,000,000
Schedule:	
(1) 90.RS.406-Habitat Conservation:	
Proposed Additions—Acquisition .	1,000,000
3790-301-0263—For capital outlay, Department of Parks and Recreation, payable from the Off-Highway Vehicle Trust Fund	7,845,000
Schedule:	
(1) 90.RS.206-Statewide: OHV	
Minors—Minor projects	2,245,000
(2) 90.RS.405-Statewide: OHV Opportunity Purchase/Budget Package/Schematic Planning—Acquisition and study.....	
	600,000
(3) 90.9N.101-Bakersfield OHV Park Project—Acquisition	
	5,000,000
Provisions:	
1. The funds appropriated in Schedule (2) 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 2006–07 or 2007–08 fiscal year.	
3790-301-0890—For capital outlay, Department of Parks and Recreation, payable from the Federal Trust Fund.....	5,000,000
Schedule:	
(1) 90.RS.801-Federal Trust Fund Program—Acquisition, preliminary plans, working drawings and construction	
	5,000,000
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.....	27,000,000
Schedule:	
(1) 90.BA.102-Big Basin Redwoods SP: Water System Improvements—Preliminary plans.....	
	236,000
(2) 90.EX.103-Malibu Creek SP: Rehabilitate Public Use Facilities at Tapia—Working drawings, construction, and equipment	
	3,845,000

Item	Amount
(3) 90.E4.104-Chino Hills SP: Entrance Road and Facilities—Construction and equipment	12,426,000
(4) 90.FW.101-Topanga SP: Public Use Improvements—Construction and equipment.....	1,521,000
(4.1) 90.GI.102-Crystal Cove SP: Rehabilitation of Historic Cottages and Infrastructure—Construction ..	567,000
(4.2) 90.GY.101-Doheny SB: New Lifeguard Headquarters—Construction	263,000
(4.3) 90.IH.101-Lake Perris SRA: Replace Lifeguard Headquarters—Construction	572,000
(5) 90.RS.412-Statewide: State Park System Opportunity & Inholding Acquisitions—Acquisition	1,500,000
(6) 90.RS.810-Capital Outlay Projects—Acquisition, preliminary plans, working drawings, construction, and minor projects	3,000,000
(7) 90.3I.101-Shasta SHP: Southside Ruins Stabilization—Working drawings and construction.....	1,852,000
(7.1) 90.5R.101-Fort Ross SHP: Reconstruction Historic Fur Warehouse—Construction	2,336,000
(8) 90.6H.101-Samuel P. Taylor SP: Install New Concrete Reservoirs—Working drawings and construction.....	1,677,000
(9) 90.8X.101-Plumas-Eureka SP: Historic Stamp Mill Preservation—Preliminary plans.....	205,000
(10) Reimbursement—Capital Outlay Projects	-3,000,000
3790-401—For the 2005–06 fiscal year, the balance as of July 1, 2005, deposits in, and accruals to the Conservation and Enforcement Services Account in the Off-Highway Vehicle Trust Fund shall be transferred by the State Controller to the Off-Highway Vehicle Trust Fund. All funds transferred pursuant to this item shall be available for expenditure by the Department of Parks and Recreation for activities pursuant to Section 5090.64 of the Public Resources Code which are authorized for expenditure within	

Item	Amount
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.	
3790-490—Reappropriation, Department of Parks and Recreation. The balance of the appropriation provided for in the following citation is reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance or expenditure until June 30, 2008:	
0001—General Fund	
(1) Item 3790-101-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(a) 80.25-Recreational Grants	
(184) City of Redlands: Local Park Facility	
3790-491—Reappropriation, Department of Parks and Recreation. 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 the appropriations:	
0005—Safe Neighborhood Parks, Clean Water, Clean Air and Coastal Protection Bond Fund	
(1) Item 3790-302-0005, Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Chapter 636 of the Statutes of 2002	
(7) 90.EC.400-Kenneth Hahn SRA: Baldwin Hills—Acquisition, planning, preliminary plans, working drawings, equipment, and construction, including, but not limited to, trail development and improvement, habitat restoration.	
(2) Item 3790-301-0005, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(5.5) 90.86.100-Rancho San Andres: Castro Adobe—Preliminary plans, working drawings, and construction	
(6) 90.AA.101-Folsom Powerhouse SHP: Powerhouse Stabilization—Working drawings, construction, and equipment	
(20) 90.H9.101-Cardiff SB: Rebuild South Cardiff Facilities—Construction	
(23) 90.IL.102-Border Field SP: Sediment Basins and Road Realignment—Construction	

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Amount

- (27.5) 90.AA.102-Folsom Powerhouse SHP: Visitor Center—Preliminary plans, working drawings, construction, and equipment
- (29) Reimbursements-Border Field SP: Sediment Basins and road realignment
- (30) Reimbursements-Folsom Powerhouse SHP: Visitor Center
- (3) Kenneth Hahn SRA, Section 1 of Chapter 636 of the Statutes of 2002
- (4) Item 3790-301-0005, Budget Act of 2004 (Ch. 208, Stats. 2004)
 - (0.1) 90.EX.101-Malibu Creek SP: Restore Sepulveda Adobe—Working drawings and construction
 - (0.2) 90.E4.103-Chino Hills SP: Visitor Center—Construction and equipment
 - (1) 90.GI.101-Crystal Cove SP: El Morro Mobilehome Park Conversion—Construction
 - (5) Reimbursement-Crystal Cove SP: El Morro Mobilehome Park Conversion
- 0263—Off-Highway Vehicle Trust Fund
 - (1) Item 3790-301-0263, Budget Act of 2004 (Ch. 208, Stats. 2004)
 - (1) 90.A7.102-Prairie City SVRA: Improvement Project—Working drawings and construction
 - (4) 90.20.002-Unallocated Capital Outlay
- 6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund
 - (1) Item 3790-301-6029, Budget Act of 2002 (Ch. 379, Stats. 2002)
 - (1) 90.FJ.103-Will Rogers SHP: Restoration Historic Landscape—Preliminary plans, working drawings, and construction
 - (2) 90.FW.104-Topanga SP: Immediate Use and General Planning—Study, preliminary plans, working drawings, and construction
 - (3) 90.GI.102-Crystal Cove SP: Rehabilitation of Historic Cottages and Infrastructure—Preliminary plans, working drawings, and construction
 - (4) 90.KV.101-Los Angeles River Parkway Project: Taylor Yards, Immediate Public Use and General Planning—Study, preliminary plans, working drawings, and construction

Item	Amount
(5) 90.KZ.102-Cornfields Project: Immediate Use and General Planning—Study, preliminary plans, working drawings, and construction	
(6) 90.RS.224-Statewide Acquisition-Proposition 40—Acquisition	
(2) California Indian Museum: Preliminary plans, working drawings, and construction, Chapter 1126 of the Statutes of 2002	
(3) Item 3790-301-6029, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(0.5) 90.AC.101-Railroad Technology Museum: Rehabilitation and Facilities Plan—Working drawings and construction	
(1) 90.BA.101-Big Basin Redwoods SP: Wastewater Collection/Treatment System Improvements—Construction and equipment	
(2) 90.CB.102-Morro Bay SP: Sewer System Improvement—Construction	
(2.1) 90.EX.103-Malibu Creek SP: Rehabilitate Public Use Facilities at Tapia—Preliminary plans	
(2.5) 90.FW.101-Topanga SP: Public Use Improvements—Preliminary plans and working drawings	
(2.6) 90.GY.101-Doheny SB: New Lifeguard Headquarters—Construction and equipment	
(2.7) 90.IH.101-Lake Perris SRA: Replace Lifeguard Headquarters—Construction and equipment	
(3.3) 90.3I.101-Shasta SHP: Southside Ruins Stabilization—Preliminary plans	
(4) 90.5R.102-Fort Ross SHP: Water System Improvement—Construction	
(5.1) 90.8D.102-Donner Memorial SP: New Visitor Center—Working drawings, construction, and equipment	
(5.2) 90.8I.101-Calaveras Big Trees SP: New Visitor Center—Working drawings, construction, and equipment	
(5.3) 90.8X.101-Plumas-Eureka SP: Historic Stamp Mill Preservation—Study and partial construction	

Item	Amount
(5.4) 90.42.101-MacKerricher SP: Rehabilitate Historic Pudding Creek Trestle—Construction	
(5.5) Reimbursement-Railroad Technology Museum: Rehabilitation and Facilities Plan	
(5.6) Reimbursement-Calaveras Big Trees SP: New Visitor Center	
(5.7) Reimbursement-Donner Memorial SP: Visitor Center	
3790-492—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citation is extended to June 30, 2006: 0262—Habitat Conservation Fund	
(1) Item 3790-101-0262, Budget Act of 1999 (Ch. 50, Stats. 1999), as reappropriated by Item 3790-493, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(1) 80.25.0001-Local Grants—Habitat Conservation Fund Program	
Provisions:	
1. The reappropriation is limited to the \$325,000 grant to the Mid-Peninsula Regional Open Space District.	
3790-493—Reappropriation, Department of Parks and Recreation. The balance of the appropriation provided for in the following citation is reappropriated for the purposes provided for in that appropriation and shall be available for encumbrance or expenditure until June 30, 2008: 0001—General Fund	
(1) Item 3790-101-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(a) 80.25-Recreational Grants	
(94) Mendocino Coast Recreation and Park District: Construction of Phase I of the Ft. Bragg Aquatic Center	
3790-494—Reappropriation, Department of Parks and Recreation. The balance of the appropriation provided for in the following citation is reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2006: 0383—Natural Resources Infrastructure Fund	
(1) The balance of Item 3790-101-0383 of the Budget Act of 2004 (Ch. 208, Stats. 2004) shall be available to the City of Los Angeles, Department	

Item	Amount
of Parks and Recreation, to fund priority parks renovation, restoration, improvement, and deferred maintenance.	
3790-495—Reversion, Department of Parks and Recreation. As of June 30, 2005, the sum of \$6,236,000 from the appropriation provided for in the following citation shall revert to the balance of the fund from which the appropriation was made.	
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) Item 3790-001-6029, Budget Act of 2004 (Ch. 208, Stats. 2004)	
3790-496—Reversion, Department of Parks and Recreation. As of June 30, 2005, the unencumbered balance of the appropriations provided for in the following citations shall revert to the fund from which the appropriation was made:	
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	
(1) Item 3790-301-0005, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(15) 90.5R.101-Fort Ross SHP: Reconstruct Historic Fur Warehouse—Construction	
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) Item 3790-301-6029, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(2.4) 90.FO.101-Huntington SB: Expand Life-guard Headquarters/Training Facility—Working drawings, construction, and equipment	
3810-001-0140—For support of Santa Monica Mountains Conservancy, payable from the California Environmental License Plate Fund	267,000
Schedule:	
(1) 10-Santa Monica Mountains Conservancy	717,000
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3810-001-6029).....	-229,000
(3) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3810-001-6031)	-221,000

Item	Amount
Provisions:	
1. Notwithstanding Article 4 (commencing with Section 11040) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code, the Attorney General shall continue to provide legal services to the Santa Monica Mountains Conservancy consistent with the manner in which the Attorney General provides legal services to state agencies that are funded by appropriations made from the General Fund.	
2. (a) The Santa Monica Mountains Conservancy shall not encumber state appropriated funds for the purchase or acquisition of real property directly or through any public agency intermediary, including the State Public Works Board, that requires the payment of interest costs, or late fees or penalties, unless the conservancy certifies all of the following: (1) that the purchase is necessary to implement an acquisition identified in the high-priority category of the work program submitted annually to the Legislature pursuant to Section 33208 of the Public Resources Code, or amendments made thereto, (2) that the purchase agreement does not involve interest payments or terms in excess of those that the State Public Works Board may enter into pursuant to Section 15854.1 of the Government Code, and (3) that the purchase agreement does not commit the state to future appropriations.	
(b) The Santa Monica Mountains Conservancy shall report periodically to the Legislature, but no less frequently than twice yearly, concerning the status of any purchases certified as required in (a) and the amount of state funds thus far encumbered for interest, penalties, or other principal surcharges.	
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	229,000

Item	Amount
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.....	221,000
3810-301-0941—For capital outlay, Santa Monica Mountains Conservancy, payable from the Santa Monica Mountains Conservancy Fund.....	13,000
Schedule:	
(1) 50.20-Capital Outlay and Local Assistance.....	13,000
Provisions:	
1. The Santa Monica Mountains Conservancy may encumber funds for either capital outlay or local assistance grants through June 30, 2008. The conservancy shall not encumber funds for any grant not previously approved by the office of the Attorney General.	
2. The Santa Monica Mountains Conservancy shall issue grants from this appropriation only in accordance with the General Obligation Bond Law and the specific provisions of the bond funds from which appropriations have been made, and according to advice it has received from the office of the Attorney General, and, if appropriate, from the Office of the State Treasurer, respecting the permissible use of bond funds available to the conservancy.	
3. Any time that the office of the Attorney General concludes that any use of bond funds has not been consistent with the advice provided by the Attorney General, the Santa Monica Mountains Conservancy shall follow the instructions of the Attorney General with respect to recovery, refund, or other settlement.	
5. The Santa Monica Mountains Conservancy shall submit a report to the Director of Finance and the Joint Legislative Budget Committee, no later than October 1, 2005, on the conservancy’s procedures and progress towards achieving compliance with audit findings identified in “Final Management Letter—Audit of Proposition 12, 40, and 50 Bond Funds,” prepared by the Office of State Audits and Evaluations, Department of Finance, dated March 1, 2005.	

Item	Amount
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-Capital Outlay and Local Assistance..... 9,500,000

Provisions:

1. The Santa Monica Mountains Conservancy may encumber funds for either capital outlay or local assistance grants through June 30, 2008. The conservancy shall not encumber funds for any grant not previously approved by the office of the Attorney General.
2. The Santa Monica Mountains Conservancy shall issue grants from this appropriation only in accordance with the General Obligation Bond Law and the specific provisions of the bond funds from which appropriations have been made, and according to advice it has received from the office of the Attorney General, and if appropriate, from the Office of the State Treasurer, respecting the permissible use of bond funds available to the conservancy.
3. Any time that the office of the Attorney General concludes that any use of bond funds has not been consistent with the advice provided by the Attorney General, the Santa Monica Mountains Conservancy shall follow the instructions of the Attorney General with respect to recovery, refund, or other settlement.
5. The Santa Monica Mountains Conservancy shall submit a report to the Director of Finance and the Joint Legislative Budget Committee, no later than October 1, 2005, on the conservancy’s procedures and progress towards achieving compliance with audit findings identified in “Final Management Letter—Audit of Proposition 12, 40, and 50 Bond Funds,” prepared by the Office of State Audits and Evaluations, Department of Finance, dated March 1, 2005.

3810-490—Reappropriation, Santa Monica Mountains Conservancy. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citation is extended to June 30, 2008.

Item	Amount
0941—Santa Monica Mountains Conservancy Fund	
(1) Reimbursements to Item 3810-301-0941, Budget Act of 2000 (Ch. 52, Stats. 2000)	
3810-491—Reappropriation, Santa Monica Mountains Conservancy. 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 the appropriations, and shall be available for encumbrance or expenditure until June 30, 2008:	
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	
(1) Item 3810-301-0005, Budget Act of 2000 (Ch. 52, Stats. 2000), provided that the funds will be available for capital outlay and local assistance.	
(2) Item 3810-301-0005, Budget Act of 2001 (Ch. 106, Stats. 2001), provided that the funds will be available for capital outlay and local assistance. Of the amount reappropriated, the balance of the appropriation specified in Provision 2 of Item 3810-301-0005, Budget Act of 2001 (Ch. 106, Stats. 2001), may be used for capital outlay and local assistance grants other than Phase 1 of the acquisition of Zanja Madre Park.	
(3) Item 3810-301-0005, Budget Act of 2002 (Ch. 379, Stats. 2002), provided that the funds will be available for capital outlay and local assistance.	
6015—River Protection Subaccount	
(1) Item 3810-301-6015, Budget Act of 2000 (Ch. 52, Stats. 2000)	
Provisions:	
1. The Santa Monica Mountains Conservancy may encumber funds for either capital outlay or local assistance grants until June 30, 2008.	
2. This reappropriation item shall not affect funds reverted by Item 3810-495.	
3810-495—Reversion, Santa Monica Mountains Conservancy. As of June 30, 2005, the amounts in the appropriations provided for in the following citations shall revert to the balance of the fund from which the appropriations were made:	
0005—Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund	
(1) \$10,000 from Item 3810-301-0005, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(2) \$2,695,000 from Item 3810-301-0005, Budget Act of 2001 (Ch. 106, Stats. 2001)	

Item	Amount
3820-001-0001—For support of San Francisco Bay Conservation and Development Commission	3,204,000
Schedule:	
(1) 10-Bay Conservation and Development	4,125,000
(2) 97.20.001-Unallocated Reduction...	-50,000
(3) Reimbursements	-674,000
(4) Amount payable from the Bay Fill Clean-Up and Abatement Fund (Item 3820-001-0914)	-197,000
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	197,000
3825-001-0140—For support of San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, payable from the California Environmental License Plate Fund	283,000
Schedule:	
(1) 10-San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy	515,000
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3825-001-6029)	-132,000
(3) Amount payable from the Water Security, Clean Drinking Water, Coastal Beach Protection Fund of 2002 (Item 3825-001-6031)	-100,000
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	132,000
3825-001-6031—For support of San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy, for payment to Item 3825-001-0140, payable from the Water Security, Clean Drinking Water, Coastal Beach Protection Fund of 2002	100,000
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

Item	Amount
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2008.	
3830-001-0140—For support of San Joaquin River Conservancy, payable from the California Environmental License Plate Fund	264,000
Schedule:	
(1) 10-San Joaquin River Conservancy. 374,000	
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3830-001-6029).....	-110,000
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	110,000
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
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2008.	
2. Notwithstanding any other provision of law, upon approval and order of the Department of Finance, loans may be made from the California Environmental License Plate Fund to meet cashflow needs due to delays in collecting reimbursements. Any loan authorized by the Department of Finance pursuant to this provision shall only be made if the conservancy has a valid contract or certification that demonstrates that sufficient funds will be available to repay the loan.	
3835-001-0140—For support of Baldwin Hills Conservancy, payable from the California Environmental License Plate Fund	311,000
Schedule:	
(1) 10-Baldwin Hills Conservancy	417,000

Item	Amount
(2) Amount payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund (Item 3835-001-6029).....	-106,000
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..	106,000
3835-301-6029—For capital outlay, Baldwin Hills Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	8,648,000
Schedule:	
(1) 20-Capital Outlay Acquisition and Improvement Program.....	10,648,000
(2) Reimbursements.....	-2,000,000
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2008.	
3840-001-0140—For support of Delta Protection Commission, payable from the California Environmental License Plate Fund	151,000
3840-001-0516—For support of Delta Protection Commission, payable from the Harbors and Watercraft Revolving Fund.....	178,000
3845-001-0140—For support of San Diego River Conservancy, payable from the California Environmental License Plate Fund	274,000
Schedule:	
(1) 10-San Diego River Conservancy ..	274,000
3845-301-0140—For capital outlay, San Diego River Conservancy, payable from the Environmental License Plate Fund	0
Schedule:	
(1) 20-Capital Outlay Acquisition and Enhancement Projects	500,000
(2) Reimbursements.....	-500,000
Provisions:	
1. The funds appropriated in this item are available for encumbrance for either capital outlay or local assistance until June 30, 2008.	
3850-001-0140—For support of Coachella Valley Mountains Conservancy, payable from the California Environmental License Plate Fund	255,000

Item	Amount
Schedule:	
(1) 10-Coachella Valley Mountains Conservancy	411,000
(2) Reimbursements	-124,000
(3) Amount payable from the Coachella Valley Mountains Conservancy Fund (Item 3850-001-0296).....	-32,000
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
3850-301-6029—For capital outlay, Coachella Valley Mountains Conservancy, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	218,000
Schedule:	
(1) 20-Coachella Valley Mountains Acquisition and Enhancement Projects and Costs.....	218,000
Provisions:	
1. The funds appropriated in this item are available for expenditure for capital outlay or local assistance until June 30, 2008.	
3855-001-0140—For support of Sierra Nevada Conservancy, payable from the California Environmental License Plate Fund	3,357,000
Schedule:	
(1) 10-Sierra Nevada Conservancy	3,557,000
(2) Reimbursements	-200,000
3860-001-0001—For support of Department of Water Resources	72,691,000
Schedule:	
(1) 10-Continuing Formulation of the California Water Plan.....	108,447,000
(2) 20-Implementation of the State Water Resources Development System.....	5,220,000
(3) 30-Public Safety and Prevention of Damage	92,690,000
(4) 40-Services	7,205,000
(5) 45-California Energy Resources Scheduling (CERS).....	32,343,603
(6) 50.01-Management and Administration.....	63,700,000
(7) 50.02-Distributed Management and Administration	-63,700,000

Item	Amount
(8) 97.20.001-Unallocated Reduction...	-576,000
(9) Reimbursements.....	-26,693,000
(10) Amount payable from the California Environmental License Plate Fund (Item 3860-001-0140).....	-238,000
(11) Amount payable from the Central Valley Project Improvement Subaccount (Item 3860-001-0404).....	-1,575,000
(12) Amount payable from the Feasibility Projects Subaccount (Item 3860-001-0445)	-482,000
(13) Amount payable from the Water Conservation and Groundwater Recharge Subaccount (Item 3860-001-0446)	-125,000
(14) Amount payable from the Energy Resources Programs Account (Item 3860-001-0465)	-1,792,000
(15) Amount payable from the Local Projects Subaccount (Item 3860-001-0543)	-101,000
(17) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3860-001-0744)	-195,000
(18) Amount payable from the Federal Trust Fund (Item 3860-001-0890).....	-12,700,000
(19) Amount payable from the Dam Safety Fund (Item 3860-001-3057).....	-7,827,000
(20) Amount payable from the Electric Power Fund (Item 3860-001-3100).....	-32,343,603
(21) Amount payable from the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund (Item 3860-001-6001)	-988,000
(22) Amount payable from Floodplain Mapping Subaccount (Item 3860-001-6003)	-254,000
(23) Amount payable from the Flood Protection Corridor Subaccount (Item 3860-001-6005)	-866,000
(24) Amount payable from the Urban Stream Restoration Subaccount (Item 3860-001-6007)	-701,000

Item	Amount
(25) Amount payable from the Yuba Feather Flood Protection Subaccount (Item 3860-001-6010).....	-703,000
(26) Amount payable from the Water Conservation Account (Item 3860-001-6023).....	-789,000
(27) Amount payable from the Conjunctive Use Subaccount (Item 3860-001-6025)	-1,316,000
(28) Amount payable from the Bay-Delta Multipurpose Water Management Subaccount (Item 3860-001-6026).....	-3,604,000
(29) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3860-001-6027).	-433,000
(30) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3860-001-6031)	-78,913,000
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.....	238,000
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.....	1,575,000
3860-001-0445—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Feasibility Projects Subaccount.....	482,000
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.....	125,000

Item	Amount
3860-001-0465—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Energy Resources Programs Account	1,792,000
3860-001-0543—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Local Projects Subaccount.....	101,000
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.....	195,000
3860-001-0890—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Federal Trust Fund.....	12,700,000
3860-001-3057—For support of Department of Water Resources, for payments to Item 3860-001-0001, payable from the Dam Safety Fund.....	7,827,000
3860-001-3100—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Electric Power Fund.....	32,343,603
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	988,000
3860-001-6003—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Floodplain Mapping Subaccount.....	254,000
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.....	866,000
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.....	701,000
3860-001-6010—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Yuba Feather Flood Protection Sub-account.....	703,000
3860-001-6023—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Water Conservation Account.....	789,000
3860-001-6025—For support of Department of Water Resources, for payment to Item 3860-001-0001, payable from the Conjunctive Use Subaccount	1,316,000

Item	Amount
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	3,604,000
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.....	433,000
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	78,913,000
Provisions:	
1. This item contains \$3,200,000 to continue studies of the feasibility of enlarging Los Vaqueros Reservoir. It is the intent of the Legislature that regional partners in the Los Vaqueros Reservoir execute an agreement to work together to continue investigation and planning for Los Vaqueros by July 1, 2006, if the state is to continue funding this project beyond the fiscal year.	
3860-002-0001—For support of Department of Water Resources, for annual payment related to Coordination Proceeding Special Title (Rule 1550(b)) February 20, 1986 Flood Cases (Paterno v. State of California (2003) 113 Cal.App.4th 998)	67,068,000
Provisions:	
1. This item is for the payment of the settlement entered into by the State of California and the plaintiffs of the Coordination Proceeding Special Title (Rule 1550(b)) February 20, 1986 Flood Cases (Paterno v. State of California (2003) 113 Cal.App.4th 998), that was ultimately acquired by Merrill Lynch & Co. and allows for repayment over a 10-year period ending in 2015. Interest payments are due each December 1 and June 1. A principal payment is due each June 1.	
2. Because the judgment terms include a variable interest rate, the precise amount of the payments that will come due cannot be determined with certainty beforehand. In the event that the actual total payments for this item exceed the amount appropriated in this item, the Director of Finance is hereby authorized to increase this item in an amount necessary to pay the full required amount. The Director of Finance shall notify the Joint Legislative Budget Committee 30 days prior to the	

Item	Amount
expenditure of any additional funds from this item.	
3. In the event that the actual total payments for this item are less than the amount appropriated, the excess funds will revert to the General Fund on June 30, 2006.	
3860-101-0744—For local assistance, Department of Water Resources, payable from the 1986 Water Conservation and Water Quality Bond Fund	1,600,000
3860-101-0790—For local assistance, Department of Water Resources, payable from the 1988 Water Conservation Fund.....	8,974,000
3860-101-6010—For local assistance, Department of Water Resources, payable from the Yuba Feather Flood Protection Subaccount.....	34,207,000
3860-101-6023—For local assistance, Department of Water Resources, payable from the Water Conservation Account	7,508,000
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.....	52,035,000
3860-301-0001—For capital outlay, Department of Water Resources.....	16,700,000
Schedule:	
(1) 30.95.010-Sacramento River Bank Protection Project	5,620,000
(3) 30.95.115-American River Flood Control Project: Common Elements	5,109,000
(3.5) 30.95.211-1997 Flood Damage Repair Projects—San Joaquin Valley.....	346,000
(4) 30.95.255-Eastside Bypass Levee Raising Project	55,000
(5) 30.95.260-South Sacramento County Streams	6,080,000
(6) 30.95.280-Terminus Dam, Lake Kaweah Project.....	3,902,000
(7) Reimbursements-American River Flood Control Project: Common Elements.....	-1,500,000
(8) Reimbursements-Terminus Dam, Lake Kaweah Project.....	-1,154,000
(9) Reimbursements-South Sacramento County Streams	-1,758,000

Item

Amount

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 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 paragraph (1) of subdivision (a) of Section 12582.7 and 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. The funds appropriated in this item may be used to implement the above projects by arranging to perform work which is a federal responsibility

Item

Amount

prior to the availability of federal appropriations with the intention that the costs will be reimbursed or eligible for credit by the federal government as provided in Public Law 99-662, Section 104, November 17, 1986, or Public Law 90-488, Section 215, August 13, 1968.

- 5. Notwithstanding Section 26.00 of this act, funds may be transferred, with the approval of the Department of Finance, between projects specified in this item and other Department of Water Resources major capital outlay projects with an active appropriation. The Director of Finance shall notify, in writing, the chairperson of the committee in each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee, within 30 days or such lesser time as the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine, prior to any transfer.

3860-301-6026—For capital outlay, Department of Water Resources, payable from the Bay-Delta Multipurpose Water Management Subaccount..... 15,000,000
 Schedule:

- (1) 10.95.015-South Delta Improvements Program..... 15,000,000

3860-490—Reappropriation, Department of Water Resources. The balance of the appropriations provided for in the following citations are reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in those appropriations:

0001—General Fund

- (1) Section 1 of Chapter 5 of the Statutes of 1997, First Extraordinary Session, as reappropriated by Item 3860-490, Budget Act of 2000 (Ch. 52, Stats. 2000) and Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3860-492, Budget Act of 2002 (Ch. 379, Stats. 2002)
 - (e) 30.95.085-Cache Creek Settling Basin
 - (g) 30.95.155-Mid-Valley Area Levee
- (2) 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), as reappropriated by Item 3860-492, Budget Act of 2002 (Ch. 379, Stats. 2002)
 - (1.1) 30.95.111-1997 Flood Damage Repair Projects

Item	Amount
(3) Item 3860-301-0001, Budget Act of 1997 (Ch. 282, Stats. 1997), as reappropriated by Item 3860-490, Budget Act of 2000 (Ch. 52, Stats. 2000) and Budget Act of 2001 (Ch. 106, Stats. 2001), as reappropriated by Item 3860-492, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(5) 30.95.220-Upper Sacramento Area Levee Construction Project	
(4) Item 3860-301-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(4) 30.95.297-Success Reservoir Enlargement Project	
3860-491—Reappropriation, Department of Water Resources. 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 or expenditure until June 30, 2007:	
6010—Yuba Feather Flood Protection Subaccount	
(1) Item 3860-101-6010, Budget Act of 2004 (Ch. 208, Stats. 2004), for the Yuba Feather Flood Protection Program	
6023—Water Conservation Account	
(1) Item 3860-101-6023, Budget Act of 2004 (Ch. 208, Stats. 2004), for the Infrastructure Rehabilitation Program	
6026—Bay-Delta Multipurpose Water Management Subaccount	
(1) Item 3860-001-6026, Budget Act of 2004 (Ch. 208, Stats. 2004), for the CALFED Science, Conveyance, and Ecosystem Restoration Programs	
6027—Interim Water Supply and Water Quality Infrastructure and Management Subaccount	
(1) Item 3860-101-6027, Budget Act of 2000 (Ch. 52, Stats. 2000), as reappropriated by Item 3860-492, Budget Act of 2001 (Ch. 106, Stats. 2001), and reappropriated by Item 3860-491, Budget Act of 2002 (Ch. 379, Stats. 2002), for purposes of the Environmental Water Account	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(1) Up to \$1,330,000 from Item 3860-001-6031, Budget of 2004 (Ch. 208, Stats. 2004), for purposes of the CALFED Watershed and Ecosystem Restoration programs	

Item	Amount
3860-492—Extension of liquidation period, Department of Water Resources. Notwithstanding any other provision of law, funds appropriated in the following citations shall be available for liquidation until June 30, 2007:	
0001—General Fund	
(1) Item 3860-301-0001, Budget Act of 1999 (Ch. 52, Stats. 1999), as reappropriated by Item 3860-492, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(4) 30.95.205-Sutter County Bridge Replacement	
(2) Item 3860-301-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(1) 30.95.010-Sacramento Riverbank Protection Project	
(2) 30.95.030-Merced County Streams	
0543—Local Projects Subaccount	
(1) Item 3860-101-0543, Budget Act of 2000 (Ch. 52, Stats. 2000)	
0790—1988 Water Conservation Fund	
(1) Item 3860-101-0790, Budget Act of 2002 (Ch. 379, Stats. 2002)	
6005—Flood Protection Corridor Subaccount	
(1) Item 3860-101-6005, Budget Act of 2000 (Ch. 50, Stats. 2000), Program 30.10-Flood Protection Corridor Program	
(2) Item 3860-101-6005, Budget Act of 2002 (Ch. 379, Stats. 2002), Program 30.10-Flood Protection Corridor Program	
6007—Urban Stream Restoration Subaccount	
(1) Item 3860-101-6007, Budget Act of 2002 (Ch. 379, Stats. 2002), Program 10.10-Urban Stream Restoration Program	
6010—Yuba Feather Flood Protection Subaccount	
(1) Item 3860-101-6010, Budget Act of 2000 (Ch. 50, Stats. 2000), Program 30.10-Yuba Feather Flood Protection Program	
(2) Item 3860-101-6010, Budget Act of 2002 (Ch. 379, Stats. 2002), Program 30.10-Yuba Feather Flood Protection Program	
6015—River Protection Subaccount	
(1) Item 3860-001-6015, Budget Act of 2000 (Ch. 52, Stats. 2000), Program 10.10-San Joaquin River Parkway and Restoration	

Item	Amount
(2) Item 3860-101-6015, Budget Act of 2000 (Ch. 52, Stats. 2000), Program 10.10-Kern River Restoration Project and the Nature Conservancy Sacramento River Project	
6023—Water Conservation Account	
(1) Item 3860-101-6023, Budget Act of 2000 (Ch. 52, Stats. 2000), Program 10.29-Groundwater Recharge Program, Urban Water Conservation Grant Program, and Agricultural Water Conservation Program	
(2) Item 3860-101-6023, Budget Act of 2002 (Ch. 379, Stats. 2002), Program 10.29-Infrastructure Rehabilitation Program, Agricultural Water Conservation Program, and Urban Water Conservation Grant Program	
6025—Conjunctive Use Subaccount	
(1) Item 3860-101-6025, Budget Act of 2000 (Ch. 52, Stats. 2000), Program 10.29-Groundwater Storage Program	
(2) Item 3860-101-6025, Budget Act of 2002 (Ch. 379, Stats. 2002), Program 10.29-Groundwater Storage Program	
6026—Bay Delta Multipurpose Water Management Subaccount	
(1) Item 3860-001-6026, Budget Act of 2002 (Ch. 379, Stats. 2002), Program 10.10-CALFED Conveyance Program	
6027—Interim Water Supply and Water Quality Infrastructure and Management Subaccount	
(1) Item 3860-101-6027, Budget Act of 2002 (Ch. 379, Stats. 2002), Program 10.29-Interim Water Supply and Water Quality Infrastructure and Management Program	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(1) Item 3860-001-6031, Budget Act of 2002 (Ch. 379, Stats. 2002), Program 10.10 and 15.10-Watershed Program	
3860-495—Reversion, Department of Water Resources. As of June 30, 2005, the appropriations provided in the following citations shall revert to the fund from which the appropriation was made:	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(1) Item 3860-001-6031, Budget Act of 2002 (Ch. 379, Stats. 2002).....	3,000,000

Item	Amount
(2) Item 3860-001-6031, Budget Act of 2004 (Ch. 208, Stats. 2004).....	12,896,000
3860-496—Reversion, Department of Water Resources. Upon termination of the grant contract entered into pursuant to Section 79205.8 of the Water Code by the department with the Friant Water Users Authority, dated October 12, 2000, the balance specified below of the appropriation provided in the following citation, shall revert to the balance of the fund from which the appropriation was made:	
6027—Interim Water Supply and Water Quality Infrastructure and Management Subaccount	
(1) Up to \$9,160,000 from Item 3860-101-6027, Budget Act of 2000 (Ch. 52, Stats. 2000) as re-appropriated by Item 3860-491, Budget Act of 2003 (Ch. 157, Stats. 2003)	
3860-497—Reversion, Department of Water Resources. As of June 30, 2005, 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:	
6005—Flood Protection Corridor Subaccount	
(1) \$411,030 from Item 3860-001-6005, Budget Act of 2003 (Ch. 157, Stats. 2003)	
6007—Urban Stream Restoration Subaccount	
(1) \$74,836 from Item 3860-101-6007, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(2) \$1,097,511 from Item 3860-101-6007, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(3) \$71,102 from Item 3860-001-6007, Budget Act of 2003 (Ch. 157, Stats. 2003)	
6010—Yuba Feather Flood Protection Subaccount	
(1) \$139,397 from Item 3860-101-6010, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(2) \$2,979,732 from Item 3860-101-6010, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(3) \$3,185,500 from Item 3860-101-6010, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(4) \$340,805 from Item 3860-001-6010, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(5) \$4,542,700 from Item 3860-101-6010, Budget Act of 2003 (Ch. 157, Stats. 2003)	
6015—River Protection Subaccount	
(1) \$28,000 from Item 3860-001-6015, Budget Act of 2003 (Ch. 157, Stats. 2003)	

Item	Amount
6023—Water Conservation Account	
(1) \$29,906,533 from Item 3860-101-6023, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(2) \$103,812 from Item 3860-001-6023, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(3) \$13,886,920 from Item 3860-101-6023, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(4) \$14,526,126 from Item 3860-101-6023, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(5) \$22,806 from Item 3860-001-6023, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(6) \$8,969,832 from Item 3860-101-6023, Budget Act of 2003 (Ch. 157, Stats. 2003)	
6025—Conjunctive Use Subaccount	
(1) \$78,000 from Item 3860-101-6025, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(2) \$76,537,069 from Item 3860-101-6025, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(3) \$218,029 from Item 3860-001-6025, Budget Act of 2003 (Ch. 157, Stats. 2003)	
6026—Bay-Delta Multipurpose Water Management Subaccount	
(1) \$14,497,002 from Item 3860-001-6026, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(2) \$4,046,525 from Item 3860-001-6026, Budget Act of 2002 (Ch. 379, Stats. 2002)	
6027—Interim Water Supply and Water Quality Infrastructure and Management Subaccount	
(1) \$1,999,000 from Item 3860-101-6027, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(2) \$193,967 from Item 3860-001-6027, Budget Act of 2003 (Ch. 157, Stats. 2003)	
3870-001-0001—For support of California Bay-Delta Authority.....	8,522,000
Schedule:	
(1) 10-CALFED Bay-Delta Program ...	36,691,000
(2) 97.20.001-Unallocated Reduction...	-132,000
(3) Reimbursements	-16,886,000
(4) Amount payable from the Bay-Delta Ecosystem Restoration Account (Item 3870-001-0546).....	-5,074,000
(5) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3870-001-6031)	-6,077,000

Item	Amount
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.....	5,074,000
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	6,077,000
3870-490—Reappropriation, California Bay-Delta Authority. 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 or expenditure until June 30, 2007:	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002	
(1) Up to \$54,700,000 from Item 3860-001-6031, Budget Act of 2003, (Ch. 157, Stats. 2003) for the Battle Creek Restoration Project and for integrated agriculture and ecosystem restoration activities.	

CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY

3900-001-0001—For support of State Air Resources Board, for payment to Item 3900-001-0044.....	2,211,000
3900-001-0044—For support of State Air Resources Board, payable from the Motor Vehicle Account, State Transportation Fund	85,639,000
Schedule:	
(1) 15-Mobile Source.....	211,446,000
(2) 25-Stationary Source	42,797,000
(3) 30.01-Program Direction and Support	11,571,000
(4) 30.02-Distributed Program Direction and Support	-11,571,000
(5) 97.20.001-Unallocated Reduction...	-34,000
(6) Reimbursements.....	-4,470,000
(7) Amount payable from the General Fund (Item 3900-001-0001).....	-2,211,000
(8) Amount payable from the Air Pollution Control Fund (Item 3900-001-0115).....	-135,459,000
(9) Amount payable from the Vehicle Inspection and Repair Fund (Item 3900-001-0421)	-12,049,000

Item	Amount
(10) Amount payable from the Air Toxics Inventory and Assessment Account (Item 3900-001-0434).....	-876,000
(11) Amount payable from the Federal Trust Fund (Item 3900-001-0890).	-12,006,000
(12) Amount payable from the Non-Toxic Dry Cleaning Incentive Trust Fund (Item 3900-001-3070).....	-1,499,000

Provisions:

1. Of the amount appropriated in this item, \$12,500,000 shall be used by the State Air Resources Board to replace pre-1977 school buses with new school buses that comply with the most recent passenger safety standards, and that have been certified by the board to meet the lowest achievable emission levels irrespective of the fuel stock used.
2. Of the amount appropriated in this item, \$2,500,000 shall be used to retrofit in-use diesel school buses to protect children’s health and reduce particulate matter emissions from those buses by at least 85 percent.
3. In expending funds under Provision 2, the State Air Resources Board shall require retrofit technologies to do all of the following: (a) have at least a level 3 verification from the board; (b) apply to the broadest range of year, make, and model of school bus diesel engine; (c) operate on CARB diesel fuel or ultra-low sulfur diesel fuel; (d) operate across the broadest range of school bus operating conditions and duty cycles; and (e) produce the lowest possible NO2 across the device.
4. It is the intent of the Legislature in appropriating these funds that the State Air Resources Board provide equitable geographic distribution of the funds in a manner that reduces the risk to children’s health from diesel emissions from school buses.

3900-001-0115—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Air Pollution Control Fund 135,459,000

Provisions:

1. Of the amount appropriated in this item, \$10,000,000 shall be used to retrofit in-use diesel school buses to protect children’s health and reduce particulate matter emissions from those buses by at least 85 percent.

Item	Amount
2. In expending funds under Provision 1, the State Air Resources Board shall require retrofit technologies to do all of the following: (a) have at least a level 3 verification from the board; (b) apply to the broadest range of year, make, and model of school bus diesel engine; (c) operate on CARB diesel fuel or ultra-low sulfur diesel fuel; (d) operate across the broadest range of school bus operating conditions and duty cycles; and (e) produce the lowest possible NO2 across the device.	
3. It is the intent of the Legislature in appropriating these funds that the State Air Resources Board provide equitable geographic distribution of the funds in a manner that reduces the risk to children’s health from diesel emissions from school buses.	
4. Notwithstanding any other provision of law, funds from the Carl Moyer Memorial Air Quality Standards Attainment Trust Fund may be used for the purposes specified in Provision 1.	
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	12,049,000
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.....	876,000
3900-001-0890—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Federal Trust Fund	12,006,000
3900-001-3070—For support of State Air Resources Board, for payment to Item 3900-001-0044, payable from the Non-Toxic Dry Cleaning Incentive Trust Fund	1,499,000
3900-101-0044—For local assistance, State Air Resources Board, for assistance to counties in the operation of local air pollution control districts, payable from the Motor Vehicle Account, State Transportation Fund.....	10,111,000
Schedule:	
(1) 35-Subvention.....	10,111,000
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.	

Item	Amount
3900-301-0115—For capital outlay, State Air Resources Board, payable from the Air Pollution Control Fund	103,000
Schedule:	
(1) 40.10.002—Haagen-Smit Laboratory Seismic Retrofit—Preliminary plans.....	103,000
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	142,000
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	4,842,000
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 2005–06 fiscal year.	
3910-001-0193—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Waste Permit Discharge Fund	200,000
Provisions:	
1. Of the amount appropriated by this item, \$200,000 shall be available to support development of the Education and Environment Initiative. The funds shall become available no sooner than the chaptering of Assembly Bill 1721 of the 2005–06 Regular Session.	
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	28,664,000
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.	

Item	Amount
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.....	2,143,000
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	593,000
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.....	41,383,000
Schedule:	
(1) 11-Waste Reduction and Management.....	92,908,000
(2) 30.01-Administration.....	8,924,000
(3) 30.02-Distributed Administration ...	-8,924,000
(4) Reimbursements.....	-207,000
(5) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3910-001-0005).	-142,000
(6) Amount payable from the California Used Oil Recycling Fund (Item 3910-001-0100)	-4,842,000
(7) Amount payable from the California Used Oil Recycling Fund (paragraph (4) of subdivision (a) of Section 48653 of the Public Resources Code).....	-1,950,000
(8) Amount payable from the California Used Oil Recycling Fund (paragraph (1) of subdivision (a) of Section 48653 of the Public Resources Code).....	-3,300,000
(9) Amount payable from the Waste Discharge Permit Fund (Item 3910-001-0193)	-200,000

Item	Amount
(10) Amount payable from the California Tire Recycling Management Fund (Item 3910-001-0226).....	-28,664,000
(11) Amount payable from the Recycling Market Development Revolving Loan Account, Integrated Waste Management Fund (Item 3910-001-0281)	-2,143,000
(12) Amount payable from the Solid Waste Disposal Site Cleanup Trust Fund (Item 3910-001-0386).....	-593,000
(13) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3910-006-0387).	-640,000
(14) Amount payable from the Farm and Ranch Solid Waste Cleanup and Abatement Account (Item 3910-001-0558)	-1,064,000
(15) Amount payable from the Rigid Container Account (Item 3910-001-3024).....	-200,000
(16) Amount payable from the Electronic Waste Recovery and Recycling Account (Item 3910-001-3065).....	-7,580,000
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.	
3. Of the amount appropriated by this item, \$3,300,000 shall be available to support development of the Education and Environment Initiative. The funds shall become available no sooner than Assembly Bill 1721 of the 2005-06 Regular Session is chaptered.	
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.....	1,064,000

Item	Amount
Provisions:	
1. Notwithstanding Section 48100 of the Public Resources Code, expenditures for administration of the Farm and Ranch Solid Waste Cleanup and Abatement Grant Program may exceed the limits set forth in paragraph (3)(A) of subdivision (c) of Section 48100 of the Public Resources Code.	
3910-001-3024—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Rigid Container Account	200,000
3910-001-3065—For support of California Integrated Waste Management Board, for payment to Item 3910-001-0387, payable from the Electronic Waste Recovery and Recycling Account.....	7,580,000
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	(5,000,000)
3910-004-0387—For transfer by the Controller from the Integrated Waste Management Account, Integrated Waste Management Fund, to the Solid Waste Disposal Site Cleanup Trust Fund pursuant to paragraph (1) of subdivision (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	

Item	Amount
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
3910-101-0226—For local assistance, California Integrated Waste Management Board, payable from the California Tire Recycling Management Fund.....	4,000,000
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.....	5,904,000
3930-001-0106—For support of Department of Pesticide Regulation, payable from the Department of Pesticide Regulation Fund.....	41,842,000
Schedule:	
(1) 12-Registration and Health Evaluation.....	18,117,000
(2) 17-Pest Management, Environmental Monitoring, Enforcement, and Licensing.....	27,159,000
(3) 20.01-Administration.....	8,234,000
(4) 20.02-Distributed Administration ...	-8,234,000
(5) Reimbursements.....	-479,000
(6) Amount payable from the California Environmental License Plate Fund (Item 3930-001-0140).....	-455,000
(7) Amount payable from the Food Safety Account (Item 3930-001-0224).....	-306,000
(8) Amount payable from the Federal Trust Fund (Item 3930-001-0890).	-2,194,000
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
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.....	455,000
3930-001-0224—For support of Department of Pesticide Regulation, for payment to Item 3930-001-0106, payable from the Food Safety Account.....	306,000
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.....	2,194,000
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	(320,000)
3940-001-0001—For support of State Water Resources Control Board.....	29,236,000
Schedule:	
(1) 10-Water Quality.....	431,809,000
(2) 20-Water Rights	11,085,000
(3) 30.01-Administration.....	17,805,000
(4) 30.02-Distributed Administration ...	-17,805,000
(5) 97.20.001-Unallocated Reduction...	-454,000
(6) Reimbursements.....	-9,815,000
(7) Amount payable from the Unified Program Account (Item 3940-001-0028).....	-525,000
(8) Amount payable from the Waste Discharge Permit Fund (Item 3940-001-0193)	-62,318,000
(9) Amount payable from the Marine Invasive Species Control Fund (Item 3940-001-0212)	-77,000
(10) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-0235)	-3,666,000
(11) Amount payable from the Integrated Waste Management Account, Integrated Waste Management Fund (Item 3940-001-0387).	-5,547,000

Item	Amount
(12) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-0417)	-538,000
(13) Amount payable from the Water Recycling Subaccount (Item 3940-001-0419)	-153,000
(14) Amount payable from the Drainage Management Subaccount (Item 3940-001-0422)	-515,000
(16) Amount payable from the Seawater Intrusion Control Subaccount (Item 3940-001-0424)	-39,000
(17) Amount payable from the Underground Storage Tank Tester Account (Item 3940-001-0436)	-63,000
(18) Amount payable from the Underground Storage Tank Cleanup Fund (Item 3940-001-0439)....	-275,556,000
(19) Amount payable from the Surface Impoundment Assessment Account (Item 3940-001-0482)	-198,000
(20) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-0740)	-321,000
(21) Amount payable from the Federal Trust Fund (Item 3940-001-0890).....	-34,670,000
(22) Amount payable from the Water Rights Fund (Item 3940-001-3058).....	-9,227,000
(23) Amount payable from the Watershed Protection Subaccount (Item 3940-001-6013)	-1,069,000
(24) Amount payable from the Santa Ana River Watershed Subaccount (Item 3940-001-6016)	-1,062,000
(25) Amount payable from the Lake Elsinore and San Jacinto Watershed Subaccount (Item 3940-001-6017).....	-47,000
(26) Amount payable from the Non-point Source Pollution Control Subaccount (Item 3940-001-6019).	-1,238,000
(27) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-6020)	-81,000

Item	Amount
(28) Amount payable from the Waste-water Construction Grant Subaccount (Item 3940-001-6021).....	-23,000
(29) Amount payable from the Coastal Nonpoint Source Control Subaccount (Item 3940-001-6022).....	-1,076,000
(30) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-001-6031)	-4,820,000
(31) Amount payable from the Petroleum Underground Storage Tank Financing Account (Item 3940-001-8026).....	-560,000
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 for cash purposes from special funds that otherwise provide support for the board. Any such loans are to be repaid with interest at the rate earned in the Pooled Money Investment Account.	
3940-001-0028—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Unified Program Account.....	525,000
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.....	62,318,000
3940-001-0212—For support of State Water Resources Control Board, for payment to Item 3940-001-0001 payable from the Marine Invasive Species Control Fund	77,000
3940-001-0235—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund.....	3,666,000
3940-001-0387—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Integrated Waste Management Account, Integrated Waste Management Fund.....	5,547,000
3940-001-0417—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the State Revolving Fund Loan Subaccount.....	538,000

Item	Amount
3940-001-0419—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Recycling Subaccount	153,000
3940-001-0422—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Drainage Management Subaccount.....	515,000
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.....	39,000
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	63,000
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.....	275,556,000
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.	
3940-001-0482—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Surface Impoundment Assessment Account Fund.....	198,000
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	321,000
3940-001-0890—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Federal Trust Fund.....	34,670,000
3940-001-3058—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Water Rights Fund	9,227,000
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.....	1,069,000
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.....	1,062,000

Item	Amount
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	47,000
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	1,238,000
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 Subaccount	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	23,000
3940-001-6022—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Nonpoint Source Control Subaccount	1,076,000
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.	4,820,000
3940-001-8026—For support of State Water Resources Control Board, for payment to Item 3940-001-0001, payable from the Petroleum Underground Storage Tank Financing Account	560,000
3940-101-0001—For local assistance, State Water Resources Control Board	0
Schedule:	
(1) 10-Water Quality	169,814,000
(3) Amount payable from the Watershed Protection Subaccount (Item 3940-101-6013)	-1,920,000
(4) Amount payable from the Nonpoint Source Pollution Control Subaccount (Item 3940-101-6019)	-3,847,000
(5) Amount payable from the Coastal Nonpoint Source Control Subaccount (Item 3940-101-6022)	-385,000
(6) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3940-101-6031)	-152,162,000

Item	Amount
(7) Amount payable from the Petroleum Underground Storage Tank Financing Account (Item 3940-101-8026).....	-11,500,000
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 until June 30, 2008.....	1,920,000
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 until June 30, 2008.....	3,847,000
3940-101-6022—For local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Coastal Nonpoint Source Control Subaccount to be available for expenditure until June 30, 2008.....	385,000
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.....	152,162,000
Provisions:	
1. Notwithstanding any other provision of law, the amount appropriated in this item shall be available for expenditure until June 30, 2008, and may be used to provide grants to local, state, federal, and private entities for projects.	
3940-101-8026—For support of local assistance, State Water Resources Control Board, for payment to Item 3940-101-0001, payable from the Petroleum Underground Storage Tank Financing Account.....	11,500,000
3940-490—Extension of liquidation period, State Water Resources Control Board. Notwithstanding any other provision of law, funds appropriated in the following citations shall be available for liquidation until June 30, 2006:	
6013—Watershed Protection Subaccount	
(1) Item 3940-101-6013, Budget Act of 2000 (Ch. 52, Stats. 2000), as amended by Section 18 of Chapter 672 of the Statutes of 2000	
(2) Item 3940-101-6013, Budget Act of 2001 (Ch. 106, Stats. 2001)	

Item	Amount
6016—Santa Ana River Watershed Subaccount	
(1) Item 3940-101-6016, Budget Act of 2000 (Ch. 52, Stats. 2000), as amended by Section 19 of Chapter 672 of the Statutes of 2000	
6017—Lake Elsinore and San Jacinto Watershed Subaccount	
(1) Item 3940-101-6017, Budget Act of 2001 (Ch. 106, Stats. 2001)	
6019—Nonpoint Source Pollution Control Subaccount	
(1) Item 3940-101-6019, Budget Act of 2000 (Ch. 52, Stats. 2000), as amended by Section 21 of Chapter 672 of the Statutes of 2000	
(2) Item 3940-101-6019, Budget Act of 2001 (Ch. 106, Stats. 2001)	
6022—Coastal Nonpoint Source Control Subaccount	
(1) Item 3940-101-6022, Budget Act of 2000 (Ch. 52, Stats. 2000), as amended by Section 24 of Chapter 672 of the Statutes of 2000	
(2) Item 3940-101-6022, Budget Act of 2001 (Ch. 106, Stats. 2001)	
6031—Water Security, Clean Drinking Water, Coastal and Beach Protection Fund	
(1) Item 3940-101-6031, Budget Act of 2002 (Ch. 379, Stats. 2002)	
3940-491—Reappropriation, State Water Resources Control Board. The amount specified in the appropriation provided for in the following citation is reappropriated for the purpose of developing instream flow guidelines and shall be available for encumbrance or expenditure until June 30, 2006:	
3058—Water Rights Fund	
(1) Item 3940-001-3058, Budget Act of 2004 (Ch. 208, Stats. 2004).....	1,500,000
3960-001-0001—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014.....	24,618,000
Provisions:	
1. The Director of the Department of Toxic Substances Control may expend from this item: (a) \$8,013,000 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 stabi-	

Item

Amount

- lize the site, and (b) \$6,575,000 for the operation of the Illegal Drug Laboratory Removal Program.
2. Notwithstanding any other provision of law, 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.
 4. The amount appropriated in this item includes \$8,491,000 for emergency response activities at the BKK Landfill. This appropriation is subject to the condition that, to the extent that funds are expended for purposes for which any private or public entity is or may be held financially liable, the Department of Toxic Substances Control shall take all reasonable actions to recover the amount of that expenditure from one or more of those entities, and that the amounts so recovered be paid to the General Fund in reimbursement of the amount of that expenditure. Additionally, those recovered funds shall be spent before funds from the General Fund, consistent with the language in any settlement agreements between the department and the potentially responsible parties.
 5. As of June 30, 2006, or earlier, any unspent funds in Provision 3 shall revert to the General Fund if the Directors of the Department of Toxic Substances Control and the Department of Finance agree that sufficient funds have been provided by the other potentially responsible parties.
 6. The director of the Department of Toxic Substances Control shall send a letter notifying the chairpersons of the fiscal committees of each house of the Legislature that act on the department's budget and the Legislative Analyst's Office within 30 days of receiving any moneys from potentially responsible parties for the BKK Landfill.

Item	Amount
3960-001-0014—For support of Department of Toxic Substances Control, payable from the Hazardous Waste Control Account	51,327,000
Schedule:	
(1) 12-Site Mitigation and Brownfields	
Reuse	84,445,000
(2) 13-Hazardous Waste Management..	65,349,000
(3) 19.01-Administration.....	34,572,000
(4) 19.02-Distributed Administration ..	-34,572,000
(5) 20-Science, Pollution Prevention and Technology.....	10,798,000
(6) 97.20.001-Unallocated Reduction...	-143,000
(7) Reimbursements.....	-9,700,000
(8) Amount payable from General Fund (Item 3960-001-0001)	-24,618,000
(9) Amount payable from Unified Program Account (Item 3960-001-0028).....	-992,000
(10) Amount payable from Illegal Drug Lab Cleanup Account (Item 3960-001-0065)	-2,073,000
(11) Amount payable from California Used Oil Recycling Fund (Item 3960-001-0100)	-362,000
(12) Amount payable from Toxic Substances Control Account (Item 3960-001-0557)	-43,282,000
(13) Amount payable from Federal Trust Fund (Item 3960-001-0890)..	-25,448,000
(14) Amount payable from Environmental Quality Assessment Fund (Item 3960-001-3035)	-678,000
(15) Amount payable from Electronic Waste Recovery and Recycling Account (Item 3960-001-3065)	-651,000
(16) Amount payable from State Certified Unified Program Agency Account (Item 3960-001-3084)	-1,318,000
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 cashflow purposes. Any such loans are to be repaid with interest at the rate earned by the Pooled Money Investment Account.	

Item	Amount
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.....	8,418,000
Schedule:	
(1) 12-Site Mitigation and Brownfields	
Reuse	8,418,000
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 120 days after the end of the fiscal year to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the legislative fiscal committees that act on the department’s budget, the Chairperson of the Environmental Safety and Toxic Materials Committee of the Assembly, and the Chairperson of the Environmental Quality Committee of the Senate, actions taken under this provision.	
3. Notwithstanding Section 2.00 of 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 ..	992,000
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	2,073,000

Item	Amount
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.....	362,000
3960-001-0456—For support of Department of Toxic Substances Control, payable from the Expedited Site Remediation Trust Fund.....	750,000
Schedule:	
(1) 12-Site Mitigation and Brownfields	
Reuse	750,000
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	43,282,000
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 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	25,448,000

Item	Amount
Provisions:	
1. Upon receipt of the federal Revolving Fund Grant, the Department of Toxic Substances Control is authorized to make loans and grants as authorized under the federal regulations and in accordance with all applicable federal laws and guidelines.	
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.....	678,000
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 for cashflow purposes sufficient funds from special funds that otherwise provide support for the department. Any such loans are to be repaid with interest at the rate earned by the Pooled Money Investment Account.	
3960-001-3065—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the Electronic Waste Recovery and Recycling Account.....	651,000
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 for cashflow purposes sufficient funds from special funds that otherwise provide support for the department. Any such loans are to be repaid with interest at the rate earned by the Pooled Money Investment Account.	
3960-001-3084—For support of Department of Toxic Substances Control, for payment to Item 3960-001-0014, payable from the State Certified Unified Program Agency Account.....	1,318,000
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 for cashflow purposes sufficient funds from special funds that otherwise provide support to the department. Any such loans are to be repaid with interest at the rate earned by the Pooled Money Investment Account.	

Item	Amount
<ul style="list-style-type: none"> 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. 	
3960-011-0294—For transfer by the Controller from the subaccount for removal and remedial action in the Hazardous Substance Account to the Toxic Substances Control Account	(250,000)
Provisions:	
<ul style="list-style-type: none"> 1. Notwithstanding any other provision of law, upon request of the Department of Toxic Substances Control, the Controller shall transfer those funds deposited in the subaccount for removal and remedial action in the Hazardous Substance Account to the Toxic Substances Control Account in an amount sufficient to fund the department's costs of providing oversight to sites with deposits in the subaccount for removal and remedial action. The amount of funds transferred for the oversight of a given site shall not exceed the amount deposited in the subaccount for removal and remedial action pursuant to the settlement for that specific site. 	
3960-011-0557—For transfer by the Controller from the Toxic Substances Control Account to the Expedited Site Remediation Trust Fund.....	(482,000)
Provisions:	
<ul style="list-style-type: none"> 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 2004–05 fiscal year, exclusive of the fines and penalties transferred to the Hazardous Substance Account pursuant to Section 25192 of the Health and Safety Code for expenditure in accordance with Section 25385.9 of the Health and Safety Code. 	

Item	Amount
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.	
3960-011-1006—For transfer by the Controller from the Rural CUPA Reimbursement Account to the State Certified Unified Program Account	(120,000)
Provisions:	
1. The amount appropriated in this item represents the maximum amount of funding due to the State Certified Unified Program Account. Upon request of the Department of Toxic Substances Control, the Controller shall transfer up to \$120,000 to the State Certified Unified Program Account. The amount transferred shall be the amount that the California Environmental Protection Agency determines pursuant to Health and Safety Code Section 25404.8 that the Department of Toxic Substances Control is due as the Certified Program Agency for Trinity and Imperial Counties.	
3960-012-0557—For transfer by the Controller from the Toxic Substances Control Account to the Site Remediation Account	(8,002,000)
3960-013-0557—For transfer by the Controller from the Toxic Substances Control Account to the Hazardous Substance Account.....	(1,000,000)

Item	Amount
Provisions:	
1. Upon request of the Department of Toxic Substances Control, the Controller shall transfer up to \$1,000,000 to the Hazardous Substance Account, pursuant to this item.	
3960-301-0001—For capital outlay, Department of Toxic Substances Control	1,063,000
Schedule:	
(1) 12.18.STF-Stringfellow Pretreatment Plant Site—Preliminary plans	1,063,000
Provisions:	
1. Notwithstanding any other provision of law, the Department of Toxic Substances Control may enter into any and all contracts for the design, construction, and management of the project authorized in this item. In doing so, the Department of Toxic Substances Control shall comply with the State Contract Act (Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code) and other applicable competitive selection processes. The Department of Toxic Substances Control shall provide management oversight of the project, which shall be subject to the review of the State Public Works Board.	
3960-490—Reappropriation, Department of Toxic Substances Control. The amounts specified in the appropriations provided for in the following citations are reappropriated for the purposes provided in those appropriations and shall be available for encumbrance or expenditure until June 30, 2006:	
0001—General Fund	
(1) \$920,000 from Item 3960-001-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(2) \$1,080,000 from Item 3960-001-0001, Budget Act of 2003 (Ch. 157, Stats. 2003)	
Provisions:	
1. Notwithstanding any other provision of law, a total of \$2,000,000 from the unencumbered balances of the Budget Acts of 2002 and 2003 appropriations cited above are reappropriated to capital outlay for the purpose of preliminary plan development for a new pretreatment plant at the Stringfellow Federal Superfund site and shall be available for encumbrance or expenditure until June 30, 2006. This reappropriation is consistent with the remediation efforts authorized in the original appropriation.	

Item	Amount
2. Notwithstanding any other provision of law, the Department of Toxic Substances Control may enter into any and all contracts for the design, construction, and management of the project authorized in this item. In doing so, the Department of Toxic Substances Control shall comply with the State Contract Act (Chapter 1 (commencing with Section 10100) of Part 2 of Division 2 of the Public Contract Code) and other applicable competitive selection processes. The Department of Toxic Substances Control shall provide management oversight of the project, which shall be subject to the review of the State Public Works Board.	
3980-001-0001—For support of Office of Environmental Health Hazard Assessment	8,852,000
Schedule:	
(1) 10-Health Risk Assessment.....	16,924,000
(2) 97.20.001-Unallocated Reduction...	-122,000
(3) Reimbursements	-1,642,000
(4) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 3980-001-0044)...	-2,234,000
(5) Amount payable from the California Used Oil Recycling Fund (Item 3980-001-0100)	-553,000
(6) Amount payable from the Department of Pesticide Regulation Fund (Item 3980-001-0106)	-1,120,000
(7) Amount payable from the California Environmental License Plate Fund (Item 3980-001-0140).....	-805,000
(7.5) Amount payable from the Waste Discharge Permit Fund (Item 3980-001-0193)	-250,000
(8) Amount payable from the Integrated Waste Management Account (Item 3980-001-0387).....	-340,000
(9) Amount payable from the Underground Storage Tank Cleanup Fund (Item 3980-001-0439).....	-124,000
(9.5) Amount payable from the Federal Trust Fund (Item 3980-001-0890).	-500,000
(10) Amount payable from the Safe Drinking Water and Toxic Enforcement Fund (Item 3980-001-3056).	-382,000

Item	Amount
3980-001-0044—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Motor Vehicle Account, State Transportation Fund	2,234,000
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	553,000
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.....	1,120,000
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	805,000
3980-001-0193—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Waste Discharge Permit Fund	250,000
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.....	340,000
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	124,000
3980-001-0890—For support of Office of Environmental Health Hazard Assessment, for payment to Item 3980-001-0001, payable from the Federal Trust Fund	500,000
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	382,000

HEALTH AND HUMAN SERVICES

4100-001-0890—For support of the State Council on Developmental Disabilities, payable from the Federal Trust Fund.....	6,995,000
Schedule:	
(1) 10-State Council Planning and Administration.....	1,458,000

Item	Amount
(2) 20-Community Program Development	1,987,000
(3) 40-Regional Offices and Local Area Boards	9,650,000
(4) Reimbursements	-6,100,000
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 2004 (Ch. 208, Stats. 2004) 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 Developmental Disabilities 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.	
4120-001-0001—For support of Emergency Medical Services Authority	991,000
Schedule:	
(1) 10-Emergency Medical Services Authority	8,158,000
(2) 97.20.001-Unallocated Reduction...	-12,000
(3) Reimbursements	-3,831,000
(4) Amount payable from the Emergency Medical Services Training Program Approval Fund (Item 4120-001-0194)	-366,000
(5) Amount payable from the Emergency Medical Services Personnel Fund (Item 4120-001-0312).....	-1,228,000
(6) Amount payable from the Federal Trust Fund (Item 4120-001-0890).	-1,730,000
4120-001-0194—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable from the Emergency Medical Services Training Program Approval Fund	366,000
4120-001-0312—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable from the Emergency Medical Services Personnel Fund	1,228,000

Item	Amount
4120-001-0890—For support of Emergency Medical Services Authority, for payment to Item 4120-001-0001, payable from the Federal Trust Fund	1,730,000
4120-101-0001—For local assistance, Emergency Medical Services Authority, grants to local agencies.....	9,786,000

Schedule:

- (1) 10-Emergency Medical Services Authority 14,090,000
- (2) Reimbursements -3,300,000
- (3) Amount payable from the Federal Trust Fund (Item 4120-101-0890). -1,004,000

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 services. 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, 2003, shall receive the full amount for which it is

Item	Amount
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	1,004,000
4120-115-0001—For transfer by the Controller to the Trauma Care Fund.....	10,000,000
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	115,272,000
Schedule:	
(1) 25-Operations.....	115,272,000
Provisions:	
1. The funds appropriated in this item are available for expenditure or encumbrance and the language included in this item is applicable only until the Governor’s Reorganization Plan, or similar legislation that creates the Department of Technology Services, becomes law. At that time, the unencumbered balance of funds appropriated in this item shall immediately revert to the Health and Human Services Agency Data Center Revolving Fund.	
2. Notwithstanding any other provision of law, the Director of Finance may authorize expenditure 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 chairpersons of the fiscal committees 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.	
3. 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.	
4. Expenditure authority provided in this item to support data center infrastructure projects may	

Item

Amount

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 a project's scope must receive approval in accordance with established administrative and legislative reporting requirements.

5. Notwithstanding any other provision of law, upon request by the Health and Human Services Agency Data Center, the Director of Finance may adjust the amount available for expenditure in this item to pay costs associated with the Child Welfare Services/Case Management System (CWS/CMS) Application Re-Hosting Project. The adjustment may be effected not sooner than 30 days after notification in writing of the necessity therefor to the chairpersons of the committees in each house of the Legislature that consider 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 revised expenditure authority granted pursuant to this provision shall be consistent with the current approved project or an amount approved by the Director of Finance based on his or her review of a subsequent special project report or equivalent document.

4140-001-0001—For support of Office of Statewide Health Planning and Development

392,000

Schedule:

- (1) 10-Health Care Quality and Analysis 6,061,000
- (2) 30-Health Care Workforce 6,001,000
- (3) 42-Facilities Development 29,737,000
- (4) 45-Cal-Mortgage Loan Insurance... 4,544,000
- (5) 60-Health Care Information 8,784,000
- (6) 80.01-Administration..... 10,574,000
- (7) 80.02-Distributed Administration ...-10,349,000
- (8) Reimbursements..... -874,000
- (9) Amount payable from the Hospital Building Fund (Item 4140-001-0121).....-29,707,000
- (10) Amount payable from the California Health Data and Planning Fund (Item 4140-001-0143)-16,522,000

Item	Amount
(11) Amount payable from the Registered Nurse Education Fund (Item 4140-001-0181)	-1,409,000
(12) Amount payable from the Federal Trust Fund (Item 4140-001-0890).	-241,000
(13) Amount payable from the Mental Health Practitioner Education Fund (Item 4140-001-3064)	-213,000
(14) Amount payable from the Vocational Nurse Education Fund (Item 4140-001-3068)	-138,000
(15) Amount payable from the Health Facilities Construction Loan Insurance Fund (Section 129200, Health and Safety Code)	-4,544,000
(16) Amount payable from the Health Professions Education Fund (Section 128355, Health and Safety Code)	-1,312,000
Provisions:	
1. Of the amount appropriated in Schedule (9), the \$223,000 allocated for procurement activities of the Logbook Redesign Project shall not be expended until the Department of Finance approves a feasibility study report submitted by the OSHPD for the report.	
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	29,707,000
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 Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may determine.	

Item	Amount
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	16,522,000
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	1,409,000
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	241,000
4140-001-3064—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-0001, payable from the Mental Health Practitioner Education Fund	213,000
4140-001-3068—For support of Office of Statewide Health Planning and Development, for payment to Item 4140-001-0001, payable from the Vocational Nurse Education Fund	138,000
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 Section 127630 of the Health and Safety Code, 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. 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	102,000

Item	Amount
Schedule:	
(1) 60-Health Care Information	102,000
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.	
4140-101-0001—For local assistance, Office of State-wide Health Planning and Development	4,690,000
Schedule:	
(1) 30-Health Care Workforce	8,056,000
(2) Reimbursements	-400,000
(3) Amount payable from California Health Data and Planning Fund (Item 4140-101-0143)	-1,966,000
(4) Amount payable from the Federal Trust Fund (Item 4140-101-0890)	-1,000,000
Provisions:	
1. Of the amount appropriated in Schedule (1), \$2,725,000 is appropriated for nursing education pursuant to subdivision (c) of Section 128235 of the Health and Safety Code.	
2. Notwithstanding 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, registered nurses, 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 California Healthcare Workforce 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 2006-07, 2007-08, and 2008-09 fiscal years.	
4140-101-0143—For local assistance, Office of State-wide Health Planning and Development, for payment to Item 4140-101-0001, payable from the California Health Data and Planning Fund	1,966,000
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	

Item	Amount
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 California Healthcare Workforce 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 2006-07, 2007-08, and 2008-09 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
4170-001-0001—For support of Department of Aging... Schedule:	3,904,000
(1) 10-Nutrition	2,807,000
(2) 20-Senior Community Employment Service	644,000
(3) 30-Supportive Services and Centers	5,196,000
(4) 40-Special Projects.....	7,075,000
(5) 50.01-Administration.....	14,056,000
(6) 50.02-Distributed Administration ...	-14,056,000
(7) 97.20.001-Unallocated Reduction...	-38,000
(8) Reimbursements.....	-3,438,000
(9) Amount payable from the State HICAP Fund (Item 4170-001-0289).....	-200,000
(10) Amount payable from the Federal Trust Fund (Item 4170-001-0890).	-8,011,000
(11) Amount payable from the Federal Citation Penalties Account, Special Deposit Fund (Item 4170-003-0942).....	-131,000
Provisions:	
1. Of the amount available for expenditure in this item, \$267,000 for 2.0 positions for the Adult Day Health Care (ADHC) Program shall not be expended until the federal Centers for Medicare and Medicaid Services (CMS) specifies the requirements to maintain federal financial participation for the ADHC as a Medicaid program. These 2.0 positions shall not be established until the Department of Finance has approved the workload necessary to comply with requirements set forth by the CMS.	

Item	Amount
4170-001-0289—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the State HICAP Fund	200,000
4170-001-0890—For support of Department of Aging, for payment to Item 4170-001-0001, payable from the Federal Trust Fund.....	8,011,000
Provisions:	
1. The Department of Finance may authorize the transfer of funds between this item and Item 4170-101-0890 no sooner than 30 days after written notification to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee may determine. The notification shall include: (a) the amount of the proposed transfer; (b) an identification of the purposes for which the funds will be used; (c) documentation that the proposed activities must be carried out in the current year and that no other funds are available for their support; and (d) 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	131,000
4170-017-0001—For support of Department of Aging... Schedule:	12,000
(1) 40-Special Projects.....	24,000
(2) Reimbursements.....	-12,000
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.	
4170-101-0001—For local assistance, Department of Aging	31,452,000
Schedule:	
(1) 10-Nutrition	73,373,000
(2) 20-Senior Community Employment Service	9,149,000

Item	Amount
(3) 30-Supportive Services and Centers	71,451,000
(4) 40-Special Projects	24,266,000
(5) Reimbursements	-4,559,000
(6) Amount payable from the State HICAP Fund (Item 4170-101-0289)	-2,246,000
(7) Amount payable from the Federal Trust Fund (Item 4170-101-0890)	-138,540,000
(8) Amount payable from the Federal Citation Penalties Account, Special Deposit Fund (Item 4170-103-0942)	-1,442,000
Provisions:	
1. 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	2,246,000
4170-101-0890—For local assistance, Department of Aging, for payment to Item 4170-101-0001, payable from the Federal Trust Fund	138,540,000
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.	
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	1,442,000

Item	Amount
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.....	290,000
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 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	57,000
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 notifica-	

Item	Amount
tion in writing of the necessity thereof 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.....	325,000
4200-001-0001—For support of Department of Alcohol and Drug Programs.....	4,364,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	44,134,000
(2) 30.01-Administration.....	11,195,000
(3) 30.02-Distributed Administration ...	-11,195,000
(4) 97.20.001-Unallocated Reduction...	-252,000
(5) Reimbursements.....	-4,450,000
(6) Amount payable from the Driving-Under-the-Influence Program Licensing Trust Fund (Item 4200-001-0139).....	-1,601,000
(7) Amount payable from the Narcotic Treatment Program Licensing Trust Fund (Item 4200-001-0243).....	-1,321,000
(8) Amount payable from Indian Gaming Special Distribution Fund (Item 4200-001-0367).....	-3,040,000
(9) Amount payable from the Audit Repayment Trust Fund (Item 4200-001-0816).....	-67,000
(10) Amount payable from the Federal Trust Fund (Item 4200-001-0890).....	-24,931,000
(11) Amount payable from the Substance Abuse Treatment Trust Fund (Item 4200-001-3019).....	-3,860,000
(12) Amount payable from the Mental Health Services Fund (Item 4200-001-3085).....	-248,000
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.....	1,601,000

Item	Amount
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	1,321,000
Provisions:	
1. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for the Narcotic Treatment Program Licensing Trust Fund in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4200-001-0367—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-0001, payable from the Indian Gaming Special Distribution Fund.....	3,040,000
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	24,931,000
Provisions:	
1. Upon order of the Department of Finance, the Controller shall transfer funds as necessary between this item and Item 4200-101-0890. In determining which transfers are necessary pursuant to this provision, the director shall assess those programs and operations that have the most criti-	

Item	Amount
cal 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.	
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.....	3,860,000
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 the Health and Safety Code, prior to the distribution of trust funds to the counties and state departments.	
4200-001-3085—For support of Department of Alcohol and Drug Programs, for payment to Item 4200-001-0001, payable from the Mental Health Services Fund	248,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to subdivision (d) of Section 5892 of the Welfare and Institutions Code.	
4200-017-0001—For support of Department of Alcohol and Drug Programs, for implementation of the Health Insurance Portability and Accountability Act.....	831,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	1,791,000

Item	Amount
(2) Reimbursements.....	-960,000
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.	
4200-101-0001—For local assistance, Department of Alcohol and Drug Programs	31,143,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	295,295,000
(2) Reimbursements.....	-15,395,000
(3) Amount payable from the Federal Trust Fund (Item 4200-101-0890)	-248,613,000
(4) Amount payable from the 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.	
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 California. The loans shall be repaid, with interest calculated pursuant to subdivision (a) of Section 16314 of the Government Code, upon receipt of the federal SAPT Block Grant.	
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.....	248,613,000

Item	Amount
Provisions:	
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.	
4200-101-0977—For local assistance, Department of Alcohol and Drug Programs, for payment to Item 4200-101-0001, payable from the Resident-Run Housing Revolving Fund.....	144,000
Provisions:	
1. To the extent that moneys available in the Resident-Run Housing Revolving Fund are less than the amount appropriated by this item, this appropriation shall be limited to that lesser amount.	
2. Notwithstanding any other provision of law, if revenues and loan repayments to the Resident-Run Housing Revolving Fund are sufficient to create additional allocation workload, the Director of Finance may authorize expenditures for the Department of Alcohol and Drug Programs in excess of the amount appropriated not sooner than 30 days after notification in writing of the necessity therefor is provided to the chairpersons of the fiscal committees and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4200-102-0001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs (Drug Medi-Cal).....	2,537,000
Schedule:	
(1) 15-Alcohol and Other Drug Services Program.....	5,074,000
(2) Reimbursements.....	-2,537,000
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,	

Item

Amount

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 case-load requirements, availability of personnel to provide essential services, other funding sources, and relevant information provided by affected state agencies.

2. The funds appropriated by this item are available to provide funding for the state’s share of expenditures for perinatal substance abuse services provided to persons eligible for Medi-Cal.
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 4200-103-0001 so that the funds appropriated in either item may be used to pay the state and federal share of prior fiscal years’ allowable Medi-Cal costs that exceed the amount encumbered in prior fiscal years. The Director of Finance shall notify the Legislature within 10 days after authorizing a transfer pursuant to this provision unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.
4. Of the combined amounts appropriated in Items 4200-102-0001 and 4200-103-0001, \$1,104,000 General Fund, and corresponding reimbursements, is for the purpose of augmenting Drug Medi-Cal rates above the 2002–03 rate level. The department shall establish increases in maximum reimbursement rates for Drug Medi-Cal services in the fiscal year to reflect the additional General Fund and reimbursements appropriated in this item.

4200-103-0001—For local assistance, Department of Alcohol and Drug Programs, Drug Medi-Cal Services

Schedule:

60,298,000

- (1) 15-Alcohol and Other Drug Services Program..... 114,029,000
- (2) Reimbursements.....-53,731,000

Item	Amount
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 4200-104-0001. 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.	
2. The funds appropriated in this item are available to provide funding for the state's share of expenditures for substance abuse services provided to persons eligible for Medi-Cal.	
3. Notwithstanding subdivision (a) of Section 2.00 and Section 26.00, the Department of Finance may authorize a transfer of expenditure authority between this item and Item 4200-102-0001 so that the funds appropriated in either item may be used to pay the state and federal share of prior fiscal years' allowable Medi-Cal costs that exceed the amount encumbered in prior fiscal years. The Director of Finance shall notify the Legislature within 10 days after authorizing a transfer pursuant to this provision unless prior notification of the transfer has been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.	
4. Notwithstanding any other provision of law, both the federal and nonfederal shares of any moneys 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.	
5. Of the combined amounts appropriated in Items 4200-102-0001 and 4200-103-0001, \$1,104,000 General Fund, and corresponding reimbursements, are for the purpose of augmenting Drug Medi-Cal rates above the 2002-03 fiscal year rate	

Item	Amount
<p>level. The department shall establish increases in maximum reimbursement rates for Drug Medi-Cal services in the fiscal year to reflect the additional General Fund and reimbursements appropriated in this item.</p> <p>6. By April 1, 2006, the Department of Alcohol and Drug Programs shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of both houses of the Legislature regarding the feasibility and advisability of modifying its system for reimbursement of methadone treatment services to account separately for the medication costs of methadone so that the state can obtain Medicaid prices and collect the rebates to which it is entitled from drug manufacturers. Nothing in this provision shall preclude the department from acting sooner than this date to implement this action or to take alternative actions that, in its discretion, would reduce the cost to the Drug Medi-Cal program for methadone medication.</p>	
<p>4200-104-0001—For local assistance, Department of Alcohol and Drug Programs, for perinatal substance abuse treatment programs</p>	23,457,000
<p>Schedule:</p> <p>(1) 15-Alcohol and Other Drug Services Program.....</p> <p>(2) Amount payable from the Federal Trust Fund (Item 4200-104-0890).—</p>	40,511,000 17,054,000
<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 4200-103-0001. 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.</p> <p>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</p>	

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>	
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	17,054,000
4200-490—Reappropriation, Department of Alcohol and Drug Programs. \$200,000 of the appropriation provided in Item 4200-001-0367, Budget Act of 2004 (Ch. 208, Stats. 2004) is reappropriated until June 30, 2006, for the creation of culturally competent literature on problem gambling.	
4260-001-0001—For support of Department of Health Services	244,093,000
Schedule:	
(1) 10-Public and Environmental Health	313,379,000
(2) 20-Health Care Services	615,395,000
(4) 30.01-Administration	54,199,000
(5) 30.02-Distributed Administration	-51,776,000
(6) 97.20.001-Unallocated Reduction	-11,020,000
(7) Reimbursements	-38,509,000
(8) Amount payable from the Breast Cancer Research Account (Item 4260-001-0007)	-1,420,000
(9) Amount payable from the Breast Cancer Control Account (Item 4260-001-0009)	-8,560,000

Item	Amount
(10) Amount payable from the Nuclear Planning Assessment Special Account (Item 4260-001-0029).....	-773,000
(11) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 4260-001-0044)...	-1,228,000
(12) Amount payable from the Sale of Tobacco to Minors Control Account (Item 4260-001-0066).....	-2,527,000
(13) Amount payable from the Occupational Lead Poisoning Prevention Account (Item 4260-001-0070).....	-2,742,000
(14) Amount payable from the Medical Waste Management Fund (Item 4260-001-0074)	-1,294,000
(15) Amount payable from the Radiation Control Fund (Item 4260-001-0075).....	-19,592,000
(16) Amount payable from the Tissue Bank License Fund (Item 4260-001-0076)	-280,000
(17) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-001-0080).....	-8,981,000
(18) Amount payable from the Export Document Program Fund (Item 4260-001-0082)	-159,000
(19) Amount payable from the Clinical Laboratory Improvement Fund (Item 4260-001-0098)	-4,165,000
(20) Amount payable from the Health Statistics Special Fund (Item 4260-001-0099)	-16,426,000
(21) Amount payable from the Wine Safety Fund (Item 4260-001-0116).....	-55,000
(22) Amount payable from the Water Device Certification Special Account (Item 4260-001-0129).....	-204,000
(23) Amount payable from the Food Safety Fund (Item 4260-001-0177).....	-4,360,000
(24) Amount payable from the Environmental Laboratory Improvement Fund (Item 4260-001-0179).....	-3,010,000

Item	Amount
(25) Amount payable from the Genetic Disease Testing Fund (Item 4260-001-0203)	-78,157,000
(26) Amount payable from the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0231)	-6,648,000
(27) Amount payable from the Research Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0234)	-5,213,000
(28) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-001-0236)	-6,370,000
(29) Amount payable from the Drinking Water Operator Certification Special Account (Item 4260-001-0247).....	-1,287,000
(30) Amount payable from the Nursing Home Administrator's State License Examining Fund (Item 4260-001-0260)	-484,000
(31) Amount payable from the Infant Botulism Treatment and Prevention Fund (Item 4260-001-0272)...	-1,910,000
(32) Amount payable from the Safe Drinking Water Account (Item 4260-001-0306)	-8,914,000
(33) Amount payable from the Registered Environmental Health Specialist Fund (Item 4260-001-0335).....	-266,000
(34) Amount payable from the Mosquito-borne Disease Surveillance Account (Item 4260-001-0478).....	-43,000
(34.5) Amount payable from the Water System Reliability Account (Item 4260-001-0626)	-400,000
(35) Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-001-0622).....	-624,000
(36) Amount payable from the Domestic Violence Training and Education Fund (Item 4260-001-0642)...	-830,000

Item	Amount
(37) Amount payable from the Emergency Services and Supplemental Payments Fund (Item 4260-001-0693).....	-2,160,000
(38) Amount payable from the California Alzheimer’s Disease and Related Disorders Research Fund (Item 4260-001-0823)	-863,000
(39) Amount payable from the Medical Inpatient Payment Adjustment Fund (Item 4260-001-0834).....	-1,152,000
(40) Amount payable from the Federal Trust Fund (Item 4260-001-0890)	-437,707,000
(41) Amount payable from the Drug and Device Safety Fund (Item 4260-001-3018)	-2,294,000
(42) Amount payable from the Medical Marijuana Program Fund (Item 4260-001-3074)	-1,181,000
(43) Amount payable from the Cannery Inspection Fund (Item 4260-001-3081).....	-1,570,000
(43.5) Amount payable from the Mental Health Services Fund (Item 4260-001-3085)	-52,000
(44) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4260-001-6031)	-3,229,000
(45) Amount payable from the Asthma and Lung Disease Research Fund (Item 4260-001-8003)	-188,000
(46) Amount payable from the Lupus Foundation of America Fund (Item 4260-001-8006)	-257,000

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 2005–06 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.

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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 4.58 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 4.58 percent only if the fund condition statements project fund reserves to be less than 10 percent and the revenues projected for the 2005–06 fiscal year are less than the appropriation contained in this act.

2. Effective July 1, 2005, 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 \$98.91 per bed. Effective July 1, 2005, the annual fee for a skilled nursing facility, intermediate care facility, or intermediate care facility for the developmentally disabled is \$215.32 per bed.

The fees of the State Department of Health Services that are subject to the annual fee adjustment pursuant to subdivision (a) of Section 100445 of the Health and Safety Code shall be increased by 5.87 percent for the 2005–06 fiscal year.

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 2005–06 fiscal year.

3. The State Department of Health Services shall limit expenditures in this item to implement the Uniform Anatomical Gift Act (Chapter 819 of the Statutes of 2000) to the amount of actual fees collected from tissue banks.
4. \$13,601,000 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.
5. Effective February 1, 2004, the State 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

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each house that considers appropriations and the Chairperson of the Joint Legislative Budget Committee. The report shall include the results of the most recently completed 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.

6. Of the funds appropriated for new information technology projects, including, but not limited to, the provider enrollment automation project, no funds may be expended on a project prior to approval of a feasibility study report concerning that project by the Director of Finance. The State Department of Health Services shall notify the fiscal committees of both houses of the Legislature that a feasibility study report has been approved for a project within 30 days of the report's approval by the Director of Finance, and shall include with the notification a copy of the approved feasibility study report that reflects the Director of Finance's changes.

Prior to the expenditure of funds appropriated in this item for the provider enrollment automation project, the State Department of Health Services shall obtain approval from the Director of Finance of a feasibility study report covering the complete provider enrollment automated system that the department intends to implement.

The State Department of Health Services shall report back to the budget committees of both houses of the Legislature during budget hearings regarding the status of the provider enrollment backlog and the streamlining of provider enrollment processes.

7. The State Department of Health Services shall develop a comprehensive strategic plan that assesses California's current programs and efforts in obesity prevention, identifies core gaps or concerns, identifies best practices, and makes recommendations for improvement. The department shall provide the strategic plan to the Legislature when it is completed, but no later than June 30, 2006.

Item	Amount
<p>8. In response to the public health implications of the West Nile Virus, and in order to expedite the implementation of mosquito control efforts funded by up to \$2 million appropriated in this item, the department is exempt from competitive bidding requirements, and from the requirements of Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code for purposes of making, receiving, and entering into contracts and interagency agreements.</p> <p>9. The State Department of Health Services shall provide to the appropriate fiscal and policy committees of the Legislature the quantitative analysis and key data results obtained from the rate study being conducted by an independent contractor. The information shall be provided on a flow basis, when applicable, and no later than March 1, 2006. No proprietary or confidential information is required by this provision.</p> <p>10. The State Department of Health Services shall utilize at least two positions, as authorized by the Legislature, for processing applications for the Program for All-Inclusive Care for the Elderly (PACE) in order to expedite implementation of these cost-beneficial services for the elderly.</p> <p>11. Of the amount appropriated in this item, \$3,000,000 shall be used for the IMPACT Program to provide health care services for low-income men with prostate cancer. The State Department of Health Services shall commence enrolling new enrollees as of July 1, 2005. The State Department of Health Services shall require of the contractor that expenditures for direct patient care shall at least equal 80 percent of the program funding. The State Department of Health Services may seek other structural changes to the IMPACT Program as deemed warranted by the State Department of Health Services to operate an efficient and effective program for men with prostate cancer.</p>	
4260-001-0007—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Breast Cancer Research Account	1,420,000
4260-001-0009—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Breast Cancer Control Account.....	8,560,000

Item	Amount
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	773,000
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.....	1,228,000
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.....	2,527,000
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.....	2,742,000
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	1,294,000
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.	
4260-001-0075—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Radiation Control Fund	19,592,000
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.....	280,000

Item	Amount
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	8,981,000
4260-001-0082—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Export Document Program Fund	159,000
4260-001-0098—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Clinical Laboratory Improvement Fund	4,165,000
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.....	16,426,000
4260-001-0116—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Wine Safety Fund	55,000
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.....	204,000
4260-001-0177—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Food Safety Fund.....	4,360,000
4260-001-0179—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Environmental Laboratory Improvement Fund.....	3,010,000
4260-001-0203—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Genetic Disease Testing Fund.....	78,157,000
Provisions:	
1. On a quarterly basis, the Department of Health Services shall report to the chairperson of the budget committees in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee regarding the monthly status and oversight reports for the Genetic Disease Branch Screening Information System.	

Item	Amount
2. The Department of Health Services shall report to the Joint Legislative Budget Committee by September 30, 2005, regarding the impact of restructuring its fee collection and customer service functions within the Genetic Disease Branch. This restructuring effort is necessary to ensure that fee collection and customer service have a separate and distinct focus and provide proper separation of accounting and cashiering duties as recommended in the 1997 Bureau of State Audits report regarding these activities.	
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	6,648,000
4260-001-0234—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund.....	5,213,000
4260-001-0236—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund.....	6,370,000
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.....	1,287,000
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.....	484,000
4260-001-0272—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Infant Botulism Treatment and Prevention Fund	1,910,000
4260-001-0306—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Safe Drinking Water Account	8,914,000
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.	
4260-001-0335—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Registered Environmental Health Specialist Fund	266,000

Item	Amount
4260-001-0478—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Vectorborne Disease Account.....	43,000
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.....	624,000
4260-001-0626—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Water System Reliability Account.....	400,000
Provisions:	
1. Of the amount appropriated in this item, up to \$400,000 shall be used for an interagency agreement to conduct work related to small drinking water systems. The funds shall not be used for any other purpose.	
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	830,000
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.....	2,160,000
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 in each house 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
4260-001-0823—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the California Alzheimer’s Disease and Related Disorders Research Fund.....	863,000
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.....	1,152,000
4260-001-0890—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Federal Trust Fund.....	437,707,000
Provisions:	
<ol style="list-style-type: none"> 1. Of the funds appropriated in this item, \$59,023,000 shall be available for administration, research, and training projects. Notwithstanding Section 28.00 of this act, the State Department of Health Services shall report under that section any new project over \$200,000 or any increase in excess of \$400,000 for an identified project. 2. \$12,276,000 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 from this item to Item 4260-111-0890 in order 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 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 no sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. 4. Notwithstanding any other provision of law, moneys made available for the federal Bioterrorism Hospital Preparedness Program pursuant to this act shall be available for expenditure and encumbrance until August 30, 2006. 5. The Department of Health Services shall notify the fiscal and relevant policy committees of the Legislature in a timely manner regarding the federal government’s approval of the state’s application for cooperative agreement for funding from the federal Centers for Disease Control and Pre- 	

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vention’s Public Health Preparedness and Response to Bioterrorism Program. The notification shall include a summary of all policy and fiscal changes made by the federal government to the state’s application. If additional changes are made throughout the fiscal year, the Department of Health Services shall notify the fiscal and relevant policy committees of the Legislature in a similar manner.

- 6. The Department of Health Services shall provide information to the Bureau of State Audits to enable it to conduct a fiscal review of the department’s bioterrorism preparedness grant funding as received from the federal government, including grant funds from the federal Centers for Disease Control and Prevention, and the Health Resources and Services Administration.
- 7. The Office of Homeland Security, in collaboration with the Department of Health Services, shall provide to the Chairperson of the Joint Legislative Budget Committee, and the chairperson of the budget and policy committees of each house of the Legislature on or before February 1, 2006, a statewide strategic plan for the use of federal homeland security and bioterrorism funds by all departments and local jurisdictions. The plan shall include goals and objectives for improving the state’s level of preparedness for a terrorism event, based on an assessment of the state’s level of preparedness and reflecting a coordination of preparedness activities at the state and local level. It is not the intent of the Legislature to require the Office of Homeland Security or the Department of Health Services to disclose or include sensitive or classified information in the strategic plan.

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.....	2,294,000
4260-001-3074—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Medical Marijuana Program Fund.....	1,181,000
4260-001-3081—For support of the Department of Health Services, for payment to Item 4260-001-0001, payable from the Cannery Inspection Fund...	1,570,000
4260-001-3085—For support of Department of Health Services, for payment to Item 4260-001-0001, payable from the Mental Health Services Fund.....	52,000

Item	Amount
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to subdivision (d) of Section 5892 of the Welfare and Institutions Code.	
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	3,229,000
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	188,000
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	257,000
4260-002-0942—For support of Department of Health Services, payable from the Special Deposit Fund, Health Facilities Citation Penalties Account.....	5,012,000
4260-003-0001—For support of Department of Health Services, for rental payments on lease-revenue bonds (Richmond Laboratory).....	10,288,000
Schedule:	
(1) Base Rental and Fees	10,244,000
(2) Insurance	44,000
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	

Item	Amount
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	477,000
Schedule:	
(1) Base Rental and Fees	475,000
(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.	
2. This item may contain adjustments pursuant to Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30.	
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	301,000
Schedule:	
(1) Base Rental and Fees	300,000
(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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
4260-003-0098—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Clinical Laboratory Improvement Fund	125,000
Schedule:	
(1) Base Rental and Fees	125,000

Item	Amount
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
4260-003-0179—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Environmental Laboratory Improvement Fund	6,000
Schedule:	
(1) Base Rental and Fees	6,000
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
4260-003-0203—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Genetic Disease Testing Fund	3,618,000
Schedule:	
(1) Base Rental and Fees	3,604,000
(2) Insurance	14,000
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
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
4260-003-0890—For support of Department of Health Services, for rental payments on lease-revenue bonds, payable from the Federal Trust Fund.....	74,000
Schedule:	
(1) Base Rental and Fees	74,000
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
4260-003-0942—For support of Department of Health Services, payable from the Special Deposit Fund, Federal Citation Penalties Account	935,000
4260-004-0942—For support of Department of Health Services, payable from the Special Deposit Fund, Local Education Agency Medi-Cal Recovery Account.....	1,542,000
4260-007-0890—For support of Department of Health Services, payable from the Federal Trust Fund	16,306,000
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.	
4260-011-0099—For transfer by the Controller, upon order of the Director of Finance, from the Health Statistics Special Fund to the Medical Marijuana Program Fund.....	(517,000)
Provisions:	
1. Notwithstanding any other provision of law, this loan shall be repaid no later than June 30, 2008, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.	

Item	Amount
4260-011-0233—For transfer by the Controller, upon order of the Director of Finance, from the Physician Services Account, Cigarette and Tobacco Products Surtax Fund to the Medically Underserved Account, Contingent Fund of the Medical Board of California	(2,000,000)
4260-011-0236—For transfer by the Controller, upon order of the Director of Finance, from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund to the Medically Underserved Account, Contingent Fund of the Medical Board of California	(1,000,000)
4260-011-3020—For transfer by the Controller, from the Tobacco Settlement Fund, to the General Fund.....	(12,000,000)
4260-017-0001—For support of Department of Health Services, for implementation of the Health Insurance Portability and Accountability Act.....	4,591,000
Schedule:	
(1) 20-Health Care Services	15,394,000
(2) 97.20.001-Unallocated Reduction...	-239,000
(3) Amount payable from the Genetic Disease Testing Fund (Item 4260-017-0203)	-508,000
(4) Amount payable from Federal Trust Fund (Item 4260-017-0890).....	-10,056,000
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	508,000
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	10,056,000

Item	Amount
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.	
4260-101-0001—For local assistance, Department of Health Services, Medical Assistance Program, payable from the Health Care Deposit Fund (0912) after transfer from the General Fund	12,670,181,000
Schedule:	
(1) 20.10.010-Eligibility (County Administration).....	2,309,421,000
(2) 20.10.020-Fiscal Intermediary Management	284,853,000
(3) 20.10.030-Benefits (Medical Care and Services).....	29,401,653,000
(4) Reimbursements	-11,845,000
(5) Amount payable from Childhood Lead Poisoning Prevention Fund (Item 4260-101-0080)	-250,000
(6) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0232)	-5,823,000
(7) Amount payable from the Physicians Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0233)	0
(8) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-101-0236)	-20,008,000
(9) Amount payable from the Federal Trust Fund (Item 4260-101-0890).....	-19,282,571,000
(10) Amount payable from Federal Trust Fund (Item 4260-103-0890).	-5,249,000
Provisions:	
1. The aggregate principal amount of disproportionate share hospital general obligation debt that may be issued in the 2005–06 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.	

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<p>2. Notwithstanding any other provision of law, both the federal and nonfederal shares of any moneys 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.</p> <p>3. Notwithstanding any other provision of law, accounts receivable for recoveries as described in Provision 2 shall have no effect upon the positive balance of the General Fund or the Health Care Deposit Fund. Notwithstanding any other provision of law, moneys recovered as described in this item that are 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.</p> <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 attorney's 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</p>	

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- Medi-Cal expenditures due to the Legislature in January and May shall reflect attorney's fees paid 15 or more days prior to the transmittal of the estimate.
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. 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 any other provision of law, the Department of Finance may authorize transfer of expenditure authority between Schedules (1), (2), (3), and (4) of this item and between this

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item and Items 4260-102-0001 and 4260-113-0001 in order to effectively administer the Medi-Cal program.

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. The Department of Health Services shall report in writing to the Chairperson of the Joint Legislative Budget Committee on the anticipated impact to local educational agencies of any Medicaid State Plan Amendments that may be submitted to the federal Centers for Medicare and Medicaid Services and would affect local educational agencies that serve as Medi-Cal service providers under an interagency agreement with the Department of Education.
12. The Department of Health Services shall pursue a federal law change to enable all county organized health systems to participate in the quality improvement assessment fee on Medi-Cal managed care plans.
13. Notwithstanding any other provision of law, the Department of Health Services may use up to \$1,300,000 to implement and conduct activities associated with long-term care integration, including support to local organizing groups for the purpose of completing activities to allow for the implementation of the integration initiatives.
14. It is the intent of the Legislature that funding appropriated to the State Department of Health Services for the Medi-Cal program shall be expended for purposes that are consistent with the assumptions and estimates as defined in Section 14100.5 of the Welfare and Institutions Code. Any change in the assumptions and estimates for the Medi-Cal program, as defined in Section 14100.5 of the Welfare and Institutions Code, that result in an expenditure that is inconsistent with the purposes for which the Legislature appropriated the funding shall not be authorized by the Director of Finance any sooner than 30 days after written notification of the necessity therefor is provided to the chairpersons of the fiscal

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committees in each house of the Legislature, and the Chairperson of the Joint Legislative Budget Committee.	
15. Upon completion of the CA-MMIS assessment, the State Department of Health Services shall provide a copy of the assessment to the Joint Legislative Budget Committee.	
16. Of the amount appropriated in this item, \$898,000 shall be directed from the long-term care integration pilot project set forth in Article 4.3 (commencing with Section 14139.05) of Chapter 7 of Part 3 of Division 9 of the Welfare and Institutions Code, and made available to the Director of Health Services for use by local entities implementing Acute and Long Term Care Integration Projects and shall be available only for reimbursable start-up costs approved by the director.	
17. When the State Department of Health Services has completed its business-based justification of the Drug Rebate Accounting Information System equipment refresh, it shall provide a copy to the Chairperson of the Joint Legislative Budget Committee.	
4260-101-0080—For local assistance, Department of Health Services, for payment to Item 4260-101-0001, payable from the Childhood Lead Poisoning Prevention Fund	250,000
4260-101-0232—For local assistance, Department of Health Services, for payment to Item 4260-101-0001, payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund.....	5,823,000
4260-101-0236—For local assistance, Department of Health Services, for payment to Item 4260-101-0001, payable from the Unallocated Services Account, Cigarette and Tobacco Products Surtax Fund	20,008,000
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.	

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4260-101-0890—For local assistance, Department of Health Services, for payment to Item 4260-101-0001, payable from the Federal Trust Fund.....	19,282,571,000
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	95,882,000
Provisions:	
1. Notwithstanding any other provision of law, the Department of Finance may authorize transfer of expenditure authority between this item and Items 4260-101-0001 and 4260-113-0001 in order to effectively administer the Medi-Cal program.	
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.	
4260-102-0890—For local assistance, Department of Health Services, Program 20.10.030-Benefits (Medical Care and Services), payable from the Federal Trust Fund, for supplemental reimbursement for debt service pursuant to Section 14085.5 of the Welfare and Institutions Code	95,882,000
Provisions:	
1. Any of the provisions in Item 4260-102-0001 that are relevant to this item also apply to this item.	
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	5,249,000
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.....	415,841,000
Schedule:	
(1) 10.10.010-Vital Records Improvement Project	510,000
(2) 10.20.010-Environmental Management.....	73,224,000

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(3) 10.20.040-Drinking Water.....	95,388,000
(4) 10.30.030-Childhood Lead Poisoning Prevention	11,000,000
(5) 10.30.040-Chronic Diseases.....	177,318,000
(6) 10.30.050-Communicable Disease Control	76,220,000
(7) 10.30.060-AIDS	297,066,000
(8) 20.30-County Health Services.....	76,405,000
(9) 20.40-Primary Care and Family Health.....	1,528,184,000
(10) Reimbursements.....	-104,018,000
(11) Amount payable from the Breast Cancer Control Account (Item 4260-111-0009).....	-8,086,000
(12) Amount payable from the Childhood Lead Poisoning Prevention Fund (Item 4260-111-0080).....	-11,102,000
(13) Amount payable from the Health Statistics Special Fund (Item 4260-111-0099)	-510,000
(14) 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).....	-49,954,000
(16) Amount payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0232).....	-58,080,000
(17) Amount payable from the Physicians Services Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0233).....	-15,399,000
(18) Amount payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund (Item 4260-111-0236).....	-43,276,000
(19) Amount payable from the Child Health and Safety Fund (Item 4260-111-0279).....	-683,000
(20) Amount payable from the Drinking Water Treatment and Research Fund (Item 4260-111-0622).....	-4,374,000

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(21) Amount payable from the Domestic Violence Training and Education Fund (Item 4260-111-0642)...	-235,000
(22) Amount payable from the Federal Trust Fund (Item 4260-111-0890)	-1,269,855,000
(23) Amount payable from the Special Deposit Fund, Nine West Settlement Account (Item 4260-111-0942).....	-350,000
(24) Amount payable from the WIC Manufacturer Rebate Fund (Item 4260-111-3023)	-262,401,000
(25) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 4260-111-6031).....	-90,951,000

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 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.
4. Of the amount appropriated in this item, up to \$1,100,000 shall be used to address the needs of nontraditional users of domestic shelter services, as identified by the State Department of Health Services in its recent survey. The State Department of Health Services shall expedite a Request for Proposal process to allocate these funds. The Request for Proposal shall be released by the State Department of Health Services no later than October 1, 2005. If the Request for Proposal is not released by October 1, 2005, then an interagency agreement process may be used. It is the intent of

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the Legislature that these funds be allocated as quickly as possible in order to address the needs of nontraditional users of domestic shelter services.

5. (a) Of the amount appropriated in this item, the department shall, at the discretion of the director, allocate \$10,000,000 to local mosquito and vector control agencies or other governmental entities, or contract with other entities to supplement resources for local mosquito control efforts to mitigate the threat of West Nile Virus transmission. In allocating these funds, the director shall first address high priority areas and "hot spots," based on epidemiological studies and related information to mitigate the spread of the disease.

(b) In response to the public health implications of the West Nile Virus, and in order to expedite the implementation of mosquito control efforts funded by no more than \$10,000,000 appropriated in this item, the department may make and receive grants and enter into contracts and interagency agreements. The department shall be exempt from competitive bidding requirements and shall be exempt from the requirements of Part 2 (commencing with Section 10100) of Division 2 of the Public Contract Code.

6. Of the amount appropriated in this item, up to \$5,639,000 shall be used to augment the State Department of Health Services, Office of AIDS, budget to allow for HIV education and prevention funding for local health jurisdictions to be reinstated to the funding level of the 2001-02 fiscal year and those local health jurisdictions that are currently funded at a level higher than the 2001-02 fiscal year shall be held harmless.

4260-111-0009—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Breast Cancer Control Account	8,086,000
4260-111-0080—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Childhood Lead Poisoning Prevention Fund	11,102,000

Item	Amount
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.....	49,954,000
4260-111-0232—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund.....	58,080,000
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.....	15,399,000
4260-111-0236—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Unallocated Account, Cigarette and Tobacco Products Surtax Fund.....	43,276,000
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	683,000
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.....	235,000
4260-111-0890—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Federal Trust Fund.....	1,269,855,000

Provisions:

1. Of the funds appropriated in this item, \$60,809,000 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

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under that section any new project over \$200,000 or any increase in excess of \$400,000 for an identified project.	
2. Notwithstanding any other provision of law, moneys made available for the federal Bioterrorism Hospital Preparedness Program pursuant to this act shall be available for expenditure and encumbrance until August 30, 2006.	
4260-111-0942—For local assistance, Department of Health Services, for payment to Item 4260-111-0001, payable from the Special Deposit Fund, Nine West Settlement Account	350,000
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, State 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.....	90,951,000
4260-113-0001—For local assistance, Department of Health Services, for the Healthy Families Program (Medi-Cal)	217,275,000
Schedule:	
(1) 20.10.010-Eligibility (County Administration)	4,369,000
(2) 20.10.020-Fiscal Intermediary Management	262,000
(3) 20.10.030-Benefits (Medical Care and Services).....	570,454,000
(4) Amount payable from the Federal Trust Fund (Item 4260-113-0890)	-357,810,000
Provisions:	
1. Notwithstanding any other provision of law, the Department of Finance may authorize transfer of expenditure authority between Schedules (1), (2), and (3) of this item and between this item and Items 4260-101-0001 and 4260-102-0001 in order to effectively administer the Medi-Cal program.	
The Director of Finance shall notify the Legislature within 10 days of authorizing such a transfer unless prior notification of the transfer has	

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<p>been included in the Medi-Cal estimates submitted pursuant to Section 14100.5 of the Welfare and Institutions Code.</p>	
<p>4260-113-0890—For local assistance, Department of Health Services, for payment to Item 4260-113-0001, payable from the Federal Trust Fund</p>	357,810,000
<p>Provisions:</p>	
<p>1. Any of the provisions in Item 4260-113-0001 that are relevant to this item also apply to this item.</p>	
<p>4260-115-0890—For transfer by the Controller from the Federal Trust Fund to the Safe Drinking Water State Revolving Loan Fund</p>	85,000,000
<p>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.....</p>	17,000,000
<p>4260-117-0001—For local assistance, Department of Health Services, for implementation of the Health Insurance Portability and Accountability Act</p>	5,280,000
<p>Schedule:</p>	
<p>(1) 20.10.010-Eligibility (County Administration)</p>	5,663,000
<p>(2) 20.10.020-Fiscal Intermediary Management</p>	36,949,000
<p>(3) 20.10.030-Benefits (Medical Care and Services)</p>	0
<p>(4) Amount payable from the Federal Trust Fund (Item 4260-117-0890).—</p>	37,332,000
<p>Provisions:</p>	
<p>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.</p>	
<p>2. 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 Schedules (1) and (2). 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.</p>	

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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	37,332,000
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.	
2. Any of the provisions in Item 4260-117-0001 that are relevant to this item also apply to this item.	
4260-301-0890—For capital outlay, Department of Health Services, payable from the Federal Trust Fund	1,266,000
Schedule:	
(1) 94.90.005-Emergency Operations Center—Preliminary plans, working drawings, and construction	1,266,000
4260-401—Approximately \$3.4 million in General Fund moneys has been loaned to the Department of Health Services (DHS), Botulism Treatment and Prevention Fund, pursuant to Section 123707 of the Health and Safety Code to support the development of the Botulism Immunoglobulin (BIG) vaccine. This loan is to be fully repaid now that BIG has been approved and licensed by the U.S. Food and Drug Administration. In conjunction with payments from the Botulism Treatment and Prevention Fund beginning in the 2004–2005 fiscal year, a reduction of \$500,000 has been made in Item 4260-001-0001, Program 10, Public and Environmental Health, until the loan is paid off. These funds will be restored after the debt to the General Fund has been satisfied.	
4260-402—Notwithstanding Provision 1 of Item 4260-011-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002) and the Budget Act of 2003 (Ch. 157, Stats. 2003), the \$10,300,000 loan authorized to the Genetic Disease Testing Fund shall be fully repaid to the General Fund by June 30, 2006, with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer.	

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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 encumbrance or expenditure until June 30, 2005, as specified.	
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 2005–06 fiscal year, subject to the provisions for the appropriation.	
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, 2004, for the Prostate Cancer Treatment Program is reappropriated and is available for expenditure through June 30, 2006.	
(2) Item 4260-001-3020, Budget Act of 2002 (Ch. 379, Stats. 2002). Notwithstanding any other provision of law, the balance as of June 30, 2004, for the Prostate Cancer Treatment Program is reappropriated and is available for expenditure through June 30, 2006.	
4260-495—Reversion, Department of Health Services. As of June 30, 2005, the unencumbered balance of the appropriation provided for in the following citation shall revert to the fund balance of the fund from which appropriation was made:	
0942—Nine West Settlement Account, Special Deposit Fund	
(1) Item 4260-011-0942, Budget Act of 2003 (Ch. 157, Stats. 2003) related to the Gynecological Cancer Information Program.	
4270-001-0001—For support of California Medical Assistance Commission.....	1,207,000
Schedule:	
(1) 10-California Medical Assistance Commission.....	2,622,000
(2) Reimbursements.....	-1,307,000
(3) Amount payable from Emergency Services and Supplemental Payments Fund (Item 4270-001-0693).....	-108,000

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Provisions:	
1. As permitted under subdivision (q) of Section 6254 of the Government Code, the California Medical Assistance Commission (CMAC) shall make entire hospital inpatient contracts and amendments open to inspection by the Joint Legislative Audit Committee and the Legislative Analyst’s Office to review. The purpose of this review will be to determine if the CMAC is operating effectively and efficiently in negotiating hospital contracts.	
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.....	108,000
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 in each house 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	2,142,000
Schedule:	
(1) 10-Major Risk Medical Insurance Program.....	876,000
(2) 20-Access for Infants and Mothers Program.....	853,000
(3) 40-Healthy Families Program	6,972,000
(4) 50-Children’s Health Initiative Matching Fund Program.....	285,000
(6) Reimbursements.....	–249,000

Item	Amount
(7) Amount payable from Perinatal Insurance Fund (Item 4280-001-0309).....	-853,000
(8) Amount payable from Major Risk Medical Insurance Fund (Item 4280-001-0313)	-876,000
(9) Amount payable from Federal Trust Fund (Item 4280-001-0890).....	-4,586,000
(10) Amount payable from Federal Trust Fund (Item 4280-003-0890).	-180,000
(11) Amount payable from Children’s Health Initiative Matching Fund (Item 4280-003-3055)	-100,000
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 Section 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....	853,000
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	876,000

Item	Amount
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 in each house and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the chairperson of the committee, or his or her designee, may in each instance determine.	
4280-001-0890—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from the Federal Trust Fund, for Healthy Families Program.....	4,586,000
4280-003-0890—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-001-0001, payable from the Federal Trust Fund, for Children’s Health Initiative Matching Fund Program.....	180,000
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 the County Health Initiative Matching Fund, for Children’s Health Initiative Matching Fund Program	100,000
Provisions:	
1. Provisions 1 and 2 of Item 4280-001-0001 also apply to this item.	
4280-017-0001—For support of Managed Risk Medical Insurance Board, for implementation of the Health Insurance Portability and Accountability Act	25,000
Schedule:	
(1) 10-Major Risk Medical Insurance Program.....	15,000
(2) 20-Access for Infants and Mothers Program.....	15,000
(3) 40-Healthy Families Program	71,000
(4) Amount payable from the Perinatal Insurance Fund (Item 4280-017-0309).....	-15,000
(5) Amount payable from the Major Risk Medical Insurance Fund (Item 4280-017-0313)	-15,000

Item	Amount
(6) Amount payable from the Federal Trust Fund (Item 4280-017-0890).	-46,000
4280-017-0309—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-017-0001, payable from the Perinatal Insurance Fund, for implementation of the Health Insurance Portability and Accountability Act	15,000
4280-017-0313—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-017-0001, payable from the Major Risk Medical Insurance Fund, for implementation of the Health Insurance Portability and Accountability Act.....	15,000
4280-017-0890—For support of Managed Risk Medical Insurance Board, for payment to Item 4280-017-0001, payable from the Federal Trust Fund, for implementation of the Health Insurance Portability and Accountability Act	46,000
4280-101-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program	319,576,000
Schedule:	
(1) 20-Access for Infants and Mothers Program.....	65,005,000
(2) 40-Healthy Families Program	876,809,000
(3) Amount payable from the Federal Trust Fund (Item 4280-101-0890)	-622,238,000
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.	
4280-101-0236—For local assistance, Managed Risk Medical Insurance Board, payable from the unallocated account, Cigarette and Tobacco Products Sur-tax Fund.....	175,000
Schedule:	
(1) 40-Healthy Families Program	175,000
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.....	622,238,000

Item	Amount
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.	
4280-102-0001—For local assistance, Managed Risk Medical Insurance Board, for the Healthy Families Program administrative contracts.....	27,315,000
Schedule:	
(1) 40-Healthy Families Program	75,671,000
(2) Reimbursements.....	-9,758,000
(3) Amount payable from the Federal Trust Fund (Item 4280-102-0890)	-38,598,000
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.....	38,598,000
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	2,381,000
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.....	1,282,000
Schedule:	
(1) 50-County Health Initiative Matching Fund Program.....	3,663,000

Item	Amount
(2) Amount payable from the Federal Trust Fund (Item 4280-103-0890).	-2,381,000
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 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 Section 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	2,047,000
Schedule:	
(1) 40-Healthy Families Program	5,889,000
(2) Amount payable from Federal Trust Fund (Item 4280-104-0890).....	-3,842,000

Item	Amount
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	3,842,000
4280-111-0232—For transfer by the Controller from the Hospital Services Account, Cigarette and Tobacco Products Surtax Fund to the Perinatal Insurance Fund, for the Access for Infants and Mothers Program	(34,445,000)
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	(10,013,000)
4300-001-0001—For support of Department of Developmental Services	26,137,000
Schedule:	
(1) 10-Community Services Program...	23,648,000
(2) 20-Developmental Centers Program.....	14,882,000
(3) 35.01-Administration.....	26,446,000
(4) 35.02-Distributed Administration ...	-26,446,000
(5) 97.20.001-Unallocated Reduction...	-104,000
(6) Reimbursements.....	-9,856,000
(7) Amount payable from the Developmental Disabilities Program Development Fund (Item 4300-001-0172).....	-268,000
(8) Amount payable from the Federal Trust Fund (Item 4300-001-0890).....	-2,165,000

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.

Item	Amount
<p>2. The General Fund shall make a loan available to the State Department of Developmental Services not to exceed a cumulative total of \$3,000,000. 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 are subject to the repayment provisions in Section 16351 of the Government Code.</p> <p>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.</p> <p>4. Notwithstanding Section 26.00 of this act, the Department of Finance may authorize transfer of expenditure authority between Schedules (1) and (2) in order to accurately reflect expenditures in these programs.</p> <p>5. Beginning July 1, 2004, the Department of Developmental Services shall provide, on a quarterly basis, to the Chairperson of the Joint Legislative Budget Committee copies of the monthly status and oversight reports submitted to the Department of Finance for the California Developmental Disabilities Information System Project.</p> <p>6. The State Department of Developmental Services shall provide the fiscal and policy committees of the Legislature with a comprehensive status update on the Agnews Plan, on January 10, 2006, and May 15, 2006, which will include at a minimum all of the following:</p> <ul style="list-style-type: none"> (a) A description and progress report on all pertinent aspects of the community-based resources development. (b) An aggregate update on the consumers living at Agnews and consumers who have been transitioned to other living arrangements. (c) An update to the Major Implementation Steps and Timelines. (d) A comprehensive update to the fiscal analyses as provided in the original plan. 	

Item	Amount
(e) An update to the plan regarding Agnews' employees. The above requested information may be provided through the Department of Developmental Services budget process, as part of the Regional Center and Developmental Center estimates packages. The updated information shall be made available to the public upon request.	
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.....	268,000
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 is provided to the chairpersons of the fiscal committees in each house 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.	
4300-001-0890—For support of Department of Developmental Services, for payment to Item 4300-001-0001, payable from the Federal Trust Fund	2,165,000
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.....	368,580,000
Schedule:	
(1) 20-Developmental Centers Program.....	694,108,000
(2) 97.20.001-Unallocated Reduction...	-2,115,000
(3) Reimbursements	-322,768,000
(4) Amount payable from the Federal Trust Fund (Item 4300-003-0890).....	-645,000

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Provisions:

1. The General Fund shall make a loan available to the State Department of Developmental Services not to exceed a cumulative total of \$77,000,000. 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.
3. Upon order of the Director of Finance, the Controller shall transfer such funds as are necessary between this item and Item 4300-101-0001.
4. 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

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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.

5. It is the intent of the Legislature to ensure the continued quality of care for consumers residing at Agnews Developmental Center as they transition to other living arrangements, including community-based living arrangements. An important component of this transition for many individuals will be the use of existing state staff from Agnews Developmental Center, who are familiar with each consumer's individual, specialized needs. The use of existing employees in community-based settings will provide for the continuation of services and supports to address specified needs, including medical, social, educational, and related functions, as individuals adapt to their new living environment.
6. By April 1, 2006, the State Department of Developmental Services and the State Department of Mental Health shall jointly report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of each house of the Legislature regarding the feasibility and advisability of modifying their reimbursement systems to account separately for drugs provided for eligible developmental center residents and state hospital patients so that the state can obtain Medicaid prices and collect the rebates to which it is entitled from drug manufacturers. Nothing in this provision is intended to preclude the two departments from acting sooner than this date to implement this action or to take alternative actions that, in their discretion, would reduce the cost to the state for providing drugs for residents and patients of these state facilities.

4300-003-0890—For support of Department of Developmental Services, for payment to Item 4300-003-0001, payable from the Federal Trust Fund

645,000

Item	Amount
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.....	10,217,000
Schedule:	
(1) 20-Developmental Centers Program.....	13,886,000
(a) 20.17-AB 1202 Contracts.....	2,052,000
(b) 20.66-Medi-Cal Eligible Services...	11,834,000
(2) Reimbursements.....	-3,669,000
Provisions:	
1. Of the amount appropriated in this item, \$3,753,000 is to be used to provide the General Fund match for Medi-Cal Eligible Services.	
4300-017-0001—For support of Department of Developmental Services, for implementation of the Health Insurance Portability and Accountability Act	260,000
Schedule:	
(1) 20-Developmental Centers Program.....	434,000
(2) Reimbursements.....	-174,000
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.	
4300-101-0001—For local assistance, Department of Developmental Services, for Regional Centers	1,862,046,000
Schedule:	
(1) 10.10.010-Operations.....	456,054,000
(2) 10.10.020-Purchase of Services	2,437,803,000
(3) 10.10.060-Early Intervention Programs	20,095,000
(4) Reimbursements	-996,263,000

Item	Amount
(5) Amount payable from Developmental Disabilities Program Development Fund (Item 4300-101-0172).....	-2,000,000
(5.5) Amount payable from Developmental Disabilities Services Account (Item 4300-101-0496).....	-69,000
(6) Amount payable from Federal Trust Fund (Item 4300-101-0890).....	-53,574,000

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. Of the funds appropriated in this item, \$3,730,000 shall be available for information technology costs of the California Developmental Disabilities Information System (CADDIS). Of this amount, \$2,000,000 is set aside for the sole purpose of funding functional changes to CADDIS.
5. Notwithstanding any other provision of law, expenditure of the \$2,000,000 for CADDIS functional changes shall be made no sooner than 30 days after notification in writing by the Department of Finance to the chairperson of the budget committee in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of its approval of a revised Special Project Report approving these functional changes. The intent of the set-aside is to ensure that sufficient funding is available for this purpose

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- in the event that the Director of Finance determines such changes are necessary for successful completion of the project and approves the Special Project Report. The Director of Finance's determination will be informed by the findings of an independent project review of CADDIS conducted by an independent contractor under the oversight of the California Health and Human Services Agency and the Department of Finance.
6. The independent project review will be an assessment to determine if the current CADDIS design maps to and reflects the project objectives as represented in the original project Feasibility Study Report and Request for Proposal. The assessment will consider whether CADDIS will meet Department of Developmental Services and Regional Center business practice requirements and objectives, including objectives related to federal programs. The assessment will examine project management, schedule, and status.
 7. Funding in this item for Regional Center operations also includes a set-aside of \$467,000 General Fund and \$92,000 in reimbursements for Regional Centers to input federally required consumer attendance data into CADDIS upon its implementation. These funds shall not be expended until such time as CADDIS implementation occurs.
 8. On or before September 1, 2005, the Department of Finance shall report to the chairperson of the budget committee in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of its strategy to resolve problems on the CADDIS project. The strategy shall include, but is not limited to, (a) identification of problems or issues on the project, and (b) actions, costs, and timeframes broken out by budget year and future years to correct those problems or issues. The Department of Finance shall include a copy of the independent project review with its report.
 9. Notwithstanding any other provision of law, based on the findings of the independent project review, and no sooner than 30 days after notification in writing by the Department of Finance to the chairperson of the budget committee in each house of the Legislature and the Chairperson of

Item	Amount
<p>the Joint Legislative Budget Committee, the Director of Finance may transfer management of the CADDIS project and the expenditure authority for the project from the Department of Developmental Services to the California Health and Human Services Agency, or another appropriate state agency, in order to promote successful completion of the project.</p> <p>10. Nothing in this provision is intended to nullify the approval and legislative notification provisions of Section 11.00 or 11.10.</p> <p>11. The State Department of Developmental Services shall provide to the Legislature, by May 1, 2006, expenditure data for costs of drugs purchased by Regional Centers between January 1, 2006, and March 31, 2006, for Regional Center consumers eligible for the Medicare Part D drug benefit and projections for the rest of the calendar year.</p>	
<p>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</p>	2,000,000
<p>Provisions:</p> <p>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 chairpersons of the fiscal committees in each house 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.</p>	
<p>4300-101-0496—For local assistance, Department of Developmental Services, for payment to Item 4300-101-0001, payable from the Developmental Disabilities Services Account.....</p>	69,000
<p>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.....</p>	53,574,000
<p>Provisions:</p> <p>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 Interven-</p>	

Item	Amount
<p>tion Program (Part C of the Individuals with Disabilities Education Act).</p> <p>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.</p>	
<p>4300-102-0001—For local assistance, Department of Developmental Services, Special Item for Medicare Part D Transition</p>	4,866,000
<p>Provisions:</p> <p>1. Funds appropriated in this item may only be expended to facilitate the enrollment of regional center consumers into Medicare Part D prescription drug plans. The State Department of Developmental Services, through the California Health and Human Services Agency, shall submit, no later than August 31, 2005, an expenditure plan for these funds to the Joint Legislative Budget Committee. The Joint Legislative Budget Committee shall have 30 days to review the expenditure plan prior to its implementation.</p>	
<p>4300-117-0001—For local assistance, Department of Developmental Services, for implementation of the Health Insurance Portability and Accountability Act.....</p>	708,000
<p>Schedule:</p> <p>(1) 10.10.010-Regional Centers: Operations.....</p> <p>(2) Reimbursements.....</p>	1,416,000 -708,000
<p>Provisions:</p> <p>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.</p>	
<p>4300-490—Reappropriation, Department of Developmental Services. Notwithstanding any other provision of law, as of June 30, 2005, the balances of the appropriations provided in the following citations are reappropriated for the purposes specified and shall be available for encumbrance or expenditure until June 30, 2006, unless otherwise stated.</p> <p>0001—General Fund</p> <p>(1) Item 4300-101-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)</p>	

Item	Amount
Schedule:	
(a) 10.10.010 for cost containment proposals, including cost statement automation and information technology consulting for day programs, in-home respite, and work activity programs, as well as for research and education for supported living services, the standardized rate project, and geographic rate consideration	488,000
(b) Balance of appropriations in Schedule (1) 10.10.010 and Schedule (2) 10.10.020 for the Life Quality Assessment Interagency Agreement.	
(2) Item 4300-105-0001, Budget Act of 2004 (Ch. 208, Stats. of 2004)	11,115,000
0496—Developmental Disabilities Services Account	
(1) Item 4300-101-0496, Budget Act of 2004 (Ch. 208, Stats. 2004)	
4440-001-0001—For support of Department of Mental Health	36,197,000
Schedule:	
(1) 10-Community Services	73,031,000
(2) 20-Long-Term Care Services	11,812,000
(3) 35.01-Departmental Administration.....	19,437,000
(4) 35.02-Distributed Departmental Administration.....	-19,437,000
(5) 97.20.001-Unallocated Reduction...	-709,000
(6) Reimbursements	-27,590,000
(7) Amount payable from the Traumatic Brain Injury Fund (Item 4440-001-0311).....	-168,000
(8) Amount payable from the Federal Trust Fund (Item 4440-001-0890).	-3,532,000
(9) Amount payable from the Mental Health Services Fund (Item 4440-001-3085)	-16,647,000
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.	

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<ul style="list-style-type: none"> 2. None of the funds appropriated in this item for compliance with federal Medicaid managed care notification requirements shall be expended before October 1, 2005. It is the intent of the Legislature that, in the interim, the state shall seek assistance from the California congressional delegation, the new national commission to reduce Medicaid Program costs, or other appropriate parties to modify these requirements to reduce their cost to the state and to the federal government. In the event that the federal notification requirements are modified, the Director of Finance may revert, at his or her discretion, any part or all of the appropriation provided in this item for compliance with the requirements. 	
4440-001-0311—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Traumatic Brain Injury Fund.....	168,000
4440-001-0890—For support of Department of Mental Health, for payment to Item 4440-001-0001, payable from the Federal Trust Fund	3,532,000
Provisions:	
<ul style="list-style-type: none"> 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. 	
4440-001-3085—For support of the Department of Mental Health for payment to Item 4440-001-0001, payable from the Mental Health Services Fund.....	16,647,000
Provisions:	
<ul style="list-style-type: none"> 1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to subdivision (d) of Section 5892 of the Welfare and Institutions Code. 2. Notwithstanding any other provision of law, the Director of Finance may increase the funding provided in this item to further the implementation of the Mental Health Services Act. Any increase would occur not sooner than 30 days after written notification has been 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 that consider the State Budget, 	

Item	Amount
and the Chairperson of the Joint Legislative Budget Committee identifying the need for that increase and the expenditure plan for the additional funds.	
3. Of the funds appropriated in this item, \$3,150,000 is a one-time funding for rent subsidies, predevelopment costs for housing for the mentally ill, and collaborative efforts to promote stable housing for homeless persons. These funds will be used for the Governor’s Initiative to End Chronic Homelessness. These funds are available for expenditure in the 2005–06 and 2006–07 fiscal years.	
4440-003-0001—For support of the Department of Mental Health for rental payments on lease-revenue bonds	30,321,000
Schedule:	
(1) Base Rent and Fees.....	30,259,000
(2) Insurance	150,000
(3) Reimbursements	–88,000
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 needed to ensure debt requirements are met.	
2. This item may contain adjustments pursuant to Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30.	
4440-011-0001—For support of the State Hospitals, Department of Mental Health	767,702,000
Schedule:	
(1) 20.10-Long-Term Care Services— Lanterman-Petris-Short Act	78,546,000
(2) 20.20-Long-Term Care Services— Penal Code and Judicially Committed	706,908,000
(3) 20.30-Long-Term Care Services— Other State Hospital Services	68,465,000
(4) 97.20.001-Unallocated Reduction...	–240,000
(5) Reimbursements	–84,821,000
(6) Amount payable from the California State Lottery Education Fund (Section 8880.5 of the Government Code)	–1,156,000

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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 patients in the five 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 (5) of this item shall include amounts received by the State Department of Mental Health as a result of billing for Lanterman-Petris-Short (LPS) Act 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 2005–06 fiscal year to patient-generated collections for Lanterman-Petris-Short (LPS) Act 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	

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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 basis of the director's determination that the funding is not needed for accommodating projected hospital population levels.

7. 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.
8. Of the amount appropriated in Schedule (2), \$2,484,000 is allocated for relocation costs for Coalinga State Hospital employees hired in the 2005–06 fiscal year. Any unspent amount will revert to the General Fund on January 1, 2007.
9. By April 1, 2006, the State Department of Developmental Services and the State Department of Mental Health shall jointly report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of each house of the Legislature regarding the feasibility and advisability of modifying their reimbursement systems to account separately for drugs provided for eligible developmental center residents and state hospital patients so that the state can obtain Medicaid prices and collect the rebates to which it is entitled from drug manufacturers. Nothing in this provision is intended to preclude the two departments from acting sooner than this date to implement this action or to take alternative actions that, in their discretion, would reduce the cost to the state for providing drugs for residents and patients of these state facilities.

Item	Amount
4440-012-0001—For support of the State Hospitals (Proposition 98), Department of Mental Health	3,400,000
Schedule:	
(1) 20.10-Long-Term Care Services—	
Lanterman-Petris-Short Act	3,400,000
Provisions:	
1. The funds appropriated in this item are available to contract for the provision of education services for mental health patients on state hospital grounds.	
4440-016-0001—For support of Department of Mental Health, for Conditional Release Services	21,544,000
Schedule:	
(1) 20-Long-Term Care Services	21,544,000
Provisions:	
1. The funds appropriated in this item shall be used to provide community services as provided in Section 4360 of the Welfare and Institutions Code. These funds shall support direct community services, as well as administrative and ancillary services related to the provision of direct services.	
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 Article 4 (commencing with Section 2960) of Chapter 7 of Title 1 of Part 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.	

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4440-017-0001—For support of Department of Mental Health, for implementation of the Health Insurance Portability and Accountability Act.....	1,075,000
Schedule:	
(1) 10-Community Services	2,152,000
(2) 20-Long-Term Care Services	0
(3) 35.01-Departmental Administration.....	678,000
(4) 35.02-Distributed Departmental Administration	-678,000
(5) Reimbursements.....	-1,077,000
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.	
4440-101-0001—For local assistance, Department of Mental Health.....	59,718,000
Schedule:	
(1) 10.25-Community Services—Other Treatment.....	1,505,272,000
(1.5) 10.47-Community Services—Children’s Mental Health Services.	350,000
(2) 10.85-Community Services—AIDS.....	1,500,000
(3) 10.97-Community Services—Healthy Families.....	14,966,000
(4) Reimbursements	-1,462,370,000
Provisions:	
1. Augmentations to reimbursements in this item from the Office of Emergency Services for Disaster Relief are exempt from Section 28.00 of this act. The State Department of Mental Health shall provide written notification to the Joint Legislative Budget Committee describing the nature and planned expenditure of these augmentations when the amount received exceeds \$200,000.	
2. It is the intent of the Legislature that local expenditures for mental health services for Medi-Cal eligible individuals serve as the match to draw down maximum federal financial participation to continue the Short-Doyle/Medi-Cal program.	

Item	Amount
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.....	892,000
Schedule:	
(1) 10.87-Community Services— Traumatic Brain Injury Projects....	1,124,000
(2) Reimbursements.....	-232,000
4440-101-0890—For local assistance, Department of Mental Health, payable from the Federal Trust Fund	59,457,000
Schedule:	
(1) 10.25-Community Services—Other Treatment	52,075,000
(2) 10.75-Community Services— Homeless Mentally Disabled	7,382,000
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 2005–06 fiscal year.	
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.	
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	227,167,000
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.	

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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 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	120,000,000
Schedule:	
(11) 98.01.001.000-2004–05 Cost for AB 3632 Mandates: Services to Handicapped Students (Ch. 1747, Stats. 1984) (CSM-4282) and Seriously Emotionally Disturbed Pupils (Ch. 654, Stats. 1996) (97-TC-05)	60,000,000
(12) 98.01.002.000-2005–06 Cost for AB 3632 Mandates: Services to Handicapped Students (Ch. 1747, Stats. 1984) (CSM-4282) and Seriously Emotionally Disturbed Pupils (Ch. 654, Stats. 1996) (97-TC-05)	60,000,000
Provisions:	
4. The \$120,000,000 General Fund appropriated in Schedules (11) and (12) shall be used to reimburse local government agencies for costs claimed for the 2004–05 and 2005–06 fiscal years for Services to Handicapped Students (Ch. 1747, Stats. 1984) and Seriously Emotionally Disturbed Pupils (Ch. 654, Stats. 1996) state-mandated local programs. Reimbursement for claims shall only	

Item	Amount
<p>be made for claims that are still subject to audit by the State Controller.</p> <p>5. It is the intent of the Legislature that the funds appropriated in Schedules (11) and (12), as well as those appropriated within the State Department of Education for services to students enrolled in special education and requiring mental health assistance in order to benefit from the education services provided, be fully expended to address needs in the 2004–05 and 2005–06 fiscal years.</p>	
<p>4440-301-0001—For capital outlay, Department of Mental Health</p>	5,674,000
<p>Schedule:</p> <p>(1) 55.35.295-Metropolitan: Remodel Satellite Serving Kitchens— Construction</p>	5,282,000
<p>(2) 55.10.205-Minor Project.....</p>	392,000
<p>Provisions:</p> <p>1. Notwithstanding any other provision of law, the project funded in Schedule (1) shall be considered part of the Metropolitan: Construct New Kitchen and Remodel Satellite Serving Kitchens project funded in Item 4440-301-0660, Schedule (1), of the 2005 Budget Act. The Schedule (1) project is exempt from competitive bid in order to facilitate management of the overall project.</p>	
<p>4440-301-0660—For capital outlay, Department of Mental Health, payable from the Public Building Construction Fund</p>	56,930,000
<p>Schedule:</p> <p>(1) 55.35.295-Metropolitan: Construct New Kitchen and Remodel Satellite Serving Kitchens— Working drawings and construction.....</p>	18,030,000
<p>(1.5) 55.35.305-Metropolitan: Construct School Building— Construction</p>	8,754,000
<p>(2) 55.45.270-Patton: Renovate Admission Suite and Fire Life Safety and Environmental Improvements and Seismic Retrofit, Phases II and III, EB Building—Working drawings and construction</p>	30,146,000

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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 all phases of the project authorized by this item.	
2. The State Public Works Board and the Department of Mental Health may obtain interim financing for the project costs authorized in this item from any appropriate source, including, but not limited to, 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 each phase 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 and for up to six months after 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 State Department of Mental Health 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 provision does not exempt the State Department of Mental Health from the requirements of the California Environmental Quality Act. This provision is declaratory of existing law.	

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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.	
4440-491—Reappropriation, Department of Mental Health. 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 those appropriations:	
(1) Item 4440-301-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(1) 55.35.295-Metropolitan: Remodel Satellite Serving Kitchens—Working drawings	
4440-492—Reappropriation, Department of Mental Health. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations are extended to June 30, 2007.	
0660—Public Buildings Construction Fund	
(1) Item 4440-301-0660, Budget Act of 2001 (Ch. 106, Stats. 2001) as reappropriated by Item 4440-493, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(1) 55.18.255-Sexually Violent Predator Facility—Construction.	
4440-496—Reversion, Department of Mental Health. As of June 30, 2005, the unencumbered balances of the appropriations provided in the following citations shall revert to the balance of the fund from which the appropriation was made:	
0660—Public Buildings Construction Fund	
(1) Item 4440-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002)	
(2) 55.35.305-Metropolitan: Construct School Building—Working drawings and construction	
(2) Item 4440-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003)	
(2) 55.35.295-Metropolitan: Construct New Kitchen and Remodel Satellite Serving Kitchens—Preliminary plans, working drawings, and construction	

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<p>(3) 55.45.270-Patton: Renovate Admission Suite and Fire and Life Safety and Environmental Improvements Phases II and III, EB Building—Construction</p>	
4700-001-0001—For support of Department of Community Services and Development	125,000
Schedule:	
(1) 47-Naturalization Services	125,000
4700-001-0853—For support of Department of Community Services and Development	202,000
Schedule:	
(1) 20-Energy Programs.....	202,000
4700-001-0890—For support of Department of Community Services and Development, payable from the Federal Trust Fund	9,712,000
Schedule:	
(1) 20-Energy Programs.....	8,652,000
(2) 40-Community Services	3,169,000
(3) 50.01-Administration.....	3,300,000
(4) 50.02-Distributed Administration ...	-3,300,000
(5) Reimbursements.....	-2,109,000
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 2004 (Ch. 208, Stats. 2004), shall be in augmentation of Item 4700-001-0890 of this act and not subject to the provisions of Section 28.00.	
4700-101-0001—For local assistance, Department of Community Services and Development	2,375,000
Schedule:	
(1) 47-Naturalization Services	2,375,000
4700-101-0853—For local assistance, Department of Community Services and Development	3,847,000
Schedule:	
(1) 20-Energy Programs.....	3,847,000
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	154,536,000

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Schedule:	
(1) 20-Energy Programs.....	92,404,000
(2) 40-Community Services	62,132,000
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 scheduled in Item 4700-101-0890 may be transferred to Item 4700-001-0890 for the administration of the Low Income Home Energy Assistance Program, subject to approval of the Department of Finance.	
3. Any unexpended federal funds from Item 4700-101-0890 of the Budget Act of 2004 (Ch. 208, Stats. 2004), shall be in augmentation of Item 4700-101-0890 of this act and are not subject to the provisions of Section 28.00. These funds shall be used for local assistance for the programs for which they were originally budgeted.	
5160-001-0001—For support of Department of Rehabilitation.....	44,850,000
Schedule:	
(1) 10-Vocational Rehabilitation Services.....	328,789,000
(2) 30-Support of Community Facilities	4,011,000
(3) 40.01-Administration.....	25,643,000
(4) 40.02-Distributed Administration ...	-25,643,000
(5) 97.20.0001-Unallocated Reduction.	-162,000
(6) Reimbursements.....	-7,900,000
(7) Amount payable from the Vending Stand Fund (Item 5160-001-0600).....	-3,447,000

Item	Amount
(8) Amount payable from the Federal Trust Fund (Item 5160-001-0890)	-276,246,000
(9) Amount payable from the Mental Health Services Fund (Item 5160-001-3085)	-195,000

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 of Rehabilitation 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 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.

5160-001-0600—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Vending Stand Fund	3,447,000
5160-001-0890—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Federal Trust Fund	276,246,000

Provisions:

1. The amount appropriated in this item that is payable from federal Social Security Act funds for vocational rehabilitation services for SSI/SSDI recipients shall be expended only to the extent that funds received exceed the amount appropriated by Item 5160-101-0890 that is payable from the federal Social Security Act funds. It is the intent of the Legislature that first priority of federal

Item	Amount
Social Security Act funding be given to independent living centers in the amount of federal Social Security Act funding appropriated by Item 5160-101-0890.	
5160-001-3085—For support of Department of Rehabilitation, for payment to Item 5160-001-0001, payable from the Mental Health Services Fund	195,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to subdivision (d) of Section 5892 of the Welfare and Institutions Code.	
5160-101-0890—For local assistance, Department of Rehabilitation, payable from the Federal Trust Fund... Schedule:	15,736,000
(1) 30-Support of Community Facilities	15,736,000
5170-001-0001—For support of State Independent Living Council	0
Schedule:	
(1) 10-State Council Services.....	473,000
(2) Reimbursements.....	-473,000
5175-001-0001—For support of Department of Child Support Services.....	16,978,000
Schedule:	
(1) 10-Child Support Services	51,651,000
(2) 97.20.001-Unallocated Reduction...	-172,000
(3) Reimbursements.....	-123,000
(4) Amount payable from the Federal Trust Fund (Item 5175-001-0890).....	-34,378,000
Provisions:	
1. By January 10, 2006, the Department of Child Support Services shall report in writing to the chairperson of the committee in each house of the Legislature that considers appropriations, and the Chairperson of the Joint Legislative Budget Committee, on the activities and cost-effectiveness of the Child Support Full Collection Program positions. The report shall describe any changes in the activities of these positions to increase collections and the current and anticipated collections attributed to these positions, case inventory per position, and collections per case and per position.	

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5175-001-0890—For support of Department of Child Support Services, for payment to Item 5175-001-0001, payable from the Federal Trust Fund	34,378,000
5175-002-0001—For support of Department of Child Support Services.....	26,075,000

Schedule:

- (1) 10-Child Support Services 82,851,000
- (2) 97.20.001-Unallocated Reduction... -334,000
- (3) Amount payable from the Federal Trust Fund (Item 5175-002-0890).....-56,442,000

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. By January 10, 2006, the Department of Child Support Services shall report in writing to the chairpersons of the committees in each house of the Legislature that consider appropriations, and the Chairperson of the Joint Legislative Budget Committee, on the activities and cost-effectiveness of the Child Support Full Collection

Item	Amount
<p>Program positions. The report shall describe any changes in the activities of these positions to increase collections, and the current and anticipated collections attributed to these positions, case inventory per position, and collections per case and per position.</p>	
<p>5175-002-0890—For support of Department of Child Support Services, for payment to Item 5175-002-0001, payable from the Federal Trust Fund</p>	56,442,000
<p>Provisions:</p>	
<p>1. Provisions 1 and 2 of Item 5175-002-0001 also apply to this item.</p>	
<p>5175-101-0001—For local assistance, Department of Child Support Services</p>	470,649,000
<p>Schedule:</p>	
<p>(1) 10-Child Support Services</p>	1,267,937,000
<p> (a) 10.01-Child Support Administration.....</p>	1,090,145,000
<p> (b) 10.03-Child Support Automation.....</p>	177,792,000
<p>(2) Amount payable from the Federal Trust Fund (Item 5175-101-0890)</p>	-501,920,000
<p>(3) Amount payable from the Child Support Collections Recovery Fund (Item 5175-101-8004)....</p>	-295,368,000
<p>Provisions:</p>	
<p>1. No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every child support services letter or similar instruction issued by the Department of Child Support Services that adds to the costs 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</p>	

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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 Section 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 chairpersons of the committees in each house that consider 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 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

Item	Amount
<p>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.</p> <p>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.</p> <p>5. Of the amount appropriated in this item, \$5,890,000 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 two selected consortia systems. The funds subject to this provision shall be available for expenditure by the Department of Child Support Services until June 30, 2007.</p> <p>6. Of the amount appropriated in this item, the \$5,890,000 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.</p>	
<p>5175-101-0890—For local assistance, Department of Child Support Services, for payment to Item 5175-101-0001, payable from the Federal Trust Fund.....</p> <p>Provisions:</p> <p>1. Provisions 1 and 5 of Item 5175-101-0001 also apply to this item.</p> <p>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.</p>	<p>501,920,000</p>

Item	Amount
3. 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.	
4. Of the amount appropriated in this item, \$20,000,000 is for the purpose of providing a federal match to voluntary county contributions to the Child Support Program. Any county requesting an augmentation of federal funds for local assistance must enter into an agreement with the Department of Child Support Services that sets forth the amount of augmented federal funds to be received and payment terms, including a provision holding the county responsible for 10 percent of any additional federal penalty costs that might result from this increased spending.	
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.....	295,368,000
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 5175-101-0890.	
5180-001-0001—For support of Department of Social Services	78,630,000
Schedule:	
(1) 16-Welfare Programs.....	66,252,000
(2) 25-Social Services and Licensing...	139,798,000

Item	Amount
(3) 35-Disability Evaluation and Other Services	245,993,000
(6) 60.01-Administration	45,631,000
(7) 60.02-Distributed Administration ...	-45,631,000
(8) 97.20.001-Unallocated Reduction...	-8,202,000
(9) Reimbursements	-25,321,000
(10) Amount payable from Foster Family Home and Small Family Home Insurance Fund (Item 5180-001-0131)	-2,195,000
(11) Amount payable from the Federal Trust Fund (Item 5180-001-0890)	-337,180,000
(12) Amount payable from the Mental Health Services Fund (Item 5180-001-3085)	-515,000

Provisions:

1. The Department of Finance may authorize the transfer of funds from Schedule (2) of this item to Schedule (1), Program 25.30, of Item 5180-151-0001, Children and Adult Services and 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), Program 25.30, of Item 5180-151-0001, Children and Adult Services and Licensing, 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 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.
- 6. 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 pursuant to Section 1522.02 of the Health and Safety Code.

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.....

2,195,000

Provisions:

- 1. The Department of Finance is authorized to approve expenditures from the unexpended balance available from prior years' appropriations in the Foster Family Home and Small Family Home Insurance Fund during the 2005–06 fiscal year, in those amounts made necessary by increases in either the payment of claims or the costs of operating and maintaining the Foster Family Home and Small Family Home Insurance Fund, which are within or in excess of amounts appropriated in this act for that year.

If the Department of Finance determines that the estimate of expenditures will exceed the expenditures authorized for the 2005–06 fiscal year, the department shall notify the Legislature. Upon notification the amount of the limitation for the 2005–06 fiscal year shall be increased by the amount of such excess from the unexpended bal-

Item	Amount
ance available from prior years' appropriations in the Foster Family Home and Small Family Home Insurance Fund.	
5180-001-0270—For support of Department of Social Services, payable from the Technical Assistance Fund	23,955,000
5180-001-0271—For support of Department of Social Services, payable from the Certification Fund	1,187,000
5180-001-0279—For support of Department of Social Services, payable from the Child Health and Safety Fund	1,366,000
5180-001-0803—For support of Department of Social Services, payable from the State Children's Trust Fund	160,000
5180-001-0890—For support of Department of Social Services, for payment to Item 5180-001-0001, payable from the Federal Trust Fund	337,180,000
Provisions:	
1. The Department of Finance may authorize the transfer of federal funds from this item to Item 5180-151-0890 in order to allow counties to perform the adoption program functions, and the facilities evaluation function in Community Care Licensing in the Department of Social Services.	
2. Provision 5 of Item 5180-001-0001 also applies to this item.	
5180-001-3085—For support of Department of Social Services, for payment to Item 5180-001-0001, payable from the Mental Health Services Fund.....	515,000
Provisions:	
1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to subdivision (d) of Section 5892 of the Welfare and Institutions Code.	
5180-011-0001—For transfer by the Controller to the Foster Family Home and Small Family Home Insurance Fund	1,229,000
Provisions:	
1. Provision 1 of Item 5180-001-0131 also applies to this item.	
5180-011-0279—For transfer by the Controller from the Child Health and Safety Fund to the State Children's Trust Fund.....	68,000
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

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Provisions:	
1. Provision 1 of Item 5180-001-0131 also applies to this item.	
5180-101-0001—For local assistance, Department of Social Services	2,643,493,000
Schedule:	
(1) 16.30-CalWORKs.....	4,979,156,000
(2) 16.65-Other Assistance Payments	1,553,495,000
(3) Reimbursements	-4,066,000
(4) Amount payable from the Emergency Food Assistance Program Fund (Item 5180-101-0122).....	-442,000
(5) Amount payable from the Employment Training Fund (Item 5180-101-0514)	-37,930,000
(6) Amount payable from the Federal Trust Fund (Item 5180-101-0890)	-3,846,720,000

Provisions:

1. No funds appropriated in this item shall be encumbered unless every rule or regulation adopted and every all-county letter issued by the Department of Social Services that adds to the costs 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 Sections 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

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<p>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.</p> <ol style="list-style-type: none"> 2. Notwithstanding Chapter 1 (commencing with Section 18000) of Part 6 of Division 9 of the Welfare and Institutions Code, a loan not to exceed \$500,000,000 shall be made available from the General Fund, from funds not otherwise appropriated, to cover the federal share of costs of a program(s) when the federal funds have not been received by this state prior to the usual time for transmitting that federal share to the counties of this state. This loan from the General Fund shall 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 costs 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 2005–06 fiscal year that are within or in excess of amounts appropriated in this act for that year. <p>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.</p>	

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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. 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.	
7. 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.	
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.....	442,000
5180-101-0514—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Employment Training Fund.....	37,930,000
5180-101-0890—For local assistance, Department of Social Services, for payment to Item 5180-101-0001, payable from the Federal Trust Fund.....	3,846,720,000

Item	Amount
Provisions:	
1. Provisions 1, 4, 6, and 7 of Item 5180-101-0001 also apply to this item.	
2. The Director of Finance may authorize the transfer of amounts from this item to Item 5180-001-0890 in order to fund the costs 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—CalWORKs, from the Temporary Assistance to Needy Families (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 Child Care and Development Fund and/or TANF funds.	
4. Upon request of the Department of Social Services, the Director 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 5180-101-8004.	
5180-101-8004—For local assistance, Department of Social Services, Program 16.65 Other Assistance Payments, payable from the Child Support Collections Recovery Fund	14,264,000
Provisions:	
1. Notwithstanding any other provision of law, upon request by the Department of Social Services, the Department of Finance may increase or decrease this appropriation, for the purposes of Section 17702.5 of the Family Code, no 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 Legis-	

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lature that considers appropriations, unless the Chairperson of the Joint Legislative Budget Committee, or his or her designee, imposes a lesser time. Adjustments to expenditure authority shall be consistent with those made pursuant to Provision 4 of Item 5180-101-0890.

5180-111-0001—For local assistance, Department of Social Services 4,807,350,000

Schedule:

- (1) 16.70-SSI/SSP 3,572,952,000
- (2) 25.15-IHSS..... 3,762,122,000
- (3) Reimbursements -2,527,724,000

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 \$195,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a program(s) when the federal funds or reimbursements (from the Health Care Deposit Fund or counties) have not been received by this state prior to the usual time for transmitting payments for the federal or reimbursable share of costs for this state. That loan from the General Fund shall be repaid when the federal share of costs for the program(s) becomes available, or in the case of reimbursements, subject to Section 16351 of the Government Code. County reimbursements also shall be subject to Section 16314 of the Government Code, which specifies the rate of interest. The department may offset a county's share of cost of the In-Home Supportive Services (IHSS) program against local assistance payments made to the county if the county fails to reimburse its share of cost of the IHSS program to the state.
3. The State Department of Social Services shall provide technical assistance to counties to ensure that they maximize the receipt of federal funds for the IHSS program, without compromising the quality of the services provided to IHSS recipients.
4. Funds appropriated in this item for the management, including, as needed, procurement, design,

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development, testing, implementation, and oversight of the Case Management Information and Payrolling System (CMIPS) project shall be transferred to Item 0530-001-9732 upon order of the Department of Finance.	
5180-141-0001—For local assistance, Department of Social Services	424,392,000
Schedule:	
(1) 16.75-County Administration and Automation Projects	1,050,018,000
(2) Reimbursements	-55,809,000
(3) Amount payable from the Federal Trust Fund (Item 5180-141-0890)	-569,817,000
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	

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department shall so report to the Legislature. At the time the report is made, the amount of the limitation shall be increased by the amount of the excess unless and until otherwise provided by law.

- 5. 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. Funds appropriated in this item for the management, including, as needed, procurement, design, development, testing, implementation, and oversight, of the following projects shall be transferred to Item 0530-001-9732 upon order of the Department of Finance:
 - (a) Statewide Automated Welfare System (SAWS)
 - (b) Electronic Benefit Transfer (EBT)
 - (c) Statewide Fingerprint Imaging System (SFIS)

5180-141-0890—For local assistance, Department of Social Services, for payment to Item 5180-141-0001, payable from the Federal Trust Fund..... 569,817,000
 Provisions:

- 1. Provisions 2, 3, 4, 6, and 7 of Item 5180-141-0001 also apply to this item.

5180-151-0001—For local assistance, Department of Social Services 764,894,000
 Schedule:

- (1) 25.30-Children and Adult Services and Licensing..... 2,221,743,000
- (2) 25.35-Special Programs 21,601,000
- (3) Reimbursements-92,408,000

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(4) Amount payable from the Child Health and Safety Fund (Item 5180-151-0279)	-615,000
(5) Amount payable from the State Children’s Trust Fund (Item 5180-151-0803)	-2,679,000
(6) Amount payable from the Federal Trust Fund (Item 5180-151-0890)	-1,382,198,000
(7) Amount payable from the Child Welfare Services Program Improvement Fund (Item 5180-151-8023).....	-550,000
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 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.	
4. 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.	
5. 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	

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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.

6. Of the amount appropriated in this item, \$90,715,000 shall be provided to counties to fund additional child welfare service activities and shall be allocated based on child welfare services caseload and county unit costs. However, no county shall receive less than \$100,000. These funds shall be expressly targeted for emergency response, family reunification, family maintenance and permanent placement services and shall be used to supplement, and shall not be used to supplant, child welfare services funds. A county is not required to provide a match of the funds received pursuant to this provision if the county appropriates the required full match for the county's child welfare services program exclusive of the funds received pursuant to this provision. These funds are available only to counties that have certified that they are fully utilizing the Child Welfare Services/Case Management System (CWS/CMS) or have entered into an agreed-upon plan with the State Department of Social Services outlining the steps that will be taken to achieve full utilization. The department shall reallocate any funds that counties choose not to accept under this provision, to other counties based on the allocation formula specified in this provision.

The department, in collaboration with the County Welfare Directors Association and representatives from labor groups representing social workers, shall develop the definition of full utilization of the CWS/CMS, the method for measuring full utilization, the process for the state and counties to work together to move counties toward full utilization, and measurements of progress toward full utilization.

7. The Department of Social Services shall consult with the counties, children's advocates, and current and former foster youth in the development and implementation of permanency and youth services initiatives.

Item	Amount
8. Funds appropriated in this item for the management, including, as needed, procurement, design, development, testing, implementation, and oversight, of the Child Welfare Services/Case Management System (CWS/CMS) project shall be transferred to Item 0530-001-9732 upon order of the Department of Finance.	
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	615,000
5180-151-0803—For local assistance, Department of Social Services, payable from the State Children’s Trust Fund.....	2,679,000
5180-151-0890—For local assistance, Department of Social Services, for payment to Item 5180-151-0001, payable from the Federal Trust Fund	1,382,198,000
Provisions:	
1. Provisions 1, 3, 5, 6, and 8 of Item 5180-151-0001 also apply to this item.	
5180-151-8023—For local assistance, Department of Social Services, payable from the Child Welfare Services Program Improvement Fund.....	550,000
5180-402—The Director of Finance is authorized to approve transfers of \$407,642,000 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 2 child care. The moneys transferred to the Department of Education shall be used only for direct services to Stage 2 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 the 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.	

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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 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 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 \$407,642,000. 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 chairpersons 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 \$162,976,000 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.

5180-491—Reappropriation, Department of Social Services. Notwithstanding any other provision of law, the balance of the funds for the appropriations provided in the following citations is reappropriated for

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expenditure pursuant to Provision 1 and is available for encumbrance or expenditure until June 30, 2006: 0001—General Fund	
(1) Item 5180-111-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(2) Item 5180-141-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(3) Item 5180-151-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)	
0890—Federal Trust Fund	
(1) Item 5180-111-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(2) Item 5180-141-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(3) Item 5180-151-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)	
Provisions:	
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.	
5180-492—Reappropriation, Department of Social Services. The amounts specified in the appropriations provided for in the following citations are reappropriated for encumbrance or expenditure pursuant to Provision 1 and shall be available until June 30, 2006:	
0890—Federal Trust Fund	
(1) Item 5180-151-0890, Budget Act of 2004 (Ch. 208, Stats. 2004)	

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0803—State Children’s Trust Fund	
(1) Item 5180-151-0803, Budget Act of 2004 (Ch. 208, Stats. 2004)	
Provisions:	
1. For the 2004–05 fiscal year, no later than 60 days after the receipt of fourth quarter claims submitted by the counties, the State Department of Social Services, in consultation with the County Welfare Directors Association (CWDA), shall determine the amount of unspent funds allocated to the Cohort 1 counties for approved Child Welfare Services (CWS) improvement activities. Thereafter, notwithstanding any other provision of law, the balance of the appropriations for these improvement activities, as approved by the Department of Finance, shall be reappropriated for transfer to and in augmentation of the corresponding items in this act. In collaboration with the CWDA, the funds reappropriated by this provision shall be made available either to further improve outcomes in the nonpilot counties, or to supplement funding for the Cohort 1 counties to ensure their success with implementation of the CWS improvement initiatives.	

CORRECTIONS AND REHABILITATION

5225-001-0001—For support of the Department of Corrections and Rehabilitation	6,623,170,000
Schedule:	
(1) 10-Corrections and Rehabilitation Administration	203,126,000
(2) 15-Corrections Standards Authority	5,596,000
(3) 20-Juvenile Operations	169,098,000
(4) 21-Juvenile Education, Vocations and Offender Program.....	85,848,000
(5) 22-Juvenile Paroles	35,619,000
(6) 23-Juvenile Healthcare	55,976,000
(7) 25-Adult Corrections and Rehabilitation Operations	4,270,356,000
(8) 30-Parole Operations-Adult	591,195,000
(9) 35-Board of Parole Hearings	78,707,000
(10) 45-Education, Vocations and Offender Program-Adult	238,906,000

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(11) 50-Correctional Health Care Services	1,037,722,000
(12) Reimbursements	-85,316,000
(13) Amount payable from the Corrections Training Fund (Item 5225-001-0170)	-2,486,000
(14) Amount payable from the Federal Trust Fund (Item 5225-001-0890) ..	-4,744,000
(15) Amount payable from the Inmate Welfare Fund (Item 5225-001-0917)	-56,433,000
Provisions:	
1. Funds appropriated to accommodate projected adult 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 and Rehabilitation through the redirection of funding that is reasonably believed not to be needed for accommodating projected adult 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 secretary's determination that the funding is not needed for accommodating projected institutional population levels.	
2. Funds appropriated to accommodate projected adult parole 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 and Rehabilitation through the redirection of funding that is reasonably believed not to be needed for accommodating projected adult parole population levels if the approval is made in writing and filed with the Chairperson of the Joint	

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- 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, (b) the approved amount, and (c) the basis of the director's determination that the funding is not needed for accommodating projected adult 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 Secretary of the Department of Corrections and Rehabilitation, 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 (7) or (8), or both, of this item may be transferred to Item 5225-101-0001, Schedule (7), 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.
 6. Notwithstanding any other provision of law, upon approval of the Department of Finance, the Department of Corrections and Rehabilitation may transfer, between Schedules (7), (8), and (11), up to 5 percent of the amounts appropriated in these schedules. Any transfer of funds appropriated in Schedules (7), (8), and (11) exceeding 5 percent may occur not sooner than 30 days after notifica-

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tion thereof to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of each house of the Legislature.

7. The Department of Corrections and Rehabilitation shall adjust the number of contracted beds with the State 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. Not later than 60 days following enactment of this act, and subsequently on February 10 and upon release of the May Revision, the Secretary of Corrections and Rehabilitation shall submit to the Director of Finance the Post Assignment Schedule for each adult institution, reconciled to budgeted authority and consistent with approved programs, along with allotments consistent with the reconciled Post Assignment Schedule for each adult institution.
9. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in this item in excess of the amount appropriated for purposes of compliance with the Remedial Plan, adopted in response to the decision in *Valdivia v. Davis* (E.D.Ca. 2002) 206 F.Supp.2d 1068, and for no other purpose. Any authorization shall be based upon data that shall be provided by the Department of Corrections and Rehabilitation on a monthly basis. Information provided by the Division of Adult Parole Operations shall include parole serves and hearing-related workload, including, at a minimum, the number and average duration of parole serves performed, the number of parolees directed into a sanction program prior to a Probable Cause Hearing, and the average time from parole hold to serve, to Probable Cause Hearing, and to Revocation Hearing. Information provided by the Board of Parole Hearings shall include applicable attorney's fees and hearing-related workload, including, at a minimum, the number of hearings and associated time necessary to perform the hearings on a monthly basis. The Director of Finance shall not approve any expen-

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diture 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 prior to whatever lesser time the chairperson of the joint committee, or his or her designee, may determine.

10. Of the funds appropriated in Schedule (3), \$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.
11. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in Schedule (3) in excess of the amount appropriated for purposes of funding attorney's fees required by the *Farrell v. Allen* consent decree. The Director of Finance may not approve any expenditure unless 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.
- 12.5. It is the intent of the Legislature to provide sufficient funding to implement the Medical Care Remedial Plan, the Mental Health Remedial Plan, and the General Ward Safety and Welfare Remedial Plan, which will be submitted to the court during the 2005–06 fiscal year to comply with the consent decree in *Farrell v. Allen* (Super. Ct. Alameda County, 2004, No. 03079344). The Legislature hereby directs the Department of Corrections and Rehabilitation to introduce urgency legislation to appropriate the funds necessary to implement these remedial plans. Consistent with this legislation, the Department of Finance shall provide a detailed written justification for the requested funding to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations.

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13. Of the amount appropriated in Schedule (10), \$7,500,000 shall only be available for expenditure upon approval by the Chairperson of the Joint Legislative Budget Committee of a plan to expend these funds on inmate and parolee programs. The plan submitted to the chairperson shall detail what programs will be implemented or expanded, the basis for the programs selected, and a timetable for implementing or expanding the programs.	
14. Of the amount appropriated in this item, \$35,036,000 is to fill specified positions held vacant by the Department of Corrections and Rehabilitation in order to achieve salary savings. The Department of Finance will release funds to the department for this purpose only for those vacancies that the department fills during the fiscal year. Any unspent funds appropriated for this purpose shall revert to the General Fund.	
15. Quarterly, beginning on October 1, 2005, the Department of Corrections and Rehabilitation shall provide to the fiscal committees of each house of the Legislature and to the Legislative Analyst's Office a report providing an update on the department's progress implementing recent parole reforms. This report shall cover parole program expansions made in the 2003-04 and 2004-05 Budget Acts, including Pre-Release Program, Police and Corrections Teams, Transitional Case Management Program for mentally ill parolees, Parole Service Centers, Substance Abuse Treatment and Control Units, Restitution Program, Substance Abuse Treatment and Recovery, Residential Multi-Service Center, Global Positioning Satellite system, the 12-month discharge policy, and Comprehensive Community Wrap-Around Services Program. This report shall include the following information for each program: (a) identification of progress to date implementing the programs, including identifying the number of program slots, the number of program slots currently filled, and the total number of inmate participants to date in the fiscal year, (b) a comparison of current implementation progress to what is assumed in the current Budget Act and information explaining any shortfalls, (c) a comparison of the current imple-	

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- mentation progress to the prior quarterly report, (d) the department's schedule for further program implementation, including the number of slots, location, and date for each, (e) identification of any other significant changes to the programs before the end of the current fiscal year, (f) the estimated implementation costs, (g) the estimated impact of the programs on the institution and parole populations, including data on parole violations and revocations by program participants occurring in the quarter, and (h) the department's policy regarding the criteria for placing an inmate or parolee in the program.
16. In addition to the funds appropriated in this item, the sum of \$150,000 is hereby appropriated from the General Fund for the Statewide Offender Management System for the 2005–06 fiscal year. The appropriation made in this provision is not available unless and until the Department of Corrections and Rehabilitation enters into a contract for the development of a Statewide Offender Management System Feasibility Study Report. Upon contract signature, the Department of Finance may authorize expenditures up to the amount appropriated not sooner than 30 days after notification to the chairperson of the budget committee in each house of the Legislature and to the Chairperson of the Joint Legislative Budget Committee.
 17. In addition to the funds appropriated in this item, the sum of \$78,000 is hereby appropriated from the General Fund for the Statewide Offender Management System for the 2005–06 fiscal year. The appropriation made in this provision is not available unless and until the Department of Corrections and Rehabilitation reports its July 2005 through December 2005 Statewide Offenders Management System accomplishments to the chairperson of the budget committee in each house of the Legislature and to the Chairperson of the Joint Legislative Budget Committee. Upon the department's submission of its accomplishments, the Department of Finance may authorize expenditures up to the amount appropriated not sooner than 30 days after notification to

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<p>the chairperson of the budget committee in each house of the Legislature and to the Chairperson of the Joint Legislative Budget Committee.</p> <p>18. In addition to the funds appropriated in this item, the sum of \$25,000 is hereby appropriated from the General Fund for the Statewide Offender Management System for the 2005–06 fiscal year. The appropriation made in this provision is not available unless and until the Department of Corrections and Rehabilitation reports its January 2006 through March 2006 Statewide Offender Management System accomplishments to the chairperson of the budget committee in each house of the Legislature and to the Chairperson of the Joint Legislative Budget Committee. Upon the department’s submission of its accomplishments, the Department of Finance may authorize expenditures up to the amount appropriated not sooner than 30 days after notification to the chairperson of the budget committee in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee.</p> <p>19. Beginning July 2005, the Department of Corrections and Rehabilitation shall provide on a quarterly basis to the chairperson of the budget committees in each house of the Legislature and to the Chairperson of the Joint Legislative Budget Committee copies of the monthly status and oversight reports submitted to the Department of Finance for any information technology projects in the Department of Corrections and Rehabilitation with a “high risk” rating as prescribed in state policy.</p> <p>20. On or before April 1, 2006, the Department of Finance shall report in writing to the chairperson of the budget committee in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee of its assessment of the Department of Corrections and Rehabilitation’s information technology activities. The assessment shall include, but is not limited to, (a) a review of Department of Corrections and Rehabilitation’s information technology project management practices and capabilities compared to Department of Finance’s oversight framework, (b) an evaluation of the Department of Corrections and Rehabilitation’s ability to implement</p>	

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- its current information technology projects within Department of Finance's approved timeframes and costs, and (c) recommendations to the Department of Corrections and Rehabilitation on how to address the assessment's findings. The assessment report shall include Department of Corrections and Rehabilitation's corrective action plan to address the assessment findings.
21. It is the intent of the Legislature that the state provides parolee medications in the most cost-effective manner. In deciding how to purchase parolee medications, the Department of Corrections and Rehabilitation, in consultation with the Department of General Services, shall consider contracting with a pharmacy benefit manager. The department shall compare the cost of such options and choose the lowest cost options.
 22. Of the amount appropriated in this item, \$185,000 is for the collection of DNA samples from inmates who arrive in state prison without providing a DNA sample in county jail as required by law. If the number of incoming inmates who provide DNA samples in prison is lower than projected, unspent funds appropriated for this purpose shall revert to the General Fund.
 23. Not later than February 17, 2006, the Secretary of the Department of Corrections and Rehabilitation shall submit to the chairpersons and vice chairpersons of the Committee on Budget in both houses of the Legislature and to the Legislative Analyst's Office an operating budget for each of the correctional facilities under the control of the department. Specifically, the report shall include: (a) year-end expenditures by program for each institution in 2004–05, (b) allotments and projected expenditures by program for each institution in 2005–06, (c) the number of authorized and vacant positions, estimated overtime budget, estimated benefits budget, and operating expense and equipment budget for each institution, and (d) a list of all capital outlay projects occurring or projected to occur during the 2005–06 fiscal year.
 25. (a) Of the amount appropriated in this item, \$1,293,000 is to begin development of a long-term strategy to improve California's

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- juvenile corrections system. These funds shall be expended to hire staff and subject matter experts to develop the details of the programs and policies that will form the basis for the juvenile corrections system.
- (b) Beginning July 30, 2005, the Department of Corrections and Rehabilitation shall submit a monthly report to the Legislature that details the status of the program and policy development, including the details of programs and policies being considered.
 - (c) The Department of Corrections and Rehabilitation shall, by December 1, 2005, submit a report to the Chairperson of the Joint Legislative Budget Committee that provides details on the programs and policies that will form the basis for the juvenile corrections system on a long-term basis. This report shall include information on the following: the types of youthful offenders that will be served by the state under this system; the type of treatment programs that will be provided; the education programs that will be provided; a description of the type of staff and facilities that will be needed to support these programs and policies; and a timeline of the proposed implementation of these programs and policies.
 - (d) In addition to the funds otherwise appropriated in this item, the sum of \$1,808,000 is hereby appropriated from the General Fund for the support of the Department of Corrections and Rehabilitation of the 2005–06 fiscal year. These moneys shall not be available until the Legislature approves, in writing, the report submitted pursuant to (c) above. Upon receipt of written approval from the Joint Legislative Budget Committee, the Director of Finance may authorize expenditure of the moneys specified in this provision. Of these funds, up to \$899,000 shall be expended for staff and consultants to develop a facilities master plan and begin the initial site selection work consistent with the programs and policies developed and up to \$909,000 of these moneys shall be expended to begin the architectural program-

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	<p>ming and to perform a human resources analysis based upon these programs and policies developed.</p>
26.	<p>Funding appropriated in Schedule (11) that is allocated for the purpose of implementing the Pharmacy Health Care Management System shall not be expended until the Feasibility Study Report (FSR) for this project is approved by the Department of Finance. If the amount approved in the FSR is less than the amount appropriated, the Department of Corrections and Rehabilitation shall only spend the amount approved in the FSR, and any remaining funds shall be returned to the General Fund.</p>
27.	<p>Notwithstanding any other provision of law, the Department of Corrections and Rehabilitation is not required to competitively bid for health services contracts in cases where contracting experience or history indicates that only one qualified bid will be received.</p>
28.	<p>Of the amount appropriated in Schedule (11), \$5,700,000 is for interagency agreements with the University of California for services relating to the Inmate Medical Services Program. Any unspent funds for this purpose shall revert to the General Fund.</p>
29.	<p>(a) It is the intent of the Legislature that the Department of Corrections and Rehabilitation develop a long-term strategy to improve California's juvenile justice system. Commencing September 1, 2005, the Department shall report quarterly to the Legislature on the progress made toward the development of reform plans. Of the amount appropriated in Schedule (1), \$1,250,000 shall be available for expenditures related to the preparation of the reform plan no sooner than 30 days after the September 1, 2005, quarterly status report has been submitted to the Joint Legislative Budget Committee.</p> <p>(b) The September 1, 2005, quarterly status report shall include a written description of the department's proposed plan to reform the Department of the Youth Authority and any successor entity, including any related reforms affecting state-local juvenile justice responsibilities. The plan shall include spe-</p>

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- cific objectives, tasks, and timelines, including an examination of whether a state-level juvenile corrections entity is needed and, if so, a description of the following:
- (i) The population to be served by the state youth correctional system, including commitment offenses, delinquency history, age, gender, medical and mental health condition, risk levels, and any other commitment criteria.
 - (ii) Any proposed changes with respect to eligibility, age, jurisdiction, or length of confinement affecting the institutional population.
 - (iii) Any proposed changes in rejection of commitments.
 - (iv) Any proposed changes in costs charged to counties for commitments.
- (c) The December 1, 2005, quarterly status report, shall include a written description of the department's proposed plan for the reform of the Department of the Youth Authority and shall address specific areas of reform by including the following:
- (i) A gap analysis of the entire juvenile justice system. The analysis shall identify gaps to determine appropriate strategies that youthful offenders are placed appropriately, examine funding and fee strategies, and identify local assessment criteria.
 - (ii) A description of the programs needed to serve the projected offender population, including female wards, in the areas of mental health, sex offender treatment, gang reduction, and special education and developmental disability, and an account of any youth corrections model supporting these programs. The description shall include an outline of proposed staffing and training changes needed to implement any new program design, a discussion of how private providers or contractors may be utilized in the new program design, an overview of the resources needed to implement a new program design, and an explanation of how

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- these proposed reforms relate to and coordinate with the corrective action and timelines required by existing litigation, including *Farrell v. Allen* (Super. Ct. Alameda County, 2004, No. 03079344) and *Wilber v. Allen* (*Morris v. Harper*) (Super. Ct. S.F. City and County, No. 312092).
- (iii) A state youth corrections facility proposal describing the recommended array, type, and location of state youth corrections facilities in the reformed system, and addressing institutional culture, institution size, unit size, room configuration, program and education space, staffing needs, how discipline will be enforced (for example, use of force, chemicals, and restraints), and family access to the institutions. The proposal shall identify, to the extent feasible, the proposed status, closure, or conversion of existing youth corrections facilities, and shall include a description of how resources to support the new facility plan will be developed and when new or remodeled facilities are expected to open. The March 1, 2005, quarterly status report shall include a more detailed plan for existing facilities.
- (iv) A description of parole and postcustodial supervision, management, and aftercare in the reformed state youth corrections system, including the status of any proposed realignment of parole supervision and services to county governments. The description shall include a discussion of the facilities and programs that may be developed to improve aftercare services for wards upon release from custody, proposed changes in parole revocation responsibilities, procedures, or sanctions, and a resource plan for any proposed changes in parole or postcustodial supervision, management, and aftercare.

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- (d) The quarterly reports due March 1, 2006, and June 1, 2006, shall include a written description of the department's progress and continued assessments in the following areas:
- (i) County and community partnerships for the treatment of wards in custody and parole.
 - (ii) Progress of site and facility assessments, including phaseout and continued use plans of existing facilities.
 - (iii) Architectural requirements for youth, staff, treatment, all support, and related services under the new program model.
 - (iv) Progress on classification development activities, job analysis, and training needs.
 - (v) An outline of proposed performance standards or other accountability mechanisms for oversight of the reformed system, which shall identify who will be responsible for oversight, and include a plan for processing complaints of wards and their families, and a description of changes in data that will be collected and disseminated in the reformed system with respect to institution and parole populations, institutional programs and conditions, and recidivism.
30. (a) Of the amount appropriated in Schedule (1), \$500,000 shall be used to contract for a staff training needs assessment that will identify the gap between existing training and new training resulting from changes required by the remedial plans in *Farrell v. Allen* (Super. Ct. Alameda County, 2004, No. 03079344). On or before March 30, 2006, the Department of Corrections and Rehabilitation shall submit a report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees in each house of the Legislature that consider appropriations. The report shall detail the findings of the training needs assessment and the resources required to provide any new training.

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(b) Of the amount appropriated in Schedule (1), \$1,000,000 is to pay for (1) the design and development of curricula for the training identified in the training needs assessment, and (2) conducting staff training. The Director of Finance shall not approve the expenditure of these moneys sooner than 30 days after the Legislature receives the report submitted pursuant to subdivision (a), or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may determine.	
5225-001-0170—For support of the Department of Corrections and Rehabilitation, for payment to Item 5225-001-0001, payable from the Corrections Training Fund	2,486,000
5225-001-0890—For support of the Department of Corrections and Rehabilitation, for payment to Item 5225-001-0001, payable from the Federal Trust Fund	4,744,000
5225-001-0917—For support of the Department of Corrections and Rehabilitation, for payment to Item 5225-001-0001, payable from the Inmate Welfare Fund	56,433,000
5225-002-0170—For transfer by the Controller, upon order of the Director of Finance, from the Corrections Training Fund, to the General Fund	(9,650,000)
5225-003-0001—For support of Department of Corrections and Rehabilitation, for rental payments on lease-revenue bonds.....	288,859,000
Schedule:	
(1) Base Rental and Fees	293,749,000
(2) Insurance	1,738,000
(3) Reimbursements	-6,628,000
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.	
2. This item may contain adjustments pursuant to Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30.	

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5225-004-0001—For support of the Department of Corrections and Rehabilitation.....	530,000
Schedule:	
(1) 15-Corrections Standards Authority	1,251,000
(2) Reimbursements.....	-10,000
(3) Amount payable from the Federal Trust Fund (Item 5225-004-0890)	-711,000
5225-004-0890—For support of Department of Corrections and Rehabilitation, for payment to Item 5225-004-0001, payable from the Federal Trust Fund.....	711,000
5225-011-0001—For support of the Department of Corrections and Rehabilitation (Proposition 98)	45,742,000
Schedule:	
(1) 21-Juvenile Education, Vocations and Offender Program.....	45,742,000
5225-101-0001—For local assistance, Department of Corrections and Rehabilitation	255,912,000
Schedule:	
(1) 15-Corrections Standards Authority	202,250,000
(2) 20-Juvenile Operations	78,000
(3) 22-Juvenile Paroles	1,403,000
(4) 25.15.010-Adult Corrections and Rehabilitation Operations—Transportation of Inmates.....	278,000
(5) 25.15.020-Adult Corrections and Rehabilitation Operations—Return to Fugitives.....	2,593,000
(6) 25.50-Adult Corrections and Rehabilitation Operations—County Charges	17,172,000
(7) 30-Parole Operations—Adult.....	32,138,000
Provisions:	
1. The amount appropriated in Schedules (4), (5), (6), and (7) 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 1190 of the Penal Code), in accordance with Section 26749 of the Government Code.	

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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 county charges, payable under Sections 4700.1, 4750 to 4755, inclusive, and 6005 of the Penal Code. Claims shall be filed by local jurisdictions within six months after the end of the month in which a service is performed by the coroner, a hearing is held on the return of a writ of habeas corpus, the district attorney declines to prosecute a case referred by the Department of Corrections and Rehabilitation, 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.

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- (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 a rate calculated by the Department of Corrections and Rehabilitation, in conjunction with local law enforcement agencies, and approved by the Director of Finance, and shall be limited to the detention costs for those days on which parolees are held subject only to a Department of Corrections and Rehabilitation 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 and Rehabilitation 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 (7) of this item may be transferred to Schedule (7) or (8), or both, of Item 5225-001-0001, 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.
 3. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures in this item in excess of the amount appropriated for the purposes listed in Provision 1 and for no other purpose. The Director of Finance shall 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 no less 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 determine.

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- 4. The amounts appropriated in Schedules (2) and (3) are provided for the following purposes:
 - (a) To pay the transportation costs of persons committed to the Department of Corrections and Rehabilitation 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 Department of Corrections and Rehabilitation parolees who are detained on alleged parole violations, provided that expenditures made under this item shall be charged to either the fiscal year in which the claim is received by the Controller or the fiscal year in which the warrant is issued by the Controller. However, claims shall be filed by local jurisdictions within six months after the end of the month in which the costs are incurred.

5225-104-0890—For local assistance, Department of Corrections and Rehabilitation, payable from the Federal Trust Fund

34,950,000

Schedule:

- (1) 15.30.701-Juvenile Justice and Delinquency Prevention..... 7,065,000
- (2) 15.30.703-Community Delinquency Prevention Program..... 5,002,000
- (3) 15.30.705-Juvenile Accountability Incentive..... 21,769,000
- (4) 15.30.706-Juvenile Justice—Project Challenge..... 1,114,000

Provisions:

- 1. Notwithstanding any other provision of law, the Department of Corrections and Rehabilitation may provide advance payment of up to 25 percent of grant funds awarded to community-based, non-profit organizations, cities, school districts, counties, and other units of local government that have demonstrated cashflow problems according to the

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criteria set forth by the Department of Corrections and Rehabilitation.	
5225-301-0001—For capital outlay, Department of Corrections and Rehabilitation.....	44,714,000
Schedule:	
(1) 60.01.035-Budget Packages and Advance Planning (Juvenile)	250,000
(2) 60.01.130-Statewide: Install Fire Protection Sprinkler System—Preliminary plans	646,000
(3) 60.26.145-Northern California Youth Correctional Facility: Blast Chiller—Preliminary plans and working drawings	208,000
(4) 60.90.010-Minor Projects (Juvenile).....	2,500,000
(5) 61.01.001-Statewide: Budget Packages and Advance Planning (Adult)	1,000,000
(6) 61.01.036-Statewide: Solid Cell Front, Phase I (CMF)—Preliminary plans	372,000
(7) 61.01.200-Statewide: Small Management Exercise Yards (CMC, CIM, DVI)—Construction.....	2,640,000
(8) 61.03.023-California Correctional Center, Susanville: Wastewater Treatment Plant Modifications—Acquisition	1,650,000
(9) 61.06.029-Deuel Vocational Institution, Tracy: Groundwater Treatment/Non-potable Water Distribution System—Working drawings ..	1,088,000
(10) 61.06.030-Duel Vocational Institution, Tracy: New Wastewater Treatment Plant—Preliminary plans.....	1,530,000
(11) 61.10.049-California Men’s Colony, San Luis Obispo: Potable Water Distribution System Upgrade—Working drawings.....	1,357,000
(12) 61.14.030-Minor Projects (Adult).	5,000,000
(13) 61.23.004-California State Prison, Corcoran: Wastewater Treatment Plant Improvements—Preliminary plans.....	290,000

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(14) 61.30.004-Centinela State Prison, Imperial: Wastewater Treatment Plant Upgrades—Preliminary plans.....	440,000
(15) 61.33.003-High Desert State Prison/California Correctional Center, Susanville: Arsenic Removal from Potable Water Supply—Working drawings.....	800,000
(16) 61.10.052-California Men’s Colony-East, San Luis Obispo: Electrified Fence—Construction ...	4,619,000
(17) 61.16.021-Sierra Conservation Center, Jamestown: Effluent Disposal Pipeline—Construction.....	11,793,000
(18) 61.16.022-Sierra Conservation Center, Jamestown: Electrified Fence—Construction.....	3,745,000
(19) 61.08.049-California Institution for Men, Chino: Solid Cell Fronts-Statewide Project, Phase II of V—Preliminary plans.....	600,000
(20) 61.10.036-California Men’s Colony, East Facility, San Luis Obispo: High Mast Lighting—Preliminary plans and working drawings.....	154,000
(21) 61.14.034-Minor Projects: CIM Security Upgrades—Reception Center Central and East Facilities.	1,654,000
(22) 61.39.003-Kern Valley State Prison, Kern: Arsenic Removal Water Treatment System—Preliminary plans, working drawings, and construction	2,378,000

Provisions:

1. The funds appropriated in Schedules (1) and (5) are to be allocated by the Department of Corrections and Rehabilitation, upon approval by the Department of Finance to develop design and cost information for new projects for which funds have not been previously appropriated, but for which preliminary plan funds, working drawings funds, or working drawings and construction funds are expected to be included in the 2006–07 or 2007–08 Budget Act, and for which cost estimates or preliminary plans can be developed prior to legislative hearings on the 2006–07 and 2007–08

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Budget Acts, 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 these items for these purposes 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. Before using these funds for preliminary plans, the Department of Corrections and Rehabilitation shall provide a 20-day notification to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the respective fiscal committee of each house of the Legislature, and the legislative members of the State Public Works Board, discussing the scope, cost, and future implications of the use of funds for preliminary plans.

2. As used in this appropriation, studies shall include site studies and suitability reports, environmental studies, master planning, architectural programming and schematics.
3. Notwithstanding any other provision of law, the funds in Schedule (21) may be used to complete construction of security improvements in excess of \$400,000. The Department of Corrections and Rehabilitation must report any project savings to the Department of Finance so the savings can be reverted.

5225-301-0660—For capital outlay, Department of Corrections and Rehabilitation, payable from the Public Buildings Construction Fund..... 84,069,000

Schedule:

- (1) 61.22.004-Chuckawalla Valley State Prison, Blythe: Heating, Ventilation, and Air Conditioning System—Construction..... 28,881,000
- (2) 61.04.040-California Correctional Institution, Tehachapi: Wastewater Treatment Plant Renovation—Working drawings and construction..... 19,715,000
- (3) 61.09.036-California Medical Facility, Vacaville: Mental Health Crisis Beds—Construction..... 7,955,000

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- (4) 61.35.007-Salinas Valley State Prison, Soledad: 64 Bed Mental Health Facility—Preliminary plans, working drawings, and construction 27,518,000

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 Corrections and Rehabilitation 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 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. The Department of Corrections and Rehabilitation 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 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

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<p>(Part 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the Department of Corrections and Rehabilitation from the requirements of the California Environmental Quality Act. This section is declaratory of existing law.</p>	
5225-301-0747—For capital outlay, Department of Corrections and Rehabilitation, payable from the 1988 Prison Construction Fund.....	1,308,000
Schedule:	
(1) 61.27.002-Wasco State Prison, Wasco: Prescreening Facility at Wastewater Treatment Plant—Construction	1,308,000
5225-301-0751—For capital outlay, Department of Corrections and Rehabilitation, payable from 1990 Prison Construction Bond Fund	925,000
Schedule:	
(1) 61.31.002-Pleasant Valley State Prison, Coalinga: Bar Screen, Prelift Station—Construction.....	925,000
5225-403—Of the amount loaned pursuant to Provision 2 of Item 5460-001-0001, Budget Act of 2003 (Ch. 157, Stats. 2003), \$4,800,000 will not be required to be repaid.	
5225-491—Reappropriation, Department of Corrections and Rehabilitation. The balance of the appropriations provided in the following citations are reappropriated for the purposes in that appropriation and subject to the limitations unless otherwise specified, provided for in the appropriations:	
0001—General Fund	
(1) Item 5240-301-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(2) 61.01.030-Statewide: Evaluation of Mental Health Facilities—Study	
(3) 61.06.029-Deuel Vocational Institution, Tracy: Groundwater Treatment/NonPotable Water Distribution System—Preliminary plans	
(8) 61.22.004-Chuckawalla Valley State Prison, Blythe: Heating, Ventilation, and Air Conditioning System—Working drawings	
(9) 61.33.003-High Desert State Prison/California Correctional Center, Susanville: Arsenic Removal from Potable Water Supply—Preliminary Plans	

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0660—Public Building Construction Fund	
(2) Item 5240-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated in Item 5240-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(2) 61.09.036-California Medical Facility, Vacaville: Mental Health Crisis Beds—Preliminary plans, working drawings, and construction	
5225-492—Reappropriation, Department of Corrections and Rehabilitation. Notwithstanding any other provision of law and for the purposes in the following appropriations, the period to liquidate encumbrances of the following citations are extended to June 30, 2007:	
0001—General Fund	
(1) Item 5240-301-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(29) 61.13.428-California Institute for Women, Frontera: Correctional Treatment Center, Phase II—Construction	
0660—Public Building Construction Fund	
(1) Item 5240-301-0660, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(1) 61.10.047-California Men’s Colony, San Luis Obispo: Wastewater Collection Treatment Upgrade—Construction	
5225-493—Reappropriation, Department of Corrections and Rehabilitation. 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 encumbrance and expenditure as specified below:	
0001—General Fund	
(1) Item 5240-001-0001, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 5240-493 of the Budget Act of 2004 (Ch. 208, Stats. 2004). Any unspent balance is reappropriated only for the purpose of the development of the Statewide Offender Management System and shall be available for expenditure until June 30, 2006. Any of the funds not used for this purpose shall revert to the General Fund.	
0890—Federal Funds	
(1) Item 5430-108-0890, Budget Act of 2000 (Ch. 52, Stats. 2000) (Federal Crime Bill)	

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(2) Item 5430-108-0890, Budget Act of 2001 (Ch. 106, Stats. 2001) (Federal Crime Bill). Any unspent balance is for the purposes provided for in these appropriations and shall be available for encumbrance and expenditure until December 31, 2006.	
0917—Inmate Welfare Fund	
(1) Item 5240-001-0917, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 5240-493 of the Budget Act of 2004 (Ch. 208, Stats. 2004). Any unspent balance is reappropriated only for the purpose of the development and implementation of the Inmate Canteen, Restitution, and Banking System and shall be available for expenditure until June 30, 2006. Any of the funds not used for this purpose shall revert to the Inmate Welfare Fund.	
5225-494—Reappropriation, Department of Corrections and Rehabilitation. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citations shall be available for liquidation until June 30, 2007:	
0001—General Fund	
(1) Item 5430-104-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(2) Item 5460-101-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)	

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6110-001-0001—For support of Department of Education	42,674,000
Schedule:	
(1) 10-Instruction.....	56,162,000
(2) 20-Instructional Support	94,176,000
(3) 30-Special Programs.....	50,109,000
(4) 40-Executive Management and Special Services.....	8,904,000
(5) 50-State Board of Education.....	1,567,000
(6) 42.01-Department Management and Special Services.....	31,511,000
(7) 42.02-Distributed Department Management and Special Services.....	-31,511,000
(8) Reimbursements	-17,626,000
(9) Amount payable from Federal Trust Fund (Item 6110-001-0890)	-149,985,000

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	(10) Amount payable from Mental Health Services Fund (Item 6110-001-3085)	-633,000
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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 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. The State Department of Education may use these funds to provide grant funding to the Healthy Start Field Office and regional network leads to provide technical assistance and administrative support to 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.

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<ul style="list-style-type: none"> (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 California Victim Compensation and Government Claims Board. 	
5.	The funds appropriated in this item may not be expended for any REACH program.
6.	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.
7.	Of the funds appropriated in this item, \$206,000 shall be available as matching funds for the 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.
8.	Of the funds appropriated in this item, no less than \$3,778,000 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).
9.	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.

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10. 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.	
11. 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, including the HSEE, and English Language Development Test. These positions previously were funded through Goals 2000.	
12. 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.	
13. 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.	
14. 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.	
15. By October 31, 2005, the State Department of Education shall provide to the Department of Finance a file of all charter school ADA and state and local revenue associated with charter school general purpose entitlements as part of the P2 Revenue Limit File. By March 1, 2006, the State Department of Education shall provide to the Department of Finance a file of all charter school ADA and state and local revenue associated with charter school general purpose entitlements as part of the P1 Revenue Limit File. It is the expectation that such reports will be provided annually.	

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16. On or before April 15, 2006, 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 the SDE. The SDE shall make every effort to ensure that all districts have submitted the necessary information requested on the relevant reporting forms.	
17. The State Department of Education shall make information available to the Department of Finance, the Legislative Analyst's Office, and the budget committees of each house of the Legislature by October 31, 2005; March 31, 2006; and May 31, 2006, regarding the amount of Proposition 98 savings estimated to be available for reversion by June 30, 2006.	
18. Of the reimbursement funds appropriated in this item, \$2,000,000 shall be available to the State Department of Education for nutrition education and physical activity promotion pursuant to an interagency agreement with the State Department of Health Services.	
19. The report required by Section 60800 of the Education Code for the physical performance test is not required to be printed and mailed, but shall be compiled and reported electronically.	
20. Reimbursement expenditures pursuant to this item resulting from the imposition by the State Department of Education (SDE) of a commercial copyright fee may not be expended sooner than 30 days after the SDE submits to the Department of Finance a legal opinion affirming the authority to impose such fees and the arguments supporting that position against any objections or legal challenges to the fee filed with the SDE. Any funds received pursuant to imposition of a commercial copyright fee may only be expended as necessary for outside counsel contingent on a certification of the superintendent of Public Instruction that sufficient expertise is not available within departmental legal staff. The SDE shall not expend greater than \$300,000 for such purposes without first notifying the Department of Finance of the necessity thereof, and upon receiving approval in writing.	

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21. Of the funds appropriated in this item, \$2,000,000 is provided on a one-time basis for legal representation from the Attorney General’s Office in litigation related to the High School Exit Exam (Chapman, et al. v. CA Department of Education, et al.). The State Department of Education shall provide a report to the Department of Finance and the Legislature detailing the expenditures of these funds and providing an update on this litigation on November 1, 2005, and every four months thereafter, with the final report due on June 30, 2006. The Office of the Attorney General shall provide the State Department of Education any information, including budget and expenditure data, necessary for the State Department of Education to complete its reports to the Department of Finance and the Legislature.	
22. Notwithstanding any other provision of law, any unexpended funds appropriated in any prior Budget Act for the purposes of rewriting the Principal Apportionment System shall remain available in the 2005–06 and 2006–07 fiscal years for expenditure for a contract for staff training for, and maintenance of, the new apportionment.	
24. Notwithstanding Section 19080.3 of the Government Code, 3.0 positions are established for a two-year limited term expiring June 30, 2008, for the purpose of implementing the Mental Health Services Act.	
6110-001-0140—For support of the Department of Education, Program 20.10.055-Instructional Support, Environmental Education, payable from the California Environmental License Plate Fund	42,000
6110-001-0178—For support of the Department of Education, Program 20.30.003-Instructional Support, Schoolbus Driver Instructor Training, as provided in Section 40070 of the Education Code, payable from the Driver Training Penalty Assessment Fund.....	1,148,000
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.....	987,000

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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.....	6,688,000
6110-001-0890—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Federal Trust Fund	149,985,000

Provisions:

1. The funds appropriated in this item include Federal Vocational Education Act funds for the 2004–05 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, \$401,000 is available for programs for homeless youth and adults pursuant to the federal McKinney-Vento Homeless Assistance Act. The State Department of Education 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, \$1,265,000 shall be used for the administration of 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 2005–06 fiscal year, one Educa-

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- tion Program Consultant position shall support fiscal issues pertaining to charter schools.
7. (a) Of the funds appropriated in this item, \$9,898,000 is from the Child Care and Development Block Grant Fund and is available for support of Child Care Services.
 - (b) Of the amount appropriated in this item, \$530,000 is for 5.5 positions within the State Department of Education (SDE) to address compliance monitoring and overpayments, which may contribute to early detection of fraud. The SDE shall provide information to the Legislature and Department of Finance each year that quantifies provider-by-provider level data, including instances and amounts of overpayments and fraud, as documented by the SDE's compliance monitoring efforts for the prior fiscal year.
 - (c) As a condition of receiving the resources specified in subparagraph (c) of this provision, it is expected that every alternative payment agency will be audited each year using sufficient sampling of provider records of the following: (i) family fee determinations, (ii) income eligibility, (iii) rate limits, and (iv) basis for hours of care, to determine compliance rates, any instances of misallocation of resources, and the amount of funds expected to be recovered from instances of both potential fraud and overpayment when no intent to defraud is suspected. This information will be contained in a separate report for each provider, with a single statewide summary report annually submitted to the Governor and Legislature no later than April 15.
8. Of the funds appropriated in this item, \$1,805,000 shall be used for administration of the Enhancing Education Through Technology Grant Program. Of this amount:
 - (a) \$408,000 is available only for contracted technical support and evaluation services.
 9. Of the funds appropriated in this item, \$10,140,000 is for dispute resolution services, including mediation and fair hearing services, provided through contract for the Special Education Program.

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10. Of the amount provided in this item, \$881,000 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 report. The report shall be submitted on or before September 30, 2005. 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, \$243,000 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 State Department of Education to the California State University, San Bernardino, Center for the Study of Correctional Education, for special education monitoring of

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- and technical assistance for the California Youth Authority pursuant to Chapter 536 of the Statutes of 2001.
15. Of the funds appropriated in this item, not less than \$798,000 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.
 16. Of the funds appropriated in this item, \$419,000 shall be available pursuant to Chapter 1020 of the Statutes of 2002 for the development and implementation of corrective action plans and sanctions pursuant to federal law.
 17. Of the funds appropriated in this item, \$1,414,000 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 State Department of Education to contract for annual evaluations of program effectiveness.
 - 18.5. Of the amount appropriated in this item, \$500,000 shall be transferred to the Legislative Analyst's Office (LAO) for costs of a study of the distribution of federal and state supplementary funding targeted at the state's economically disadvantaged and English learner students. The LAO shall report the results of this study by November 15, 2006. The report shall recommend any changes necessary to improve the data sources, flexibility, funding formulas, and mechanisms of the state's programs to ensure that state and federal funds are allocated in a way that will improve the academic achievement of English Learners and economically disadvantaged children.

For the purposes of conducting the study, the LAO shall convene an interagency workgroup with representatives from the Department of Finance and the State Department of Education, and may use a portion of the total funding provided in this item to seek external technical assistance and expertise as necessary.

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- The LAO shall convene an advisory group including interested state and school district stakeholders, and education finance experts. The study shall include but not be limited to: (a) research on how other, comparable states structure funding for economically disadvantaged and English learner students, (b) quantitative and qualitative data from California districts and schools on their needs for and uses of funding sources designated for economically disadvantaged and English learner students, (c) how the number of English Learners should be measured, (d) how the number of economically disadvantaged students should be measured, and (e) how to define and ensure equitable and predictable funding among districts.
19. Of the appropriated funds in this item, \$668,000 is for the department to continue developing a comprehensive strategy to address data reporting requirements associated with the No Child Left Behind Act of 2001 (P.L. 107-110), and to support 5.0 positions to assist with this task.
 20. Of the funds appropriated in this item, \$600,000 is provided for the second year of a three-year evaluation of the High Priority Schools Grant Program pursuant to Chapter 42 of the Statutes of 2002.
 21. Of the funds appropriated in this item, \$844,000 is to support state operations related to the development of a longitudinal database for the requirements of the No Child Left Behind Act of 2001 (P.L. 107-110). Of this funding, \$366,122 is for the development of a Request for Proposals and is contingent upon Department of Finance approval following approval of a Feasibility Study Report.
 22. Of the amount appropriated in this item, \$1,480,000 in carryover special education funds are available for the state's share of costs in the settlement of Emma C. v. Delaine Eastin et al. (N.D.Cal., No. C96-4179TEH). The State Department of Education shall report by January 1, 2006, to the fiscal committees of the Legislature, the Department of Finance, and the Legislative Analyst's Office on the planned use of the additional special education funds provided to Ravenswood Elementary School District pursu-

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- ant to this settlement. The report shall also provide the State Department of Education's best estimate of when this supplemental funding will no longer be required by the court. The State Department of Education shall comply with the requirements of Section 948 of the Government Code in any future requests for funds to satisfy this settlement.
23. Of the amount appropriated in this item, \$400,000 is available to fund 3.0 positions (2.75 PYs) and associated costs for administering the English Language Development materials program specified in Provision 2 of Item 6110-189-0001. The positions are available on a two-year limited-term basis ending June 30, 2006.
 24. Of the amount appropriated in this item, \$267,000 shall be used to develop an Internet-based electronic clearinghouse system to improve the availability of parental information documents that are translated into languages other than English. The purpose of this system is to improve the availability of these documents at the local level and reduce the local costs of providing these documents by eliminating duplication of effort in translating standard documents. The system shall include an interactive Web portal located on the State Department of Education's Web site, which shall allow local education agencies to submit, locate, and access locally translated parental documents and may include documents that the department is responsible for translating. The funding shall also be used to fund one position to manage the development and maintenance of the Internet clearinghouse site. The addition of an electronic clearinghouse for locally translated documents to the State Department of Education's Web site shall not constitute a new information technology project or increase in funding for an information technology project for purposes of project reporting and oversight.
 25. Of the amount appropriated in this item, \$832,000 (\$600,000 reimbursements and \$232,000 federal special education funds) shall be used to fund six positions and implement the

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provisions of Chapter 914 of the Statutes of 2004 for increased monitoring of nonpublic, nonsecular schools.	
26. Of the amount appropriated in this item, \$963,000 in federal special education funds shall be used to augment funding for State Special Schools transportation.	
27. Of the funds appropriated in this item, \$350,000 shall be for the department to contract for a teacher data system feasibility study. The feasibility study shall: (a) inventory the teacher data elements (name, code, and definition) currently collected by state agencies and county offices of education, (b) identify existing redundancies (two or more agencies collecting the same data) and inefficiencies (agencies collecting data without a specific, meaningful purpose), (c) identify state agencies' and county offices' existing teacher data needs for meeting state and federal compliance and reporting requirements, (d) identify the most cost-effective approach for converting the existing data systems into an integrated, comprehensive, longitudinally linked teacher information system that can yield high-quality program evaluations, and (e) estimate the additional one-time and ongoing costs associated with the new system. In developing the associated request for proposals and selecting the vendor, the department shall convene a working group that includes the Department of Finance, the Legislative Analyst's Office, and other interested parties. The study shall be submitted to the Governor and Legislature by March 31, 2006.	
29. Of the funds appropriated in this item, \$443,000 is for 3.0 positions within the State Department of Education for increased monitoring associated with Chapter 493 of the Statutes of 2004.	
30. Of the funds appropriated in this item, \$2,000,000 from federal Title I funds shall be available for the department to contract for an independent evaluation to determine whether California has met the assessment requirements of the federal No Child Left Behind Act. The expenditure of these funds shall be contingent on approval of an expenditure plan and request for proposal by the State Board of Education and the Department of Finance.	

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31. (a) Prior to expenditure of the funds pursuant to subdivision (b), the State Department of Education (SDE) shall build upon pre-existing, high-quality translations available from school districts, county offices of education, and other entities that have translated relevant documents, including those identified by the advisory group.
- (b) Of the funds appropriated in this item, \$450,000 is available to the SDE for the cost of translating into languages other than English state prototype documents that it currently provides to school districts to help them comply with parental notification requirements under state and federal law. The SDE shall be required to contract with appropriate translators or translator services to translate these documents. The SDE shall post all documents translated as a result of the appropriation referenced in this provision on its existing Internet-based electronic clearinghouse system of state- and locally translated parental notification documents.
- (c) The SDE shall convene a translations advisory group comprised of the following representatives: the Department of Finance, the SDE, the Legislative Analyst's Office, legislative staff, the OSE, relevant organizations, local educational agencies, and limited-English-speaking parents of children in the public K-12 educational system. The purposes of the advisory group shall be the following: (1) to assess and identify gaps in the types of documents being translated and the languages covered by translations, (2) to prioritize vital documents that should be translated, as well as languages of greatest need for translation, and (3) to provide feedback and input to the department, including procedures for translations, quality, dissemination, and outreach. The advisory group shall include no more than ten individuals, with no more than one person from each state level entity.

Item	Amount
6110-001-3085—For support of Department of Education, for payment to Item 6110-001-0001, payable from the Mental Health Services Fund	633,000
Provisions:	
1. The funds appropriated in this item are for three 2-year limited term positions to develop and disseminate training for local education agencies to identify and provide appropriate response and support to students with severe mental illness pursuant to Proposition 63.	
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	2,510,000
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.	
6110-003-0001—For support of Department of Education, Program 20.30.020-Instructional Support, Standardized Account Code Structure	1,080,000
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 implement the provisions established by Chapter 52 of the Statutes of 2004, 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	34,205,000
Schedule:	
(1) 10.60.040-Instruction.....	34,562,000
(a) 10.60.040.001-School for the Blind, Fremont	5,000,000
(b) 10.60.040.002-School for the Deaf, Fremont	15,910,000

Item	Amount
<ul style="list-style-type: none"> (c) 10.60.040.003- School for the Deaf, Riverside.....13,652,000 	
(2) Reimbursements.....	-357,000
Provisions:	
<ul style="list-style-type: none"> 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. 	
6110-006-0001—For support of Department of Education (Proposition 98), as allocated by the Department of Education to the State Special Schools.....	42,748,000
Schedule:	
<ul style="list-style-type: none"> (1) 10.60.040-Instruction, State Special Schools..... 	48,133,000
<ul style="list-style-type: none"> (a) 10.60.040.001- School for the Blind, Fremont 	6,077,000
<ul style="list-style-type: none"> (b) 10.60.040.002- School for the Deaf, Fremont 	16,748,000
<ul style="list-style-type: none"> (c) 10.60.040.003- School for the Deaf, Riverside..... 	14,070,000
<ul style="list-style-type: none"> (d) 10.60.040.007-Di- agnostic Centers ... 	11,238,000
(2) Reimbursements.....	-5,385,000
Provisions:	
<ul style="list-style-type: none"> 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 reporting to the Controller the information needed to 	

Item	Amount
<ul style="list-style-type: none"> make the adjustment. The payments by the Controller that result from this yearend adjustment shall be applied to the current year. 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. 	
6110-007-0001—For support of Department of Education, Program 20.20.010-Instructional Materials Management and Distribution—Curriculum Frameworks and Instructional Materials.....	125,000
Provisions:	
<ul style="list-style-type: none"> 1. Funds appropriated by this item shall be used only for direct costs to conduct biennial state adoptions of basic instructional materials pursuant to Section 60200 of the Education Code and for indirect costs for that purpose at the rate approved by the United States Department of Education. 	
6110-008-0001—For support of Department of Education, as allocated by the Department of Education to the State Special Schools for student transportation allowances, Program 10.60.040	1,438,000
Provisions:	
<ul style="list-style-type: none"> 1. Funds appropriated in this item are in lieu of funds that otherwise would be transferred from the General Fund to Section A of the State School Fund in accordance with Sections 14007 and 41301.5 of the Education Code. 	
6110-015-0001—For support of Department of Education, Program 20.20.020-Instructional Materials Management and Distribution	495,000
Provisions:	
<ul style="list-style-type: none"> 1. Funds appropriated in this item are for transfer by the Controller to the State Instructional Materials Fund, for allocation during the 2005–06 fiscal year pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code. These funds shall be transferred in amounts claimed by the Department of Education, for direct disbursement by the Department of Education from the State Instructional Materials Fund. 	
6110-021-0001—For support, Department of Education, Program 30.20.005-Child Nutrition—Nutrition Education Projects	72,000

Item	Amount
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	3,106,000
6110-101-0349—For local assistance, Department of Education, Program 20.90-Instructional Support, for allocation to the Fiscal Crisis and Management Assistance Team for the purpose of administering the California School Information Services Program (CSIS), payable from the Educational Telecommunication Fund	5,204,000
Provisions:	
1. Notwithstanding Section 10554 of the Education Code, the Controller shall transfer from the General Fund the actual amount certified by the Superintendent of Public Instruction as reductions made to apportionments in the 2004–05 fiscal year for repayments of prior year excess apportionments identified pursuant to audit or audit settlements identified as a result of audit investigations, or inquiries.	
2. Of the funds appropriated in this item, \$907,000 is to be provided to non-CSIS participating school districts for support of maintenance of individual student identifiers.	
3. Of the funds appropriated in this item, \$1,000,000 is available for the first year costs of a new cohort and may be combined with any funding remaining from the funds appropriated for the second year costs of the existing cohort.	
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	18,998,000
Provisions:	
1. On or before June 1, 2006, 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 2005–06 fiscal year.	

Item	Amount
6110-102-0890—For local assistance, Department of Education, Program 20.60.038-Instructional Support, Learn and Serve America Program, payable from the Federal Trust Fund	2,056,000
6110-103-0001—For local assistance, Department of Education (Proposition 98), Program 10.10.001.005-School Apportionments for transfer to Section A of the State School Fund, for the purposes of Section 8152 of the Education Code.....	10,972,000
Provisions:	
<ol style="list-style-type: none"> 1. Notwithstanding Section 8154 of the Education Code, or any other provision of law, the funds appropriated in this item shall be the only funds available for and allocated by the Superintendent of Public Instruction for the 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 apprenticeship 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, 2006, on the amount of funds expended for and the hours of related and supplemental instruction offered in the apprenticeship program during the 2004–05 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 	

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supplemental instruction proposed for the 2004–05 and 2005–06 fiscal years by the school district, county office of education, program sponsor, and trade. As a condition of receiving funds for the apprenticeship programs, 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 apprenticeship programs operated by school districts and county offices of education shall be limited to an amount equal to the amount of the total appropriation made in this item divided by the hourly rate specified in Provision 2. The Superintendent of Public Instruction shall have the authority to determine which apprenticeship programs and which hours offered in those programs, are eligible for reimbursement.
- 6. Of the funds appropriated in this item, \$528,000 is provided to increase the number of participants in the program.
- 7. An additional \$6,227,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.

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 5,166,000

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 205,131,000

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.....165,222,600

Item	Amount
(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.....	39,908,400

Provisions:

1. Notwithstanding any other provision of law, for the 2005-06 fiscal year the Superintendent of Public Instruction shall allocate a minimum of \$7,871 for supplemental summer school programs in each school district for which the prior fiscal year enrollment was less than 500 and that, in the 2005-06 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 2005-06 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 2005-06 fiscal year.
4. Notwithstanding any other provision of law, the rate of reimbursement shall be \$3.73 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.
6. Of the funds appropriated in this item, \$8,325,000 is for the purpose of providing a cost-of-living adjustment of 4.23 percent. Additionally, \$1,348,000 is for the purpose of providing for increases in average daily attendance at a rate of 0.69 percent for supplemental instruction and remedial programs, in lieu of the amount that would otherwise be provided pursuant to any other provision of law.

Item	Amount
7.5. The funding appropriated in this item 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 implementing Section 37252.2 of the Education Code. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.	
8. Notwithstanding any other provision of law, an additional \$63,391,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.	
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	381,044,000
Schedule:	
(1) 10.10.004-Instruction Program— School Apportionments, Regional Occupational Centers and Programs	388,361,000
(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 2005–06 fiscal year pursuant to Sections 14002 and 14004 of the Education Code, in an amount as needed for apportionment pursuant to Article 1 (commencing with Section 52300) of Chapter 9 of Part 28 of the Education Code.	
2. Funds appropriated in this item shall be apportioned by the Superintendent of Public Instruction pursuant to Article 1.5 (commencing with Section 52335) of Chapter 9 of Part 28 of the Education Code.	
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 pro-	

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grams 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.
- 6. Of the funds appropriated in this item, \$9,337,000 is provided for increases in average daily attendance at a rate of 2.62 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$15,464,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.
- 7. An additional \$39,630,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.

6110-107-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-County Offices of Education Fiscal Oversight 10,549,000
 Schedule:

(1) 10.10.002-COE Oversight.....	5,268,000
(2) 10.10.005-FCMAT	2,729,000
(3) 10.10.012-FCMAT: CSIS.....	250,000
(4) 10.10.013-Audit Appeal Panel	55,000

Item	Amount
(5) 10.10.015-Interim Reporting	1,050,000
(6) 10.10.016-Staff Development.....	1,197,000
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.	
3.5. The funding appropriated in this item 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 school district and county office of education fiscal accountability reporting. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.	
4. Of the funds appropriated in Schedule (2) of this item:	
(a) \$2,061,000 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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<ul style="list-style-type: none"> (b) \$250,000 shall be available to develop and implement the activities of regional teams of fiscal experts to assist districts in fiscal distress. (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. 	
5.	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.
6.	Of the funds appropriated in Schedule (5) of this item, \$150,000 shall be available for no more than a 25 percent state reimbursement to county offices of education for fiscal 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 fiscal years, or districts with disapproved budgets.
7.	Up to \$900,000 of the funds appropriated in Schedule (5) may also be used to fully 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. The State Board of Education may request any county superintendent of schools to initiate such an audit, examination, or review for any charter school or all-charter district for which the board has over-

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- sight responsibility. Allocation of the funds shall be administered by FCMAT on a reimbursement basis. All reimbursements shall be subject to the approval of both the Department of Finance and the State Department of Education.
8. The amount appropriated in Schedule (5) of this item shall remain available for expenditure for the 2005–06 and 2006–07 fiscal years. Any unexpended balance as of September 1, 2006, shall be available through July 30, 2007, for the following, in order of descending priority:
 - (a) Regional assistance teams developed pursuant to Provision 4(b) of this item.
 - (b) Staff development pursuant to Provision 11 of this item.
 9. 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.
 10. 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.
 11. Of the funds appropriated in Schedule (6) of this item, \$854,000 is for the purpose of providing staff development to local education agency school finance and business personnel, as provided in Section 42127.8 of the Education Code. The funds appropriated in Schedule (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. \$343,000 of the funds appropriated in Schedule (6) is for the purpose of providing training that shall be developed and

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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.

- 12. 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 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, 2005.

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 516,171,000

Schedule:

- (1) 10.10.006-Pupil Transportation511,225,000
- (2) 10.10.008-Small School District
Bus Replacement 4,946,000

Provisions:

- 1. Of the funds appropriated in this item, \$3,394,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. If funds for growth are insufficient,

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<p>the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$20,948,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 4.23 percent.</p> <p>2. An additional \$52,583,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.</p>	
<p>6110-112-0890—For local assistance, Department of Education, Program 20.60.036-Public Charter Schools, payable from the Federal Trust Fund.....</p>	29,852,000
<p>Provisions:</p> <p>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.</p> <p>2. Of the funds appropriated in this item, \$6,000,000 is provided in one-time carryover funds, that are available to support the existing program.</p>	
<p>6110-113-0001—For local assistance, Department of Education (Proposition 98), for purposes of California’s pupil testing program.....</p>	85,864,000
<p>Schedule:</p> <p>(1) 20.70.030.005-Assessment Review and Reporting</p> <p>(2) 20.70.030.006-STAR Program</p> <p>(3) 20.70.030.007-English Language Development Assessment</p> <p>(4) 20.70.030.008-High School Exit Examination.....</p> <p>(5) 20.70.030.015-California High School Proficiency Exam</p> <p>(6) 20.70.030.016-Test Development: STAR Exam</p> <p>(7) Reimbursements.....</p>	<p>2,313,000</p> <p>63,946,000</p> <p>11,437,000</p> <p>6,761,000</p> <p>1,020,000</p> <p>1,407,000</p> <p>–1,020,000</p>
<p>Provisions:</p> <p>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 9 (commencing with Section 60850) of Part 33 of the Education Code.</p> <p>2. The funds appropriated in Schedule (2) 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.</p>	

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<p>3. The funds appropriated in Schedule (3) shall be available for approved contract costs and apportionment costs for administration of an English Language development test meeting the requirements of Chapter 7 (commencing with Section 60810) of Part 33 of the Education Code. A total of \$9,813,000 is 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.</p> <p>4. The funds appropriated in Schedule (4) include funds for approved contract costs and apportionment costs for the administration of the HSEE pursuant to Chapter 9 (commencing with Section 60850) of Part 33 of the Education Code.</p> <p>5. The funds appropriated in Schedule (6) shall be available for test item development for the STAR Program during the 2005–06 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.</p> <p>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.</p> <p>7. The State Board of Education shall annually establish the amount of funding to be apportioned to school districts for 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.</p> <p>8. Funds provided in Schedules (2), (3), and (4) shall first be used to offset any state-mandated reimbursable costs within the meaning of Section 17556 of the Government Code, that otherwise</p>	

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may be claimed through the state mandates reimbursement process for the Standardized Testing and Reporting Program, the California English Language Development Test, and the High School Exit Examination, respectively. Local educational agencies accepting funding from these schedules shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from these schedules.

- 9. Notwithstanding any other provision of law, any changes that result in additional costs to the assessments funded pursuant to this item shall not be valid without prior approval by the Department of Finance and the State Board of Education.

6110-113-0890—For local assistance, Department of Education-Title VI Flexibility and Accountability, payable from the Federal Trust Fund..... 32,678,000
 Schedule:

- (1.5) 20.60.030.005-Instructional Support: Alternative Assessment Development..... 650,000
- (2) 20.60.030.030-Instructional Support: Alternative Schools Accountability Model 775,000
- (3) 20.070.030.005-Instructional Support: Assessment Review and Reporting..... 600,000
- (4) 20.70.030.006-Instructional Support: STAR Program 2,180,000
- (5) 20.70.030.007-Instructional Support: English Language Development Test..... 11,556,000
- (6) 20.70.030.008-Instructional Support: High School Exit Examination..... 8,121,000
- (7) 20.70.030.016-Instructional Support: Test Development—STAR Examination..... 535,000
- (8) 20.70.030.022-Instructional Support: High School Exit Examination Workbooks..... 2,500,000
- (9) 20.70.030.026-Instructional Support: Primary Language Test Development..... 3,000,000

Item	Amount
(10) 20.070.030.029-Instructional Support: High School Exit Examination: Evaluation of Instruction.....	261,000
(11) 20.070.030.031-Instructional Support: CELDT-Vertical Scaling Project.....	300,000
(12) 20.70.030.032-Instructional Support: California Alternate Performance Assessment	2,200,000

Provisions:

1. Funds appropriated in Schedule (2) 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 (4) are provided for approved contract and district apportionment costs related to the Standardized Testing and Reporting Program. Of this amount, \$1.334 million is for the planning and development of science tests.
3. Funds appropriated in Schedule (6) are provided for approved contract and district apportionment costs related to the High School Exit Examination.
4. The funds appropriated in Schedule (5) shall be available for approved contract costs for administration of the California English Language Development Test, consistent with the requirements of Chapter 7 (commencing with Section 60810) of Part 33 of the Education Code.
5. Funds appropriated in Schedule (8) are for the printing and distribution of the High School Exit Examination Workbooks.
6. Funds appropriated in Schedule (12) are for approved contract costs and district apportionments of \$5 per pupil for the California Alternate Performance Assessment.
7. Funds appropriated in Schedule (10) are for an evaluation of instruction in the standards covered by the High School Exit Examination in order to determine the progress of middle schools and high schools in implementing instruction and curriculum aligned to those standards. The Department of Finance may transfer funds provided pursuant to this provision to Item 6110-001-0890.

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<p>8. Funds appropriated in Schedule (11) are to produce a vertical scale for the California English Language Development Test to allow a more accurate system of holding schools accountable for improving English proficiency among English language learners. The Department of Finance may transfer funds provided pursuant to this provision to Item 6110-001-0890.</p> <p>9. Funds appropriated in Schedule (3) are for providing local educational agencies information regarding federal requirements associated with assessments.</p> <p>10. Funds provided in Schedules (4), (5), (6), (9), and (12) shall first be used to offset any state-mandated reimbursable cost, within the meaning of subdivision (e) of Section 17556 of the Government Code, that otherwise may be claimed through the state mandates reimbursement process for the Standardized Testing and Reporting Program, the California English Language Development Test, the California High School Exit Examination, and the California Alternate Performance Assessment. Local educational agencies accepting funding from these schedules shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from these schedules.</p> <p>11. The funds appropriated in Schedule (7) shall be available for test item development for the STAR Program during the 2005–06 fiscal year. The test items developed with these funds shall make progress in aligning this exam with academic content standards approved by the State Board of Education and in ensuring that this exam is valid and reliable as measured to industry standards.</p> <p>12. The funds appropriated in Schedule (9) are for the development and administration of primary language tests aligned to state-adopted academic content standards, pursuant to Chapter 233 of the Statutes of 2004, in grade order starting with the second grade.</p> <p>14. Notwithstanding any other provision of law, any changes that result in additional costs to the assessments funded pursuant to this item shall not be valid without prior approval by the Department of Finance and the State Board of Education.</p>	

Item	Amount
<p>15. Of the funds appropriated in Schedule (5), \$1,400,000 is available for the development, pursuant to legislation effective on or before January 1, 2006, of reading and writing assessments for English language learners in Kindergarten and Grade 1 to comply with the federal No Child Left Behind Act of 2001 (P.L. 107-100) which requires assessments of English proficiency to include an assessment of progress in attaining English reading and writing skills.</p> <p>16. The funds appropriated in Schedule (1.5) are available pending approval of an expenditure plan to be submitted by the State Department of Education to the Legislature and the Department of Finance specifying the use of these funds for the development of an alternative assessment for students not presently tested at grade level, pursuant to federal guidelines.</p>	
<p>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.....</p>	514,000
<p>Provisions:</p> <p>1. Of the funds appropriated by this item, \$50,000 shall be available to support the California Association of Student Councils.</p>	
<p>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</p>	9,495,000
<p>Provisions:</p> <p>1. Of the funds appropriated in this item, \$62,000 is to provide an adjustment for increases in average daily attendance at a rate of 0.69 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rate to conform to the available funds. Additionally, \$385,000 is to provide a cost-of-living adjustment at a rate of 4.23 percent.</p>	
<p>6110-119-0890—For local assistance, Department of Education, for Program 10.30.060.002—Title I Program for Neglected and Delinquent Children, payable from the Federal Trust Fund</p>	3,208,000

Item	Amount
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	5,573,000
Provisions:	
1. Of the funds appropriated in this item, \$1,500,000 shall be allocated to Specialized Secondary Programs established pursuant to Chapter 6 (commencing with Section 58800) of Part 31 of the Education Code prior to the 1991–92 fiscal year that operate in conjunction with the California State University.	
2. Of the funds appropriated in this item, \$37,000 is to provide an adjustment for increases in average daily attendance at a rate of 0.69 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rate to conform to available funds. Additionally, \$226,000 is to provide a cost-of-living adjustment at a rate of 4.23 percent.	
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	249,209,000
Schedule:	
(1) 20.60.030.031-Immediate Intervention/Underperforming Schools Program.....	7,519,000
(2) 20.60.030.034-High Priority Schools.....	238,689,000
(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 Education Code. These funds are to fund implementation grants for the third cohort of schools that received planning grants under the program during the 2001–02 fiscal year.	
2. (a) Funds appropriated in Schedule (2) are provided solely for the purpose of implementing the High Priority Schools Grant Program pur-	

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suant to Article 3.5 (commencing with Section 52055.600) of Chapter 6.1 of Part 28 of the Education Code. Of these funds, up to \$60,000,000 shall be available to fund a second cohort of schools under the program, and \$10,000,000 or whatever greater or lesser amount is necessary, shall be available to support schools working with school assistance and intervention teams or schools subject to state sanctions by the Superintendent of Public Instruction as part of the High Priority Schools Grant Program.

- (b) Funds for a second cohort shall not be released until legislation is enacted authorizing that cohort and clarifying the criteria and timeframes for participating schools to exit the program. Funds for sanctions shall be contingent upon legislation defining those sanctions and authorizing the allocation of funding for that purpose.

- 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..... 65,141,000
 Schedule:

- (1) 20.60.030.035-Innovative Programs, Title V-ESEA..... 21,302,000
- (2) 20.60.030.038-Comprehensive School Reform Program..... 43,839,000

Provisions:

- 1. Of the funds appropriated in Schedule (1) of this item, the State Department of Education may allocate up to \$15.2 million to qualified applications received in response to the Request for Ap-

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plications released by the State Department of Education in December 2003. For the remaining balance of these funds, the State Department of Education shall award grants in the following priority order to qualified applications from schools that neither are receiving nor have ever received funding from the High Priority Schools Grant Program, the Immediate Intervention/Underperforming Schools Program, or the Comprehensive School Reform Program: (a) schools in federal program improvement in districts that have either 15 or more schools in federal program improvement or in which 55 percent or more of the schools are in federal program improvement, (b) schools in federal program improvement, then (c) any other eligible schools in Academic Performance Index (API) deciles 1 through 5, inclusive. Within each of these categories, schools having the lowest API scores shall have priority. Funding shall be provided at a rate of \$200 per pupil, with each qualified applicant receiving a minimum grant of \$50,000, plus an additional 10 percent of the award amount for district support. In accordance with Section 52055.600 of the Education Code, to the extent that a school receiving a new Comprehensive School Reform Program grant also participates in a new cohort of the High Priority Schools Grant Program, funds for the Comprehensive School Reform Program shall count against that school's High Priority Schools Grant. Funding for the second and third years is contingent upon California receiving sufficient funding from the federal government to continue providing grants. If the State Department of Education does not receive sufficient qualified applications, any remaining funding may be used to provide second year grants to qualified applicants.

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

46,197,000

Provisions:

1. An additional \$4,294,000 in expenditures for this purpose has been deferred to the 2006–07 fiscal year.

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2. Of the funds appropriated in this item, \$304,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$1,875,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
6110-125-0001—For local assistance, Department of Education (Proposition 98), for English Language Learners Program 20.10.006	57,720,000
Provisions:	
1. Of the funds appropriated in this item, \$379,000 is to provide an adjustment for increases in average daily attendance at a rate of 0.69 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rate to conform to available funds. Additionally, \$2,342,000 is to provide a cost-of-living adjustment at a rate of 4.23 percent.	
6110-125-0890—For local assistance, Department of Education	294,959,000
Schedule:	
(1) 10.30.010-Title I, Migrant Education.....	144,461,000
(2) 10.40.030.004-Refugee Children School Impact Grant	2,050,000
(3) 20.10.004-Title III, Language Acquisition	148,448,000
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.	
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.....	151,924,000
Provisions:	
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 reflected in this item, \$6,489,000 is carryover funding from prior years.	

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3. Of the funds appropriated in this item, \$6,650,000 shall be available for Reading First's statewide and regional infrastructure, including its six Regional Technical Assistance Centers.
4. The funds appropriated in this item may be used to extend Round 1 and Round 2 grants for a fourth year for nonbilingual classrooms and for a third year for bilingual (waivered) classrooms. School districts receiving fourth-year grant extensions shall retain the per-teacher funding level provided for in their original grants and may give priority for services to currently unfunded schools. It is the intent of the Legislature that there be parity in duration and level of funding among grantees except for reasons related to demonstration of sufficient progress. By May 1, 2006, the State Department of Education, working with and on behalf of participating school districts, shall provide the Legislature with total annual Reading First expenditures for each schoolsite for 2004-05 and 2005-06.
5. Of the funds appropriated in this item, \$20,671,000 shall be used for second-year grants for Round 3 grantees.
6. Carryover funds appropriated in this item shall be used to fund currently unfunded school districts. School districts previously applying for but denied funding and still eligible may submit improved applications as part of this round of funding. The funding level per teacher for this round shall be \$6,500, though school districts, pursuant to paragraph (3) of subdivision (c) of Section 51700 of the Education Code, may seek joint approval from the State Department of Education (SDE) and Department of Finance to receive up to \$8,000 per teacher. By May 1, 2006, the SDE shall provide the Legislature with all of the following: (a) the number of school districts applying for new grants, (b) the number of school districts receiving new grants, (c) the number of K-3 teachers funded, (d) the number of K-12 special education teachers served, (e) the average per-teacher grant amount, and (f) the total amount expended for new grants.

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7. Prior to September 1, 2005, the State Department of Education (SDE) shall convene an advisory group to assist it in implementing the Reading First program in waived classrooms. The advisory group shall be comprised of: (a) teachers of waived classrooms participating in the Reading First Program as recommended by superintendents of school districts participating in Reading First, (b) academic experts in second-language acquisition, and (c) academic experts in reading who have knowledge of both formats of the Reading/Language Arts programs and expertise in Spanish language arts or the development of Spanish language arts assessment. The advisory groups shall assist the SDE in the following: (a) revising and implementing Reading First assessments for waived classrooms, such that the assessments are comparable to and as rigorous as all of the assessments developed for the English-language Reading First program, and (b) developing and implementing training for teachers and coaches in all of the approved alternative format instructional teacher materials. By March 1, 2006, the SDE shall submit a report to the Legislature detailing the improvements made in this area. It is the intent of the Legislature that no funding shall be provided to support this advisory committee.
8. By May 1, 2006, the State Department of Education (SDE) shall provide the Legislature with the following: (a) the number and percentage of all K–12 special education teachers in Reading First schools receiving Reading First professional development for each year, 2001–02 through 2005–06, and (b) the number and percentage of all K–12 special education classes in Reading First schools that have appropriate reading materials purchased using the state’s instructional materials program as set forth in Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of the Education Code.
9. Changes to the Reading First program that exceed or modify program components as set forth in Article 1 (commencing with Section 51700) of Chapter 5 of Part 28 of the Education Code, including any extension of the grant period beyond four years, require implementing legislation.

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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	586,865,000

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 Code410,803,300
- (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 Code176,061,700

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.
- 2. Of the funds appropriated in this item, \$26,812,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 5 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$23,817,000 is to provide a cost-of-living adjustment at a rate of 4.23 percent.

6110-130-0001—For local assistance, Department of Education, Program 20.60.100-Advancement Via Individual Determination	9,035,000
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Provisions:

- 1. Of the funds appropriated, \$1,300,000 is available for administration of the Advancement Via Individual Determination (AVID) centers.

6110-136-0890—For local assistance, Department of Education, payable from the Federal Trust Fund.....	1,846,724,000
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Schedule:

- (1) 10.30.060-Title I-ESEA 1,751,527,000
- (2) 10.30.065-McKinney-Vento Homeless Children Education..... 8,720,000

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	(3) 10.30.080-Title I-School Improve- ment.....	86,477,000
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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 Schools 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 (3) of this item, \$10,000,000 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.
3. Of the funds appropriated in Schedule (3) of this item, up to \$10,000,000 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 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.
4. Of the funds appropriated in Schedule (3) of this item, up to \$20,000,000 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.
5. Of the funds appropriated in Schedule (3), \$46,477,000 shall be available pursuant to Article 3.1 (commencing with Section 52055.57) of Chapter 6.1 of Part 28 of the Education Code, for Title I district accountability.

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6. Of the funds appropriated in Schedule (2), \$500,000 is available as a one-time carryover from prior years.	
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.....	31,728,000
Provisions:	
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.	
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.	
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	1,377,000
6110-139-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-School Apportionments, Pupil Residency Verification	176,000
Provisions:	
1. Funds appropriated in this item are for the purpose of assisting school districts that are adjacent to the international border with their pupil residency verification, consistent with the intent of Section 48204.6 of the Education Code.	
2. The funds appropriated in this item 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 pupil residency verification and appeals. Local educational agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.	

Item	Amount
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. These reports shall include, but not be limited to, information on 1) CSIS capacity for additional district cohorts, 2) readiness of self-identified districts for participation in new CSIS cohort, 3) CSIS operations budget, and 4) CSIS readiness to implement additional phases of state reporting and records transfer.	

Item	Amount
6110-144-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.270-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
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 and Program 10.30.051-American Indian Education	4,698,000
Schedule:	
(1) 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	4,100,000
(2) 10.30.051-American Indian Early Childhood Education Program established pursuant to Chapter 6.5 (commencing with Section 52060) of Part 28 of the Education Code .	598,000
Provisions:	
1. Of the amount appropriated in this item, \$31,000 is to provide an adjustment for increases in average daily attendance at a rate of 0.69 percent. If the amount needed to fund growth is insufficient, the State Department of Education may adjust the per-pupil growth rate to reflect the available funds. Additionally, \$191,000 is to provide a cost-of-living adjustment (COLA) at a rate of 4.23 percent.	
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....	602,054,000
Schedule:	
(1) 10.50.010.001-Adult Education.....	602,054,000

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(2) 10.50.010.008-Remedial education services for participants in the CalWORKs program.....	8,739,000
(3) 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 (2) constitute the funding for both remedial education and job training services for participants in the CalWORKs program (Article 3.2 (commencing with 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.	

Item	Amount
<p>4. The funds appropriated in Schedule (2) of this item shall be subject to the following:</p> <ul style="list-style-type: none">(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 provision of law, each local educational agency's individual cap for adult education and regional occupational center and programs (ROC/Ps), average daily attendance shall not be increased as a result of the appropriations made by this section.(c) Funds may be claimed by local educational 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:<ul style="list-style-type: none">(1) Each local educational 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 educational agency has fully claimed its respective adult education or ROC/Ps average daily attendance cap for the current year.(3) Each local educational agency has claimed the maximum allowable funds available under the interagency agreement pursuant to Provision 2 of this item.(d) Each local educational agency shall be reimbursed at the same rate as it would otherwise receive for services provided pursuant to this item or pursuant to Item 6110-105-0001 of Section 2.00 of this act, and shall comply with the program requirements for adult education pursuant to Chapter 10 (commencing with Section 52500) of Part 28 of the Education Code, and ROC/Ps requirements pursuant to	

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Article 1 (commencing with Section 52300) of, and Article 1.5 (commencing with Section 52335) of, Chapter 9 of, Part 28 of the Education Code, respectively.

- (e) Notwithstanding any other provision of law, funds appropriated in this section for average daily attendance (ADA) generated by participants in the CalWORKs program may be apportioned on an advance basis to local educational 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 educational agencies in providing services to individuals who are eligible for or recipients of CalWORKs assistance. This information includes the extent to which local educational 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

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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, 2005, to June 30, 2006, inclusive.

- 5. Of the funds appropriated in this item, \$14,088,000 is provided for increases in average daily attendance at a rate of 2.50 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$24,433,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.
- 6. An additional \$45,896,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.

6110-156-0890—For local assistance, Department of Education, Program 10.50.010.001-Adult Education, payable from the Federal Trust Fund..... Provisions:

79,212,000

- 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 advance payment, a community-based organization shall submit an expenditure plan and shall guarantee that appropriate standards of educational quality and fiscal accountability are maintained. In addition, reimbursement of claims shall be distributed on a quarterly basis. The State Department of Education shall withhold 10 percent of the final payment of a grant as described in this provision until all claims for that community-based organization have been submitted for final payment.
- 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.

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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 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

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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, 2006, 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 districts, community colleges, community-based organizations, other local entities); (b) the extent to which participating programs were able to meet planned performance targets; and (c) a breakdown of the types of courses (ESL, ESL-Citizenship, ABE, ASE) included in the performance targets of participating agencies. It is the intent of the Legislature that the Legislature and State Department of Education utilize the information provided pursuant to this provision to (a) evaluate whether any changes need to be made to improve the implementation of the accountability-based funding system under Title II and (b) evaluate the feasibility of any future expansion of the accountability-based funding system using state funds.
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

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<p>education services in the 2005–06 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.</p>	
<p>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</p>	15,322,000
<p>Provisions:</p> <ol style="list-style-type: none"> 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 allocated based upon prior year rather than current year expenditures. 3. Notwithstanding any other provision of law, funding distributed to each local educational agency (LEA) for reimbursement of services provided in the 2004–05 fiscal year for the Adults in Correctional Facilities program shall be limited to the amount received by the agency for services provided in the 2003–04 fiscal year. Funding shall be reduced or eliminated, as appropriate, for any LEA that reduces or eliminates services provided under this program in the 2004–05 fiscal year, as compared to the level of services provided in the 2003–04 fiscal year. Any funds remaining as a result of those decreased levels of service shall be allocated to provide support for new programs in accordance with Section 41841.8 of the Education Code. 4. Notwithstanding any other provision of law, 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 av- 	

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erage daily attendance, up to a maximum of 20 additional units of average daily attendance per program.

- 5. Of the funds appropriated in this item, \$365,000 is provided for increases in average daily attendance at a rate of 2.50 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$361,000 is for the purpose of providing a cost-of-living adjustment at a rate of 2.41 percent.

6110-161-0001—For local assistance, Department of Education (Proposition 98), Program 10.60-Special Education Programs for Exceptional Children..... 2,894,790,000
 Schedule:

- (1) 10.60.050.003-Special education instruction..... 2,831,196,000
- (2) 10.60.050.080-Early Education Program for Individuals with Exceptional Needs 77,989,000
- (3) Reimbursements for Early Education Program, Part C.....-14,395,000

Provisions:

- 1. Funds appropriated by this item are for transfer by the Controller to Section A of the State School Fund, in lieu of the amount that otherwise would be appropriated for transfer from the General Fund in the State Treasury to Section A of the State School Fund for the 2005–06 fiscal year pursuant to Sections 14002 and 41301 of the Education Code, for apportionment pursuant to Part 30 (commencing with Section 56000) of the Education Code, superseding all prior law.
- 2. Of the funds appropriated in Schedule (1) of this item, \$11,428,000, plus any COLA, shall be available for the purchase, repair, and inventory maintenance of specialized books, materials, and equipment for pupils with low-incidence disabilities, as defined in Section 56026.5 of the Education Code.
- 3. Of the funds appropriated in Schedule (1) of this item, \$8,826,000, plus any COLA, 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 condi-

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- tion of receiving these funds, each local educational agency shall certify that the amount of non-federal 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, \$4,612,000, plus any COLA, shall be available for regional occupational centers and programs that serve pupils having disabilities, and \$77,055,000, plus any COLA, shall be available for regionalized program specialist services, \$1,807,000, plus any COLA, 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 \$183,196,000, plus any COLA, is available to fund the costs of children placed in licensed children's institutions who attend nonpublic schools based on the funding formula authorized in Chapter 914 of the Statutes of 2004.
 7. Of the amount appropriated in Schedule (2) of this item, \$514,000, plus any COLA, shall be available for infant program growth units (ages birth–two years). Funds for infant units shall be allocated pursuant to Provision 11 of this item, 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 2005–06 fiscal year to those programs receiving allocations for in-

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- structional 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, including local training activities, child-find activities, public awareness, and the family resource center activities.
 11. Funds appropriated in this item, unless otherwise specified, are available for the sole purpose of funding 2005–06 special education program costs and shall not be used to fund any prior year adjustments, claims or costs.

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12. Of the amount provided in Schedule (1), \$162,000, plus any COLA, shall be available to fully fund the declining enrollment of necessary small SELPAs pursuant to Chapter 551 of the Statutes of 2001.	
13. 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.	
14. Of the funds appropriated in Schedule (1) of this item, \$29,478,000 shall be allocated to local educational agencies for the purposes of Project Workability I.	
15. 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.	
16. 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 for special education personnel to have the necessary content knowledge and skills to serve children with disabilities. This funding may include training and services targeting special education teachers and related service personnel that teach core academic or multiple subjects to meet the applicable special education requirements of the Individuals with Disabilities Education Improvement Act of 2004.	
17. 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.	
18. Of the amount specified in Schedule (1) of this item, \$31,000,000 shall be used to provide mental health services required by an individual education plan pursuant to the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) and pursuant to Chapter 493 of the Statutes of 2004.	

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19. Of the amount provided in Schedule (1), \$121,896,000 is provided for a COLA at a rate of 4.23 percent.	
20. Of the amount provided in Schedule (2), \$3,165,000 is provided for a COLA at a rate of 4.23 percent.	
21. Of the amount specified in Schedule (1) of this item, \$12,800,000 shall be allocated to each SELPA based upon an equal amount per ADA and added to each SELPA's base funding as determined pursuant to Chapter 854, Statutes of 1997.	
22. Of the amount appropriated in this item, \$1,480,000 is available for the state's share of costs in the settlement of Emma C. v. Delaine Eastin, et al. (N.D. Cal. No. C96-4179TEH). The State Department of Education shall report by January 1, 2006, to the fiscal committees of both houses of the Legislature, the Department of Finance, and the Legislative Analyst's Office on the planned use of the additional special education funds provided to the Ravenswood Elementary School District pursuant to this settlement. The report shall also provide the State Department of Education's best estimate of when this supplemental funding will no longer be required by the court. The State Department of Education shall comply with the requirements of Section 948 of the Government Code in any further request for funds to satisfy this settlement.	
23. Of the funds appropriated in this item, \$2,500,000 shall be allocated directly to special education local plan areas for a personnel development program that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of paragraph (14) of subdivision (a) of Section 612 of the Individuals with Disabilities Education Act of 2004 (IDEA), and Section 2122 of the Elementary and Secondary Education Act of 1965. The local in-service programs shall include a parent training component and may include a staff training component, and may include a special education teacher component	

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<p>for special education service personnel and para-professionals, consistent with state certification and licensing requirements. 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.</p> <p>24. Of the amount appropriated in Schedule (1), \$52,620,000 is available for the 2005–06 fiscal year on a one-time basis. Local educational agencies shall use these funds for one-time purposes, including, but not limited to, the following: to assist students with disabilities pass the California High School Exit Examination, instructional materials, or other one-time expenditures for students with disabilities.</p>	
<p>6110-161-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, Program 10.60-Special Education Programs for Exceptional Children.....</p>	1,149,044,000
Schedule:	
(1) 10.60.050.012-Local Agency Entitlements, IDEA Special Education.....	970,398,000
(2) 10.60.050.013-State Agency Entitlements, IDEA Special Education.....	2,152,000
(3) 10.60.050.015-IDEA, Local Entitlements, Preschool Program	59,240,000
(4) 10.60.050.021-IDEA, State Level Activities	73,220,000
(5) 10.60.050.030-P.L. 99-457, Preschool Grant Program	39,161,000
(6) 10.60.050.031-IDEA, State Improvement Grant, Special Education.....	2,079,000
(7) 10.60.050.032-IDEA, Family Empowerment Centers	2,794,000
Provisions:	
1. If the funds for Part B of the federal Individuals with Disabilities Education Act that are actually received by the state exceed \$1,132,573,000, 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 5 percent of the amount received in	

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- excess of \$1,132,573,000 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 \$1,132,573,000, the reduction shall be taken in other state level activities.
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 the federal Individuals with Disabilities Education Act permanent formula.
 3. 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 that meets the highly qualified teacher requirements and ensures that all personnel necessary to carry out this part are appropriately and adequately prepared, subject to the requirements of Section 612 (a)(14) of the Individuals with Disabilities Education Improvement Act of 2004 and Section 2122 of the Elementary and Secondary Education Act of 1965. The local in-service programs shall include a parent training component and may include a staff training component, and may include a special education teacher component for special education service personnel and paraprofessionals, consistent with state certification and licensing requirements. 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.
 4. 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.
 5. 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

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<p>resolution and the local mediation of disputes. This program shall include state-sponsored and local components.</p>	
<p>6. 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 educational 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 educational agencies identified by the United States Department of Education's Office of Special Education Programs.</p> <p>7. The funds appropriated in Schedule (7) shall be used for the purposes of Family Empowerment Centers on Disabilities pursuant to Chapter 690 of the Statutes of 2001.</p> <p>8. Notwithstanding the notification requirements listed in subdivision (d) of Section 26.00, the Department of Finance is authorized to approve intraschedule 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 the Education Code, without waiting 30 days, but shall provide a notice to the Legislature each time a transfer occurs.</p> <p>9. Of the funds appropriated in Schedule (4) of this item, \$69,000,000 shall be used exclusively to support mental health services that are provided during the 2005–06 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. 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 to provide</p>	

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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 the mental health services provided in 2005–06. Amounts allocated to each county office of education shall reflect the share of the \$69,000,000 in federal special education funds provided to that county in 2004–05 for mental health services provided pursuant to Chapter 26.5 (commencing with Section 7570) of Division 7 of the Government Code.

- 10. Of the amount appropriated in Schedule (1) of this item, \$58,377,000 represents the increase in the local assistance portion of the federal grant in 2005–06. These funds have been passed through to be used by each SELPA for discretionary purposes.

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..... 22,999,000
 Provisions:

- 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.

6110-166-0890—For local assistance, Department of Education, Program 10.70-Vocational Education, payable from the Federal Trust Fund..... 137,822,000
 Provisions:

- 1. The funds appropriated in this item include federal Vocational Education Act funds for the 2005–06 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.

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- 3. The Superintendent of Public Instruction shall report, not later than February 1 of each year, to the Joint Legislative Budget Committee and the Director of Finance, describing the amount of carryover funds from this item, reasons for the carryover, and plans to reduce the amount of carryover.
- 4. Of the funds appropriated in this item, \$7,578,000 is a one-time carryover available for the support of additional vocational education instructional activities. These funds shall be used during the 2005–06 academic year to support additional alignment and articulation of K–12 tech prep programs with local community college economic development and vocational education programs in an effort to incorporate greater participation of K–12 students in sequenced, industry-driven coursework that leads to meaningful employment in today’s high-tech, high-demand, and emerging technology areas of industry employment.

6110-167-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund, Program 10.70-Agricultural Vocational Education Incentive Program established pursuant to Article 7.5 (commencing with Section 52460) of Chapter 9 of Part 28 of the Education Code

Provisions:

4,711,000

- 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:
 - (a) Agricultural Vocational Education Incentive Program funds shall be expended for the items identified in its application, except that, in items of expenditure classification 4000, only the total cost of expenses shall be required and itemization shall not be required.
 - (b) The school district shall provide at least 50 percent of the cost of the items and costs from expenditure classification 4000, as identified in its application, from other funding sources. Nothing in this provision shall be construed to limit the authority of the Superintendent of Public Instruction to waive the local matching requirement established by subdivision (b) of Section 52461.5 of the Education Code.

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<ul style="list-style-type: none"> 2. Of the funds appropriated in this item, \$45,000 is provided for increases in average daily attendance at a rate of 1.00 percent. Additionally, \$191,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent. 	
<p>6110-180-0890—For local assistance, Department of Education, Program 20.10.025-Educational Technology, payable from the Federal Trust Fund</p>	63,753,000
<p>Provisions:</p> <ul style="list-style-type: none"> 1. Of the funds appropriated in this item, \$31,140,000 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, \$31,140,000 is available for competitive grants pursuant to Chapter 8.9 (commencing with Section 52295.10) of Part 28 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 educational 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. 3. Of the funds appropriated in this item, \$1,473,000 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. 	
<p>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</p>	16,069,000
<p>Provisions:</p> <ul style="list-style-type: none"> 1. Of the funds appropriated in this item, \$106,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 	

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<p>0.69 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds.</p> <p>2. Of the funds appropriated in this item, \$652,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 4.23 percent.</p>	
<p>6110-181-0140—For local assistance, Department of Education, payable from the California Environmental License Plate Fund</p>	360,000
Schedule:	
<p>(1) 20.10.055-Environmental Education.....</p>	548,000
<p>(2) Reimbursements.....</p>	-188,000
<p>6110-182-0001—For local assistance, Department of Education (Proposition 98), Program 20.20.030-K-12 High Speed Network.....</p>	0
Provisions:	
<p>2. \$21,025,000 of unexpended funds originally provided for Internet connectivity and network infrastructure for grades K-12 schools and county offices of education from the following appropriations are available for allocation to the Imperial County Office of Education to continue management and operation of the K-12 high speed Internet network during the 2005-06 fiscal year: Item 6440-001-0001, Schedule (a), Provision 44 of Chapter 52, Statutes of 2000; Item 6440-001-0001, Schedule (1), Provision 24 of Chapter 106, Statutes of 2001; Item 6440-001-0001, Schedule (1), Provision 24 of Chapter 379, Statutes of 2002; Item 6440-001-0001, Schedule (1), Provision 22 of Chapter 157, Statutes of 2003; Item 6110-182-0001, Chapter 208, Statutes of 2004. Of these unexpended funds, the Imperial County Office of Education consortium may use up to \$1,221,000 to administer and support the program. The program shall be governed pursuant to legislation enacted for this purpose on or before January 1, 2006, during the 2005-06 Regular Session.</p>	
<p>3. Prior to the expenditure of funds referenced in Provision 2, the Joint Legislative Audit Committee (JLAC) shall conduct an audit of the K-12 High Speed Network. The audit shall identify prior-year funds that remain available for the</p>	

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<p>project and determine whether the state owns the network (which would affect the network’s future development and use). The JLAC audit also shall include an assessment of: (a) the quality of project oversight, (b) the reasonableness of CENIC’s existing cost allocation methodology, and (c) the appropriateness of the contracts entered into by state agencies transferring funds to CENIC.</p>	
<p>6110-183-0890—For local assistance, Department of Education, Instructional Support—Safe and Drug Free Schools and Communities Act of 1994 (P.L. 103-382), payable from the Federal Trust Fund</p>	41,078,000
<p>Schedule:</p>	
<p>(1) 20.10.045-Health and Physical Education, Drug Free Schools</p>	41,078,000
<p>Provisions:</p>	
<p>1. Local educational 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 educational agencies of this policy, and (b) incorporate the policy into the department’s compliance review procedures.</p>	
<p>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</p>	267,909,000
<p>Provisions:</p>	
<p>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.</p>	

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6110-189-0001—For local assistance, Department of Education (Proposition 98), for transfer to State Instructional Materials Fund pursuant to Article 3 (commencing with Section 60240) of Chapter 2 of Part 33 of Division 4 of Title 2 of the Education Code	360,966,000
Schedule:	
(1) 20.20.020.005-Instructional Materials Block Grant.....	360,966,000
Provisions:	
1. The funds in this item shall be allocated to school districts to purchase standards-aligned instructional materials.	
6110-190-0001—For local assistance, Department of Education (Proposition 98), Program 10.10-School Apportionments, Community Day Schools	42,215,000
Provisions:	
1. The funds appropriated in this item are for transfer to Section A of the State School Fund to reimburse costs incurred pursuant to Chapter 974 of the Statutes of 1995 as amended by Chapter 847 of the Statutes of 1998.	
2. Funds appropriated in this item shall not be available for the purposes of Section 41972 of the Education Code.	
3. Of the funds appropriated in this item, \$1,713,000 is for the purpose of providing a cost-of-living adjustment (COLA) at a rate of 4.23 percent to community day schools in lieu of the amount that would otherwise be provided pursuant to subdivision (b) of Section 42238.1 of the Education Code.	
4. An additional \$4,751,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.	
6110-191-0001—For local assistance, Department of Education (Proposition 98), Supplemental Instructional Materials for English Learners.....	20,000,000
Provisions:	
1. The funds appropriated in this item shall be available to provide supplemental instructional materials specifically for English language learners in kindergarten and grades 1 to 12, inclusive. The purpose of these materials will be to accelerate pupils as rapidly as possible towards grade level	

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- proficiency. These funds shall be available for encumbrance by local educational agencies until June 30, 2007. The funds shall be used to purchase supplemental materials that are designed to help English language learners become proficient in reading, writing, and speaking English. These materials may only be used in addition to the standards-aligned materials adopted by the State Board of Education pursuant to Section 60605 of the Education Code.
2. Local educational agencies shall be eligible for apportionment funding of up to \$25 per pupil, based on the most recently certified language census number of English language learners in kindergarten and grades 1 to 12, inclusive, to purchase any materials that the State Department of Education verifies and the State Board of Education approves are substantially correlated to identified state standards adopted pursuant to Section 60811 of the Education Code, as applied in the standards adopted pursuant to Section 60605 of the Education Code. Funding may be provided only for the number of pupils that the local educational agency certifies it will purchase materials for pursuant to Provision 5. Local educational agencies shall return to the state any funds allocated pursuant to this provision that are not expended for the purchase of materials pursuant to this provision.
 3. The State Department of Education shall use the correlation matrix that it developed during the 2004–05 fiscal year to determine if the instructional materials correlate to the standards adopted by the State Board of Education.
 4. Prior to submission of materials to the State Department of Education for verification that the materials correlate to identified standards, publishers shall be required to submit standards maps to the department and any requesting local educational agency so that the department and the local educational agency can determine the extent to which each item, if purchased separately, or set of instructional materials for English language learners are correlated to the standards adopted by the State Board of Education.

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The standards maps shall be filled out using the most recent format approved by the State Board of Education. The contents for the standards map will be the correlation matrix as described in Provision 3.

5. As a condition of the receipt of funds appropriated in this item, local educational agencies that elect to participate shall do both of the following: (a) no later than September 15, 2006, submit an intent to purchase, specifying the title, ISBN number, grade levels, type, and publisher of the materials they intend to purchase, and the number of pupils for which materials will be purchased; and (b) certify that materials they intend to purchase are substantially correlated to support the identified state standards and adopted materials, and shall submit this certification to the State Department of Education. Participating districts shall not be required to locally certify materials if the materials have already been found to be substantially correlated with standards by the State Department of Education and the State Board of Education.
6. After a local educational agency notifies the State Department of Education that it intends to purchase materials, the department may select and train panels of teachers and educators to verify the standards maps provided by the publishers and examine the materials for legal and social compliance. The department shall also provide an appeals process to allow due process review of discrepancies of findings in the verification process. The department's verification shall not constitute a state adoption of instructional materials pursuant to Section 60200 of the Education Code. The department shall give first priority in verifying correlation to identified state standards to those materials that are most commonly cited in districts' intents to purchase provided pursuant to Provision 5. The department shall submit its verification results to the State Board of Education for approval and the State Board of Education shall approve or disapprove the materials at the next regularly scheduled meeting after receipt of the department's verification, in accordance with public notification requirements. The department

Item	shall only be required to review materials that it has not already reviewed during the 2005 calendar year.	Amount
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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	29,635,000
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Schedule:

- (1) 20.60.070-Instructional Support:
Bilingual Teacher Training Assistance Program..... 1,951,000
- (2) 20.60.060-Instructional Support:
Teacher Peer Review..... 27,318,000
- (3) 20.60.110-Instructional Support:
Improving School Effectiveness-Reader Services for Blind Teachers 366,000

Provisions:

1. The funds appropriated in this item are for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction to school districts, county offices of education, and other educational agencies for purposes of the Proposition 98 programs funded in this item, in lieu of the amounts otherwise provided for those programs by statute.
2. Notwithstanding any other provision of law, the amount appropriated in Schedule (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.
- 2.5. Of the funds appropriated in Schedule (1) of this item, \$13,000 is provided for increases in average daily attendance at a rate of 0.69 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$79,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.
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. Funds appropriated in Schedule (2) include

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<p>\$180,000 for the purpose of making adjustments for increases in average daily attendance at a rate of 0.69 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$1,109,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.</p> <p>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 Services 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.</p> <p>5. Of the funds appropriated in Schedule (3) of this item, \$2,000 is provided for increases in average daily attendance at a rate of 0.69 percent. If growth funds are insufficient, the State Department of Education may adjust the per-pupil growth rates to conform to available funds. Additionally, \$15,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.</p>	
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 ..	24,278,000
6110-195-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.140-Staff Development: Teacher improvement, Teacher Incentives National Board Certification	7,535,000
<p>Provisions:</p> <p>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 (commencing with Section 44395) of Chapter 2 of Part 25 of the Education Code.</p>	
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	328,331,000

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Schedule:

- (1) 20.60.280-Improving Teacher Quality Local Grants.....322,427,000
- (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 the Science Subject Matter Projects.
- 3. Of the funds appropriated in Schedule (1), \$80,000 is appropriated as a one-time carryover available from prior years.

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 any other statute 1,220,860,000

Schedule:

- (1) 30.10.010-Special Program, Child Development, Preschool Education 325,377,000
- (1.5) 30.10.020-Child Care Services 1,760,515,000
 - (a) 30.10.020.001-Special Program, Child Development, General Child Development Programs.. 633,594,000
 - (b) 30.10.020.002-Special Program, Child Development, Community College Match—Required Center ... 3,294,000

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(c) 30.10.020.004-Special Program, Child Development, Migrant Day Care	33,746,000
(d) 30.10.020.007-Special Program, Child Development, Alternative Payment Program.....	205,976,000
(e) 30.10.020.011-Special Program, Child Development, Alternative Payment Program—Stage 2..	410,910,000
(f) 30.10.020.012-Special Program, Child Development, Alternative Payment Program—Stage 3 Setaside	331,357,000
(g) 30.10.020.008-Special Program, Child Development, Resource and Referral.....	16,844,000
(h) 30.10.020.009-Special Program, Child Development, Campus Child Care Tax Bailout	5,923,000
(i) 30.10.020.015-Special Program, Child Development, Extended Day Care	30,238,000
(j) 30.10.020.096-Special Program, Child Development, Allowance for Handicapped.....	1,618,000

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(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 Improvement.....	73,115,000
(m) 30.10.020.911-Special Program, Child Development, Centralized Eligibility List	7,900,000
(n) 30.10.020.920-Special Program, Child Development, Local Planning Councils	5,750,000
(3) 30.10.020.908-Special Program, Child Development, Cost-of-Living Adjustments	54,664,000
(4) 30.10.020.909-Special Program, Child Development, Growth Adjustments	29,860,000
(5) Amount payable from the Federal Trust Fund (Item 6110-196-0890)	-949,556,000

Provisions:

1. Notwithstanding Section 8278 of the Education Code, funds available for expenditure pursuant to that section shall be expended in the 2005–06 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) \$82,298,000 shall be available for CALWORKS Stage 2 child care.
 - (c) The Controller shall establish an account entitled Section 8278 Expenditures in 2004 in Item 6110-196-0001, Program 30.10.060. Any unexpended General Fund balances as of June 30, 2005, or subsequent abatements, from those amounts listed in Schedules (1),

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(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)(n) 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.

2. (a) Notwithstanding any other provision of law, alternative payment child care programs shall be subject to the rate ceilings established in the Regional Market Rate Survey of California child care and development providers for provider payments. The State Department of Education (SDE) shall utilize a federal fund contract, to be awarded through a competitive bid process, to conduct a market rate survey. A summary report and analyses of changes in mean and ceiling rates, adjustment factors, and region rates shall be forwarded to the Department of Finance along with the mean and ceiling rates. The contract shall also provide resources sufficient for the contractor to respond to requests for related information by the Department of Finance. Any changes to the market rate limits, adjustment factors or regions are subject to the approval process for child care contract funding terms and conditions as specified in Section 8447 of the Education Code. When approved, those changes shall be utilized by the SDE and the Department of Social Services in various programs under the jurisdiction of both departments to determine limits of reimbursement to providers.
- (b) Notwithstanding any other provision of law, the funds appropriated in this item for the cost of licensed 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 Section 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

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- charged by providers offering the same type of child care for the same age child in that region.
3. The funds appropriated in Schedule (1.5)(h) of 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.
 4. Notwithstanding any other provision of law, 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 14 of Item 6870-101-0001.
 5. Funds in Schedule (1.5)(1) shall be reserved for activities to improve the 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.
 - (c) \$12,780,000 in one-time federal funding shall be used for child care and development quality expenditures identified by the department.
 - (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;

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- \$2,700,000 for contracting with the Department of Social Services for increased inspections of child care facilities; \$1,200,000 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) As required by federal law, the SDE 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 2004 (Ch. 208, Stats. 2004). This plan shall be submitted to the Department of Finance by January 1, 2006, and funds shall not be encumbered prior to approval of the plan by the Department of Finance. The SDE 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 these expenditures in its biennial federal quality plans or any subsequent amendments.
- (f) \$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.
6. (a) The State Department of Education (SDE) shall conduct monthly analyses of CalWORKs Stage 2 and Stage 3 caseloads and expenditures and adjust agency contract maximum reimbursement amounts and allocations as necessary to ensure funds are distributed proportionally to need. The SDE shall share monthly caseload analyses with the Department of Social Services (DSS).

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- (b) The SDE shall provide quarterly reports on the sufficiency of funding for Stage 2 and Stage 3 to DSS. The SDE shall provide caseloads, expenditures, allocations, unit costs, family fees, and other key variables and assumptions used in determining the sufficiency of 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 Temporary Assistance to Needy Families (TANF) 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, 2005, and March 15, 2006, the SDE 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. 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 2007–08 fiscal year as well as local attrition experience. DSS shall utilize data provided by the department, including key variables from the prior fiscal year and the first two months of the 2005–06 fiscal year, to provide coordinated estimates in November 2005 for each of the three stages of care for preparation of the 2006–07 Governor’s Budget, and shall utilize data from at least the first two quarters of the 2005–06 fiscal year, and any additional

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- monthly data as they become available for preparation of the 2006 May Revision. DSS shall share its assumptions and methodology with SDE in the preparation of the 2006–07 Governor’s Budget.
- (e) As deemed necessary by the SDE for counties where there is more than one Alternative 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 SDE may adjust these allocations at any time for providers deemed by the SDE 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) The SDE shall coordinate with the DSS to identify annual general subsidized child care program expenditures for TANF-eligible children. The SDE shall modify existing reporting forms as necessary to capture this data.
 - (g) The SDE shall provide to the DSS, upon request, access to the information and data elements necessary to comply with federal reporting requirements and any other information deemed necessary to improve estimation of child care budgeting needs.
7. Notwithstanding any other provision of law, the funds in Schedule (1.5)(f) are reserved exclusively for continuing child care for the following:
- (a) 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
 - (b) families who received lump-sum diversion payments or diversion services under Section 11266.5 of the Welfare and Institutions Code and have spent two

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years in Stage 2 off of cash aid, but still meet eligibility requirements for receipt of subsidized child care services.	
9. 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.	
10. 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 23.4568 percent of the direct cost-of-care payments to child care providers.	
11. Notwithstanding Section 26.00 of this act, the funds appropriated in Schedule (3) of this item, for child development cost-of-living adjustments, are for allocation among Schedules (1), (1.5)(a), (1.5)(b), (1.5)(c), (1.5)(d), (1.5)(g), (1.5)(h), (1.5)(i), (1.5)(j), and (1.5)(n) within this item. Funds shall not be allocated to programs prior to approval of a budget revision by the Department of Finance. After allocation of the 2005-06 COLA, the maximum standard reimbursement rate shall not exceed \$30.04 per day for General Child Care programs and \$19.17 per day for State Preschool Programs. 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.	
12. Notwithstanding Section 26.00 of this act, the funds appropriated in Schedule (4) of this item, for child development growth adjustments, are for allocation among Schedules (1), (1.5)(a), (1.5)(b), (1.5)(c), (1.5)(d), (1.5)(i), and (1.5)(j) within this item. Funds shall not be allocated to programs prior to approval of a budget revision by the Department of Finance.	

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<ul style="list-style-type: none"> 13. 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 2004–05 fiscal year shall remain in effect for the 2005–06 fiscal year. 14. Notwithstanding any other provision of law, the Superintendent of Public Instruction may, upon request by a program that is earning the full grant amount, waive the funding caps for core grants for elementary, middle, and junior high school students to allow expenditure of any uncommitted funds that are available to enable those programs to create additional slots for 11- and 12-year-old pupils and their eligible younger siblings redirected from state-funded and federally funded subsidized child care programs pursuant to Section 8263.4 of the Education Code. 15. Notwithstanding any other provision of law, the federal funds in Schedule (1.5)(m) are appropriated exclusively for developing and maintaining a Centralized Eligibility List in each county pursuant to Section 8227 of the Education Code. By November 1, 2005, the State Department of Education shall provide a status report on implementing eligibility lists in each county, which shall include, but is not limited to, the cost and expected implementation date for each county. 16. Funds made available in Provision 7(d) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) for the purpose of providing outreach to exempt providers shall continue to be available until June 30, 2006. 	
6110-196-0890—For local assistance, Department of Education, payable from the Federal Trust Fund.....	949,556,000
Provisions:	
<ul style="list-style-type: none"> 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. 	

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- 3. Of the funds appropriated in this item, \$407,642,000 is from the transfer of funds, pursuant to Item 5180-402, from the federal Temporary Assistance for Needy Families (TANF) Block Grant administered by the State Department of Social Services to the federal Child Care and Development Block Grant for Stage 2 child care. This amount may be increased by transfer from the TANF reserve pursuant to Item 5180-403 of this act, except that funds may not be first transferred to the Child Care and 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, \$29,615,000 is available on a one-time basis for Stage 2 from federal Child Care and Development Block Grant funds appropriated prior to the 2005 federal fiscal year. Of these funds, \$1,415,000 is provided for Stage 2 and \$28,200,000 is provided for Stage 3.
- 5. Of the funds appropriated in this item, \$12,780,000 is available on a one-time basis for quality projects from federal Child Care and Development Block Grant funds appropriated prior to the 2005 federal fiscal year.

6110-197-0890—For local assistance, Department of Education, payable from the Federal Trust Fund, 21st Century Community Learning Centers Program 180,937,000

Schedule:

- (1) 30.10.080-Special Program, Child Development, 21st Century Community Learning Centers Program.....180,937,000

Provisions:

- 1. (a) It is the intent of the Legislature that the department give significant weight in rating applications, reallocations of available funding and in approving use of grant carryover amounts to the level of student participation and cost per student served. Approval of use of carryover funds from year to year for programs receiving grants shall ensure that additional participation be required so as to not increase the cost per student served in the fiscal year in which grant funds are expended. The

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department shall also track cost per student planned versus actually achieved and actively ensure that each grant maximizes student participation in relation to the level of the annual grant or shall reduce grant amounts accordingly in subsequent years.

- (b) The department shall provide an annual report to the Legislature and Department of Finance by November 1 of each year that identifies by cohort for the previous fiscal year each high school program funded, the amount of the annual grant and actual funds expended, the numbers of students served and planned to be served, and the average cost per student per day. If the average cost per student per day exceeds \$10 per day, the department shall provide specific reasons why the costs are justified and cannot be reduced. In calculating cost per student per day, the department shall not count attendance unless the student is under the direct supervision of after school program staff funded through the grant. Additionally, the department shall calculate cost per day on the basis of the equivalent of a three-hour day for 180 days per school year. The department shall also identify for each program, as applicable, if the attendance of students is restricted to any particular subgroup of students at the school in which the program is located. If such restrictions exist, the department shall provide an explanation of the circumstances and necessity therefor.
2. The State Department of Education shall provide a report to the Legislature and the Department of Finance by October 1, 2005, identifying how funds appropriated in Provision 5(b) of Item 6110-197-0890 in the Budget Act of 2004 (Ch. 208, Stats. 2004) were allocated.
3. Notwithstanding any other provision of law, the Superintendent of Public Instruction may, upon request by a program that is earning the full grant amount, waive the funding caps for core grants for elementary, middle, and junior high schools to enable those programs to create additional slots for 11- and 12-year-old pupils and their eligible

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younger siblings redirected from state-funded and federally funded subsidized child care programs pursuant to Section 8263.4 of the Education Code.

- 4. Of the amount appropriated in this item, \$45,000,000 is carryover of one-time program savings and is available on a one-time basis pursuant to legislation effective on or before January 1, 2006.
- 5. Notwithstanding any other provision of law, the State Department of Education may increase or decrease the award amount of any grantee based upon either or both of the following: (a) a change in the maximum school site grant caps enacted through legislation effective on or before January 1, 2006, and (b) the historical earning pattern of the grantee. The department shall issue revised grant award letters within 75 days of the enactment of the 2005–06 Budget Act or the effective date of the aforementioned legislation, whichever is later.

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.....

52,996,000

Schedule:

- (1) 20.60.220-CalSAFE Academic and Supportive Services..... 14,385,140
- (2) 30.10.020-CalSAFE Child Care 24,509,250
- (3) 20.60.221-All Services for Non-converting Pregnant Minors Programs 14,101,610

Provisions:

- 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

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- 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.
2. The amounts appropriated 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 2005–06. By October 31, 2005, the Department of Education shall submit to the Department of Finance current expenditure data for 2004–05 and 2005–06 showing each agency’s allocation and supporting detail including average daily attendance and child care attendance and enrollment data. The State Department of Education shall also provide estimates of average daily attendance and child care to be provided in the 2006–07 fiscal year.
 3. Funds appropriated in Schedule (3) are available to provide funding for all child care, as well as both academic and supportive services for programs choosing to retain their Pregnant Minors Program revenue limit. Notwithstanding any other provision of law, the State Department of Education shall compute allocations to these agencies using the respective agencies’ 1998–99 Pregnant Minors Program revenue limits. Further, notwithstanding any other provision of law, programs which choose to retain their Pregnant Minors Program 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.

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4. Of the funds appropriated in this item, \$348,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent, and \$2,151,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
6110-200-0001—For local assistance, Department of Education (Proposition 98), Healthy Start Support Services for Children Act.....	2,000,000
6110-201-0001—For local assistance, Department of Education (Proposition 98).....	1,017,000
Schedule:	
(1) 30.20.010-Child Nutrition Programs	1,017,000
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 2005–06 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.	
2. Of the amount appropriated in this item, \$7,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent.	
6110-201-0890—For local assistance, Department of Education, Program 30.20-Child Nutrition, payable from the Federal Trust Fund.....	1,616,804,000
Schedule:	
(1) 30.20.010-Child Nutrition Programs.....	1,594,354,000
(2) 30.20.040-Summer Food Service Program.....	22,450,000
6110-202-0001—For local assistance, Department of Education	10,986,000
Schedule:	
(1) 30.20.010-Child Nutrition Programs	10,986,000

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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, 2006, 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.	
3. Of the funds appropriated in this item, \$446,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
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, 49501, 49536, 49550, 49552, and 49559 of the Education Code	85,263,000
Schedule:	
(1) 30.20.010-Child Nutrition Programs	85,605,000
(2) Reimbursements	-342,000
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, 2006, to be eligible for reimbursement.	
2. Notwithstanding any other provision of law and except as otherwise provided in these provisions, funds designated for child nutrition programs in Schedule (1) of this item shall be allocated in accordance with Section 49536 of the Education Code; however, the allocation shall be based not on all meals served, but on the number of meals that are served and that qualify as free or reduced-price meals in accordance with Sections 49501, 49550, and 49552 of the Education Code.	

Item	Amount
<p>4. Of the funds appropriated in this item, \$3,460,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.</p>	
<p>6110-208-0001—For local assistance, Department of Education (Proposition 98), Program 20, for allocation to the Center for Civic Education.....</p>	250,000
<p>Provisions:</p>	
<p>1. The funds appropriated in this item are for the purpose of implementing a middle school and junior high school civic education program.</p>	
<p>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</p>	43,000
<p>Provisions:</p>	
<p>1. Of the funds appropriated in this item, \$2,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.</p>	
<p>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.....</p>	62,158,000
<p>Provisions:</p>	
<p>1. Funds appropriated in this item are for the charter school categorical block grant. The State Department of Education shall distribute block grant funds pursuant to legislation enacted during the 2005–06 Regular Session that is effective on or before January 1, 2006, and that designates which categorical programs are to be included or excluded from the block grant.</p>	
<p>2. The Department of Education shall provide an estimate of average daily attendance expected to be claimed for this item for the 2006–07 fiscal year to the Department of Finance and the Legislative Analyst’s Office by October 1, 2005, for use in developing the 2006–07 Governor’s Budget. The Department of Education shall provide an update of the estimate by March 31, 2006, for preparation of the May Revision.</p>	
<p>3. An additional \$5,947,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.</p>	

Item	Amount
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	88,312,000
Schedule:	
(1) 10.10.950.002-Operations grants....	88,312,000
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.	
6110-228-0001—For local assistance, Department of Education (Proposition 98), for transfer to Section A of the State School Fund for allocation by the Controller, School Safety	52,537,000
Schedule:	
(1) 20.60.020.011-School Safety Block Grants	52,537,000
Provisions:	
1. Of the funds appropriated in Schedule (1), \$52,438,000 is available to fund block grants for middle and junior high schools and high schools that serve grades 8 to 12, inclusive, pursuant to Article 3.6 (commencing with Section 32228) and Article 3.8 (commencing with Section 32239.5) of Chapter 2 of Part 19 of the Education Code. An additional \$38.6 million in expenditures for this purpose has been deferred to the 2006–07 fiscal year.	
2. Of the \$38.6 million deferred from this item, \$1 million shall be made available for county offices of education pursuant to Article 3.6 (commencing	

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with Section 32228) of Chapter 2 of Part 19 of the Education Code.	
3. Of the funds appropriated in this item, \$345,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$2,132,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
4. The funds appropriated in this item 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 Emergency Procedures. Local education agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.	
5. An additional \$36,894,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.	
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	110,185,000
Provisions:	
1. Schools participating in this program shall receive a per-pupil rate of \$192 pursuant to Section 52086 of the Education Code, based on a cost-of-living adjustment at a rate of 4.23 percent.	
6110-234-0001—For local assistance, Department of Education (Proposition 98), Program 10.25, for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for the Class Size Reduction Program pursuant to Chapter 6.10 (commencing with Section 52120) of Part 28 of the Education Code.....	1,676,285,000
Provisions:	
1. Schools participating in Option One shall receive a per-pupil rate of \$967. Schools participating in Option Two shall receive a per-pupil rate of \$484. These rates are based on a cost-of-living adjustment at a rate of 4.23 percent.	

Item	Amount
6110-240-0001—For local assistance, Department of Education (Proposition 98).....	2,789,000
Schedule:	
(1) 10.80.030-Instruction: International Baccalaureate Diploma Program...	1,162,000
(2) 20.70-Instructional Support: Assessments.....	1,627,000
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.	
3. Of the funds appropriated in this item, \$19,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$113,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
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 2005–06 fiscal year.	
6110-242-0001—For local assistance, Department of Education (Proposition 98), Program 20.60.106.....	33,000

Item	Amount
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), for transfer by the Controller to Section A of the State School Fund for allocation by the Superintendent of Public Instruction for the unscheduled Pupil Retention Block Grant pursuant to Article 2 of Chapter 3.2 (commencing with Section 41505) of the Education Code.....	193,257,000
Provisions:	
1. Of the funds appropriated in this item, \$1,139,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$7,031,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
2. Notwithstanding any other provision of law, an additional \$26,726,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.	
3. Notwithstanding any other provision of law, of the funds appropriated in this item, \$20,000,000 shall be available to help eligible pupils pass the California High School Exit Examination (CAHSEE).	
(a) An eligible pupil is a pupil who is required to pass the CAHSEE in order to receive a diploma in 2006 and who has failed one or both parts of that examination.	
(b) The Superintendent of Public Instruction shall rank schools on the basis of the percentage of eligible pupils. The superintendent may give priority to schools with the highest percentage of pupils who have failed both parts of the examination.	
(c) The superintendent shall apportion \$1,000 per eligible pupil to schools identified pursuant to subdivision (b) in the order determined by the superintendent until the funds are exhausted.	
(d) The funds apportioned pursuant to this provision shall be used to provide the services allowed under the Pupil Retention Block Grant or other intensive instruction and services	

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designed to help eligible pupils pass the CAHSEE. The intensive instruction and services may be provided during the regular school day and may include, but are not limited to the following: hiring additional teachers; purchasing, scoring, and reviewing diagnostic assessments; designing instruction to meet specific needs of eligible pupils; teacher training; and individual or small group instruction.

- (e) As a condition of receipt of these funds the school shall ensure that (i) each eligible pupil receives an appropriate diagnostic assessment to identify that pupil’s areas of need and (ii) each pupil receives intensive instruction and services based upon the diagnostic assessment.

6110-244-0001—For local assistance, Department of Education (Proposition 98), Program 20.60 for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for the Teacher Credentialing Block Grant.....

87,850,000

Provisions:

1. 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.
2. 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 1 of this item.
3. Of the funds appropriated in this item, \$3,283,000 is provided for a cost-of-living adjustment at a rate of 4.23 percent.
4. Of the funds appropriated in this item, \$3,675,000 is for the purpose of providing an adjustment for an increase in the number of eligible teachers.

Item	Amount
6110-245-0001—For local assistance, Department of Education (Proposition 98), Program 20.60 for transfer by the Controller to Section A of the State School Fund, for allocation by the Superintendent of Public Instruction for the Professional Development Block Grant.....	249,321,000
Provisions:	
1. Of the funds appropriated in this item, \$14,000 is for the purpose of providing for increases in enrollment at a rate of 0.69 percent. If growth funds are insufficient, the State Department of Education may adjust the per-participant growth rates to conform to available funds. Additionally, \$10,192,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
6110-246-0001—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 for the unscheduled Targeted Instructional Improvement Block Grant pursuant to Article 6 of Chapter 3.2 (commencing with Section 41540) of the Education Code	876,162,000
Provisions:	
1. Of the funds appropriated in this item, \$5,760,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$35,558,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
2. Notwithstanding any other provision of law, an additional \$100,118,000 in expenditures for this item has been deferred until the 2006–07 fiscal year.	
6110-247-0001—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 for the unscheduled School and Library Improvement Block Grant pursuant to Article 7 of Chapter 3.2 (commencing with Section 41570) of the Education Code	422,421,000
Provisions:	
1. Of the funds appropriated in this item, \$2,777,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$17,143,000 is for the	

Item	Amount
purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
6110-248-0001—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 for the unscheduled School Safety Consolidated Competitive Grant pursuant to Article 3 of Chapter 3.2 (commencing with Section 41510) of the Education Code	16,381,000
Provisions:	
1. Of the funds appropriated in this item, \$108,000 is for the purpose of providing an adjustment for increases in average daily attendance at a rate of 0.69 percent. Additionally, \$665,000 is for the purpose of providing a cost-of-living adjustment at a rate of 4.23 percent.	
2. The funds contained in this item shall first be used to offset any state-mandated reimbursable costs that may otherwise be claimed for the state mandates reimbursable process of implementing Chapter 996, Statutes of 1999 (commencing with Section 35294.1 of the Education Code). Local education agencies accepting funding from this item shall reduce their estimated and actual mandate reimbursement claims by the amount of funding provided to them from this item.	
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.....	40,000
Schedule:	
(1) 98.01.003.677-Annual Parent Notification (Ch. 36, Stats. 1977, et al.) (CSM 4445, 4453, 4461, 4462, 4474, 4488, 97-TC-24, 99-TC-09, 00-TC-12).....	1,000
(2) 98.01.009.894-Caregiver Affidavits (Ch. 98, Stats. 1994) (CSM 4497).	1,000
(3) 98.01.016.193-Intradistrict Attendance (Ch. 161, Stats. 1993) (CSM 4454).....	1,000

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(4) 98.01.048.675-Mandate Reimbursement Process (Ch. 486, Stats. 1975) (CSM 4485).....	1,000
(5) 98.01.049.801-Graduation Requirements (Ch. 498, Stats. 1983) (CSM 4435).....	1,000
(6) 98.01.049.802-Notification of Truancy (Ch. 498, Stats. 1983) (CSM 4133).....	1,000
(7) 98.01.049.803-Pupil Suspensions, Expulsions, Expulsion Appeals (Ch. 498, Stats. 1983 et al.) (CSM 4456, 4455, 4463).....	1,000
(8) 98.01.064.186-Open Meetings Act (Ch. 641, Stats. 1986) (CSM 4257).....	1,000
(9) 98.01.078.192-Charter Schools (Ch. 781, Stats. 1992) (CSM 4437).....	1,000
(10) 98.01.078.395-Investment Reports (Ch. 783, Stats. 1995) (96-358-02).....	0
(11) 98.01.079.980-PERS Death Benefits (Ch. 799, Stats. 1980).....	1,000
(12) 98.01.081.891-AIDS Prevention Instruction (Ch. 818, Stats. 1991) (CSM 4422).....	1,000
(13) 98.01.096.175-Collective Bargaining (Ch. 961, Stats. 1975) (CSM 4425, 97-TC-08).....	1,000
(14) 98.01.096.577-Pupil Health Screenings (Ch. 1208, Stats. 1976) (CSM 4440).....	1,000
(15) 98.01.097.595-Physical Performance Tests (Ch. 975, Stats. 1995) (96-365-01).....	1,000
(16) 98.01.101.184-Juvenile Court Notices II (Ch. 1011, Stats. 1984; Ch. 1423, Stats. 1984) (CSM 4475)....	1,000
(17) 98.01.110.784-Removal of Chemicals (Ch. 1107, Stats. 1984) (CSM 4211, 4298)	1,000
(18) 98.01.111.789-Law Enforcement Agency Notifications (Ch. 1117, Stats. 1989) (CSM 4505, 4505-2).	1,000

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(19) 98.01.117.677-Immunization Records (Ch. 1176, Stats. 1977) (SB 90-120).....	1,000
(20) 98.01.118.475-Habitual Truants (Ch. 1184, Stats. 1975) (CSM 4487, 4487-A)	1,000
(21) 98.01.125.375-Expulsion Transcripts (Ch. 1253, Stats. 1975).....	1,000
(22) 98.01.130.689-Notification to Teachers of Public Expulsion (Ch. 1306, Stats. 1989) (CSM 4452).....	1,000
(23) 98.01.134.780-Scoliosis Screening (Ch. 1347, Stats. 1980) (CSM 4195).....	1,000
(24) 98.01.139.874-PERS Unused Sick Leave Credit (Ch. 1398, Stats. 1974).....	1,000
(25) 98.01.146.389-School Accountability Report Cards (Ch. 1463, Stats. 1989) (97-TC-21)	1,000
(26) 98.01.165.984-Emergency Procedures (Ch. 1659, Stats. 1984) (CSM 4241).....	1,000
(27) 98.01.030.995-Pupil Residency Verification and Appeals (Ch. 309, Stats. 1995) (96-348-01)	1,000
(28) 98.01.058.897-Criminal Background Checks (Ch. 588, Stats. 1997) (97-TC-16).....	1,000
(29) 98.01.041.095-School Crimes Reporting II (Ch. 759, Stats. 1992 and Ch. 410, Stats. 1995) (CSM 4387, 97-TC-03).....	0
(30) 98.01.083.194-School Bus Safety I and II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; Ch. 739, Stats. 1997) (97-TC-22).....	0
(31) 98.01.046.576-Peace Officers Procedural Bill of Rights (Ch. 465, Stats. 1976) (CSM 4499)	1,000
(32) 98.01.361.977-Financial and Compliance Audits (Ch. 36, Stats. 1977) (CSM 4498, 4498-A)	1,000

Item	Amount
(33) 98.01.064.097-Physical Education Reports (Ch. 640, Stats. 1997) (98-TC-08)	1,000
(34) 98.01.112.096-Health Benefits for Survivors of Peace Officers and Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)	1,000
(35) 98.01.091.787-County Office of Education Fiscal Accountability Reporting (Ch. 917, Stats. 1987) (97-TC-20)	1,000
(36) 98.01.010.081-School District Fiscal Accountability Reporting (Ch. 100, Stats. 1981) (97-TC-19).....	1,000
(37) 98.01.087.585-Photographic Record of Evidence (Ch. 875, Stats. 1985) (98-TC-07)	1,000
(38) 98.01.012.693-Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07).....	0
(39) 98.01.078.495-County Treasury Oversight Committee (Ch. 784, Stats. 1995) (96-365-03)	0
(40) 98.01.073.697-Comprehensive School Safety Plans (Ch. 736, Stats. 1997) (98-TC-01, 99-TC-10).....	1,000
(41) 98.01.124.992-Threats Against Peace Officers (Ch. 1249, Stats. 1992).....	1,000
(42) 98.01.032.578-Immunization Records—Hepatitis B (Ch. 325, Stats. 1978; Ch. 435, Stats. 1979) (98-TC-05)	1,000
(43) 98.01.119.280-School District Reorganization (Ch. 1192, Stats. 1980; Ch. 1186, Stats. 1994) (98-TC-24)	1,000
(44) 98.01.003.498-Charter Schools II (Ch. 34, Stats. 1998; Ch. 673, Stats. 1998) (99-TC-03)	1,000
(45) 98.01.059.498-Criminal Background Checks II (Ch. 594, Stats. 1998; Ch. 840, Stats. 1998, Ch. 78, Stats. 1999) (00-TC-05)	1,000

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(46) 98.01.117.096-Grand Jury Proceedings (Ch. 1170, Stats. 1996, et al.) (98-TC-27)	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 be issued pursuant to this provision unless written notification of the necessity therefore 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.	
3. Notwithstanding any other provision of law, the funds appropriated in Schedules (11) and (24) 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.	
4. Pursuant to Section 17581.5 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 2005-06 fiscal year:	
(10) 98.01.078.395-Investment Reports (Ch. 783, Stats. 1995) (96-358-02).	
(29) School Crimes Reporting II (Ch. 759, Stats. 1992; Ch. 410, Stats. 1995) (CSM 4387, 97-TC-03).	

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(30) School Bus Safety I and II (Ch. 624, Stats. 1992; Ch. 831, Stats. 1994; Ch. 739, Stats. 1997) (97-TC-22).	
(38) 98.01.012.693-Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07).	
(39) 98.01.078.495-County Treasury Oversight Committee (Ch. 784, Stats. 1995) (96-365-03).	
(46) 98.01.117.096-Grand Jury Proceedings (Ch. 1170, Stats. 1996, et al.) (98-TC-27).	
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.	
6110-301-0001—For capital outlay, Department of Education, State Special Schools and Services Division. Schedule:	470,000
California School for the Deaf, Fremont:	
(1) 80.75.092-Student Waiting Area Shelters—Preliminary plans, working drawings, and construction.....	470,000
6110-301-0660—For capital outlay, Department of Education, payable from the Public Buildings Construction Fund	17,866,000
Schedule:	
California School for the Deaf, Riverside:	
(.5) 80.80.030-Multipurpose/Activity Center—Construction.....	1,303,000
(1) 80.80.050-Career and Technical Education Complex and Service Yard—Preliminary plans, working drawings, construction, and equipment.....	16,563,000
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 design, construction, and equipping of the project authorized by this item.	

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2. The State Public Works Board and the State Department of Education 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 design, construction, and equipping 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 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 project.
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 any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2009. In addition, the balance of funds appropriated for construction in this item that has not been allocated, through fund transfer or approval to bid, by the Depart-

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ment of Finance on or before June 30, 2007, shall revert as of the date to the fund from which the appropriation was made.	
6110-401—For maintenance of accounting records by the Controller’s office and the Department of Education or any other agency maintaining such records, appropriations made in this act for agency 6110 (Department of Education) are to be recorded under agency 6100 (Department of Education).	
6110-402—Notwithstanding any provision of law to the contrary, no funds appropriated in this act, or by any act enacted prior to the enactment of this act, shall be, in the absence of a court order, deemed appropriated or available for expenditure for purposes of claims for vocational education average daily attendance arising from Section 46140 of the Education Code as it read prior to the enactment of Chapter 1230 of the Statutes of 1977.	
6110-485—Reappropriation (Proposition 98), Department of Education. The sum of \$134,616,000 is hereby reappropriated from the Proposition 98 Reversion Account, for the following purposes:	
0001—General Fund	
(1) \$100,000,000 to the School Facilities Program for the purpose of funding the School Facilities Emergency Repair Account as required by Chapter 899 of the Statutes of 2004.	
(2) \$10,000,000 to the State Department of Education for the purpose of funding CalWORKs Stage 3 child care.	
(3) \$6,385,000 to the State Department of Education, for payment of Sunnyvale desegregation claims and interest owed through the 1991–92 fiscal year. The funding shall not be provided for payment of claims and interest and shall be reverted to the General Fund if an appropriation is included in a claims bill for this purpose during the 2005–06 Regular Session.	
(4) \$1,050,000 on a one-time basis to the State Department of Education for the purpose of funding a pilot program to provide training for School Business Officers.	
(5) \$354,000 to the State Department of Education, for transfer by the Controller to Section A of the State School Fund, for payment of prior year	

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child nutrition claims of \$335,000 in 2003–04, \$17,000 in 2000–01, and \$2,000 in 1999–00 fiscal years.	
(6) \$2,227,000, on a one-time basis, to the State Department of Education to cover start-up costs associated with the new California English Language Development Test contract.	
(7) \$9,000,000 to the State Department of Education, on a one-time basis, for the Charter School Facility Grant Program.	
Provisions:	
1. The funds specified in Schedule (7) 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. No charter school receiving funds under this program shall receive funding in excess of 75 percent of annual lease costs through this program or any other source of funding provided in this or any other act.	
6110-490—Reappropriation, Department of Education. 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 the appropriation:	
0660—Public Building Construction Fund	
(1) Item 6110-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 6110-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	
California School for the Deaf, Riverside:	
(1) 80.80.030-Multipurpose/Activity Center—Construction and equipment	
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, and shall be available for encumbrance and expenditure until June 30, 2006:	
Provisions:	
1. Notwithstanding Section 8278 of the Education Code, \$6,380,000 of the remaining General Fund balance of the amount appropriated in Schedule (1.5)(f) for CalWORKs Stage 3 child care in Item 6110-196-0001 of the Budget Act of	

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- 2004 (Ch. 208, Stats. 2004) shall be available only for expenditure for CalWORKs Stage 3 during the 2005–06 fiscal year.
2. Notwithstanding Section 8278 of the Education Code, \$14,958,000 of the remaining General Fund balance of the amount appropriated in Schedule (1.5)(f) for CalWORKs Stage 3 child care in Item 6110-196-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003), shall be available only for expenditure for CalWORKs Stage 3 during the 2005–06 fiscal year.
 3. \$4,050,000 of the unliquidated federal fund balance appropriated in Item 6110-196-0890 as included in Schedule (1.5)(f) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003), shall be available only for expenditure for CalWORKs Stage 3 during the 2005–06 fiscal year.
 4. Notwithstanding Section 8278 of the Education Code, \$35,676,000 of the remaining unallocated General Fund balance of the amount appropriated in Item 6110-196-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004), with the exception of Schedules (1.5)(e) and (1.5)(f) for CalWORKs child care programs, shall only be available for expenditure for CalWORKs Stage 2 during the 2005–06 fiscal year.
 5. Notwithstanding Section 8278 of the Education Code, \$6,836,000 of the remaining General Fund balance of the amount appropriated in Schedule (2) (e) for CalWORKs Stage 2 child care in Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002) shall be available only for expenditure for CalWORKs Stage 2 during the 2005–06 fiscal year.
 6. Notwithstanding Section 8278 of the Education Code, \$121,000 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 Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002), shall be available only for expenditure for CalWORKs Stage 3 during the 2005–06 fiscal year.
 7. Notwithstanding Section 8278 of the Education Code, \$9,752,000 of the remaining General Fund balance of the amount appropriated in Schedule (1.5) (e) for CalWORKs Stage 2 child care in Item

Item	Amount
6110-196-0001 of Section 2.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003), shall be available only for expenditure for CalWORKs Stage 2 during the 2005–06 fiscal year.	
8. \$7,998,000 of the unliquidated federal fund balance appropriated in Item 6110-196-0890 as included in Schedule (2) (e) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002), shall be available only for expenditure for CalWORKs Stage 2 during the 2005–06 fiscal year.	
9. \$1,672,000 of the unliquidated federal fund balance appropriated in Item 6110-196-0890 as included in Schedule (2) (f) of Item 6110-196-0001 of Section 2.00 of the Budget Act of 2002 (Ch. 379, Stats. 2002), shall be available only for expenditure for CalWORKs Stage 3 during the 2005–06 fiscal year.	
6110-495—Reversion, Department of Education, Proposition 98. The following amounts shall be reverted to the Proposition 98 Reversion Account by the State Controller within 60 days of enactment of this act:	
(1) \$1,111,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-123-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(2) \$1,812,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-126-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(3) \$21,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-156-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(4) \$211,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-166-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(5) \$50,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-177-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(6) \$66,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-191-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	

Item	Amount
(7) \$127,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-191-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(8) \$545,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-195-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(9) \$24,396,000 or whatever the greater or lesser amount reflects the unencumbered balance of the amount appropriated for child care and development programs in Item 6110-196-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(10) \$78,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-197-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(11) \$1,030,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-203-0001, Budget Act of 2004 (Ch. 208, Stats. 2004).	
(12) \$27,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-209-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(13) \$451,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-211-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(14) \$110,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (4) of Item 6110-485, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(15) \$22,000 from the appropriation made by paragraph (9) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.	
(16) \$4,600,000 or whatever greater or lesser amount reflects unexpended funds from Item 6110-134-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(17) \$1,013,000 or whatever greater or lesser amount reflects unexpended funds from Item 6110-229-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	

Item	Amount
(18) \$8,000,000 or whatever greater or lesser amount reflects unexpended funds from paragraph (1) of subdivision (a) of Section 1 of Chapter 101 of the Statutes of 2002.	
(19) \$119,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-201-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(20) \$701,000 or whatever lesser or greater amount reflects unexpended funds from paragraph (4) of subdivision (a) of Section 50 of Chapter 1167 of the Statutes of 2002.	
(21) \$3,000,000 or whatever greater or lesser amount reflects unexpended funds from Section 11 of Chapter 10 of the Statutes of 2003, First Extraordinary Session.	
(22) \$702,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-235-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(23) \$1,481,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-166-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(24) \$194,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-122-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).	
(25) \$398,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-122-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(26) \$10,000,000 of the balance in the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code.	
(27) \$1,981,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-166-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(28) \$1,300,000 from Item 6110-144-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).	
(29) \$8,726,000 or whatever lesser or greater amount reflects the unexpended funds from paragraph (3) of subdivision (a) of Section 50 of Chapter 1167 of the Statutes of 2002.	

Item	Amount
6110-496—Reversion, Department of Education. Provisions:	
1. The Superintendent of Public Instruction is hereby authorized to initiate the reversion of appropriations in cases where the balance available for reversion is less than \$50,000, and either of the following applies:	
(a) The program in question has expired.	
(b) The Superintendent of Public Instruction certifies that the original purpose of the appropriation would not be accomplished by further expenditure.	
2. The State Department of Education may periodically review its accounts at the State Controller’s office to identify appropriations that meet these criteria. Upon the request of the State Department of Education, the Director of Finance may issue an executive order to revert identified appropriations. The State Controller shall timely revert appropriations identified in the executive order to the fund from which the appropriation was originally made (or a successor fund in the case of an expired fund), or to the Proposition 98 Reserve Account, whichever is appropriate.	
6110-497—Reversion, Department of Education. As of June 30, 2005, the balances specified below of the appropriations provided for in the following citations shall revert to the fund from which the appropriation was made:	
0001—General Fund	
(1) \$1,000,000 or whatever greater or lesser amount reflects the unexpended balance as of July 31, 2004, of the appropriation made by subdivision (a) of Section 3 of Chapter 135 of the Statutes of 2001.	
6120-011-0001—For support of California State Library, Division of Libraries, and California Library Services Board	10,588,000
Schedule:	
(1) 10-State Library Services	13,815,000
(2) 20-Library Development Services..	4,145,000
(3) 30-Information Technology Services.....	942,000
(4) 40.01-Administration.....	1,702,000
(5) 40.02-Distributed Administration ...	-1,702,000
(6) 97.20.001-Unallocated Reduction...	-170,000
(7) Reimbursements.....	-1,599,000

Item	Amount
(8) Amount payable from the Federal Trust Fund (Item 6120-011-0890).	-6,545,000
Provisions:	
1. Of the amount appropriated in Schedule (1), \$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	551,000
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.	
6120-011-0890—For support of California State Library, for payment to Item 6120-011-0001, payable from the Federal Trust Fund.....	6,545,000
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	2,680,000
6120-011-6029—For support of California State Library, Program 10-State Library Services-Administration of the California Cultural and Historical Endowment, payable from the California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	1,649,000
Provisions:	
1. Funds in this item are available for the administration of the California Cultural and Historical Endowment authorized by Chapter 157 of the Statutes of 2003.	
6120-012-0001—For support of the California State Library for rental payments on lease-revenue bonds... Schedule:	2,450,000
(1) Base Rental and Fees	2,468,000
(2) Insurance	24,000
(3) Reimbursements	-42,000

Item	Amount
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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
6120-013-0001—For support of California State Library, Program 10-State Library Services—Sutro Library Special Repairs Project	17,000
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.	
6120-151-0483—For support of the California State Library, Program 20-Library Development Services, for telephonic services authorized by Chapter 654 of the Statutes of 2001, payable from the California Deaf and Disabled Telecommunications Program Administrative Committee Fund.....	552,000
Provisions:	
1. The funds appropriated in this item shall be used to operate the Telephonic Reading for the Blind Program. Any federal funds received for this purpose shall offset the appropriation in this item. Any remaining funds in this item shall revert to the Deaf and Disabled Telecommunications Program Administrative Committee Fund.	
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	14,342,000
Schedule:	
(1) 20.30-Direct Loan and Interlibrary Loan Programs	11,616,000

Item	Amount
(2) 20.50-California Library Services Act pursuant to Chapter 4 (commencing with Section 18700) of Part 11 of the Education Code.....	2,726,000
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	5,064,000
Provisions:	
1. Funds in this item are available for the California English Acquisition and Literacy Program pursuant to Section 18736 of the Education Code.	
6120-221-0001—For local assistance, California State Library, Program 20-Library Development Services-Public Library Foundation Program.....	14,360,000
Provisions:	
1. Notwithstanding any other provision of law, for the 2005–06 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, 2005.	
2. Notwithstanding any other provision of law, for the 2005–06 fiscal year, the date on or before which the Controller shall distribute funds to the fiscal officer of each public library as specified in Section 18026 of the Education Code shall be February 15, 2006.	
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.	
6120-495—Reversion, California State Library. As of June 30, 2005, the sum specified below of the appropriation provided in the following citation shall revert to the fund from which the appropriation was made:	
6029—California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Fund	
(1) \$4,685,000 from Item 6120-101-6029, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 6120-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	

Item	Amount
6125-001-0001—For support of the Education Audit Appeals Panel.....	1,285,000
Schedule:	
(1) 10-Education Audit Appeals Panel	1,305,000
(2) 97.20.001-Unallocated Reduction...	-20,000
6255-001-0001—For support of California State Summer School for the Arts	793,000
Schedule:	
(1) 10-California State Summer School for the Arts	805,000
(2) 97.20.001-Unallocated Reduction...	-12,000
6330-001-0890—For support of the California Occupational Information Coordinating Committee, payable from the Federal Trust Fund	325,000
6360-001-0001—For support of the Commission on Teacher Credentialing	2,700,000
Schedule:	
(1) 10-Standards for Preparation and Licensing of Teachers	2,700,000
6360-001-0407—For support of the Commission on Teacher Credentialing, payable from the Teacher Credentials Fund	12,314,000
Schedule:	
(1) 10-Standards for Preparation and Licensing of Teachers	12,390,000
(2) 10.40.010-Departmental Administration.....	4,755,000
(3) 10.40.020-Distributed Departmental Administration	-4,755,000
(4) Reimbursements (Cultural Competency Study)	-76,000
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	

Item	Amount
<p>\$55 for the issuance or renewal of a teaching credential.</p>	
<p>4. Of the funds appropriated in Schedule (1) of this item, \$366,000 is for maintenance costs of the Teacher Credentialing Service Improvement Project.</p>	
<p>5. 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 Teacher Credentials Fund. The Controller shall transfer those funds not sooner than 30 days after this notification.</p>	
<p>6. The Commission on Teacher Credentialing (CTC) shall submit quarterly reports to the Legislature, the Legislative Analyst's Office, and the Department of Finance on the minimum, maximum, and average number of days taken to process: (a) renewal and university-recommended credentials, (b) out-of-state and special education credentials, (c) service credentials and supplemental authorizations, (d) adult and vocational education certificates and child center permits, (e) emergency permits, and (f) the percentage of renewals and new applications completed online. The report should also include information on the hours of staff time utilized to process the different types of credentials. The quarterly reports shall commence on October 1, 2005, and provide monthly data for July, August, and September. Subsequent reports shall include historical data as well as data from the most recent quarter. The CTC shall work to reduce its processing time.</p>	
<p>8. By November 15, 2005, the Commission on Teacher Credentialing shall submit a detailed proposal to the Department of Finance (DOF), the Joint Legislative Budget Committee, and the chairpersons of the committees in each house of the Legislature that consider appropriations re-</p>	

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garding the feasibility of relying on internal legal counsel rather than Attorney General representation at administrative hearings. The proposal shall include a comprehensive description of the option, a review of how it has worked at other state agencies, an explanation of how and when it could be implemented, and a refined estimate of the associated savings. The DOF and the Legislature shall consider this proposal when developing the commission's budget for the 2006-07 fiscal year. (The commission's preliminary estimate of potential savings is \$927,000.)

- 9. By November 15, 2005, the Commission on Teacher Credentialing shall submit a detailed proposal to the Department of Finance (DOF), the Joint Legislative Budget Committee, and the chairpersons of the committees in each house of the Legislature that consider appropriations regarding the feasibility of establishing fees for disciplinary reviews and associated disciplinary actions. The proposal shall include a comprehensive description of the option, explain how and when it could be implemented, and identify the associated savings. The DOF and the Legislature shall consider this proposal when developing the commission's budget for the 2006-07 fiscal year. (The commission's preliminary estimate of new revenue is \$2,900,000.)

- 10. By December 15, 2005, the Commission on Teacher Credentialing shall report to the Department of Finance, the Joint Legislative Budget Committee, and the chairpersons of the committees in each house of the Legislature that consider appropriations on its efforts to streamline and automate its review of teacher credentials submitted by institutions of higher education as well as child development permits submitted by community colleges. The report shall include a description of the automation efforts the commission has undertaken and an estimate of the resulting number of staff hours freed up for processing other credential applications.

6360-001-0408—For support of the Commission on Teacher Credentialing, payable from the Test Development and Administration Account, Teacher Credentials Fund.....

3,767,000

Item	Amount
Schedule:	
(1) 10-Standards for Preparation and Licensing of Teachers	3,767,000
Provisions:	
1. The amount appropriated in this item may be increased for unanticipated costs of litigation, or for costs from increases in the number of examinees, subject to approval of the Department of Finance, not sooner than 30 days after notification in writing to the chairpersons of the fiscal committees of each house and the Chairperson of the Joint Legislative Budget Committee.	
2. Notwithstanding Section 44234 of the Education Code, funds that are set aside for pending litigation costs shall not be considered part of the reserve of the Teacher Credentials Fund for purposes of subdivision (b) of Section 44234 of the Education Code.	
3. 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 Teacher Credentials Fund. The Controller shall transfer those funds not sooner than 30 days after this notification.	
6360-101-0001—For local assistance, Commission on Teacher Credentialing (Proposition 98), Program 10, Standards for Preparation and Licensing of Teachers	31,814,000
Schedule:	
(1) 10.20.001-Alternative Certification Program.....	24,923,000
(2) 10.20.002-California School Paraprofessional Teacher Training Program.....	6,583,000
(3) 10.10.001-Teacher Misassignment Monitoring.....	308,000

Item		Amount
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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) 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.

6360-495—Reversion, California Commission on Teacher Credentialing. The following amounts shall revert to the Proposition 98 Reversion Account:

- (1) \$1,034,000 or whatever lesser or greater amount reflects unexpended funds from Schedule (1) of Item 6360-101-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (2) \$651,000 or whatever lesser or greater amount reflects unexpended funds from Schedule (2) of Item 6360-101-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (3) \$489,000 or whatever lesser or greater amount reflects the unexpended funds from Schedule (3) of Item 6360-101-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).

6420-001-0001—For support of California Postsecondary Education Commission	2,059,000
Schedule:	

- | | |
|---|-----------|
| (1) 100000-Personal Services | 1,872,000 |
| (2) 300000-Operating Expenses and Equipment | 660,000 |
| (3) 555000-Unallocated Reduction | -32,000 |

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(4) Reimbursements.....	-3,000
(5) Amount payable from the Federal Trust Fund (Item 6420-001-0890).	-438,000
6420-001-0890—For support of California Postsecondary Education Commission, for payment to Item 6420-001-0001, payable from the Federal Trust Fund	438,000
6420-101-0890—For local assistance, California Postsecondary Education Commission, payable from the Federal Trust Fund	8,579,000
Provisions:	
1. The funds appropriated in this item are for local assistance activities funded through the No Child Left Behind Act (P.L. 107-110).	
6440-001-0001—For support of University of California	2,617,636,000
Schedule:	
(1) Support	2,534,140,000
(2) Charles R. Drew Medical Program.	8,738,000
(3) Acquired Immune Deficiency Syndrome (AIDS) Research	9,214,000
(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
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	

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- ensure by adequate controls that funds appropriated by Schedule (2) are expended solely for the support of the program identified in that schedule.
4. 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.
 5. 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.
 6. 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.
 7. 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.
 8. 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.
 12. It is the intent of the Legislature that the University of California report by April 1, 2006, on the outcomes and effectiveness of COSMOS, consistent with the accountability framework developed by the University of California for student academic preparation and education programs in April 2005.
 13. The amount appropriated in Schedule (1) includes funding for the University of California at Berkeley, Institute for Governmental Studies, to support 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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17. 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.	
18. The funds appropriated in Schedule (7) are for support of the Subject Matter Projects.	
21. Of the amount appropriated in Schedule (1), \$17,300,000 is appropriated for student academic preparation and education programs (SAPEP) matched with \$12,000,000 from existing university resources for a total of \$29,300,000 for these programs. The University of California will provide a plan to the Department of Finance and the fiscal committees of the Legislature for expenditure of both state and university funds for SAPEP by September 1, 2005. It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the University of California in April 2005. The report should be submitted to the fiscal committee of each house of the Legislature by no later than April 1, 2006.	
23. The amount appropriated in Schedule (1) includes funding for the University of California to enroll 205,976 full-time equivalent (FTE) students (excluding students in nonstate supported summer instruction programs). The Legislature expects the University of California to enroll this number of FTE students during the 2005–06 academic year. The University of California shall report to the Legislature by March 15, 2006, on whether it has met the 2005–06 enrollment goal. This report shall exclude FTE students in nonstate supported summer instruction programs. If the University of California does not meet its enrollment goal, the Director of Finance shall revert to the General Fund by April 1, 2006, the to-	

Item	Amount
tal amount of enrollment funding associated with the share of the enrollment goal that was not met.	
24. Of the amount appropriated in Schedule (1), \$300,000 shall be used to support 20 full-time equivalent students in the Program in Medical Education for the Latino Community (PRIME-LC). The primary purpose of this program is to train physicians specifically to serve in under-represented communities. The University of California shall report to the Legislature by March 15, 2006, on (a) its progress in implementing the PRIME-LC program and (b) the use of the total funds provided for this program from both state and nonstate resources.	
25. Of the funds appropriated in Schedule (1), \$31,664,000 shall be expended for the purposes identified in Provisions 12 to 21, inclusive, of Item 6440-001-0001 of Section 2.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003), and shall be allocated in proportion to the amounts designated in those provisions.	
6440-001-0007—For support of University of California, payable from the Breast Cancer Research Account	12,776,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, the funds appropriated in this item shall be available for expenditure until June 30, 2008.	
6440-001-0046—For support of University of California, Institute of Transportation Studies, payable from the Public Transportation Account, State Transportation Fund	980,000
6440-001-0234—For support of the University of California, payable from the Research Account, Cigarette and Tobacco Products Surtax Fund.....	14,253,000
Provisions:	
1. The funds appropriated in this item are to be allocated for research regarding tobacco use, with an emphasis on youth and young adults, including, but not limited to, the effects of active and passive smoking, the primary prevention of tobacco use, nicotine addiction and its treatment, the effects of secondhand smoke, and public health issues surrounding tobacco use.	

Item	Amount
2. Notwithstanding subdivision (a) of Section 2.00 of this act, the funds appropriated in this item are available for expenditure until June 30, 2008.	
6440-001-0308—For support of the University of California, payable from the Earthquake Risk Reduction Fund of 1996.....	1,500,000
Provisions:	
1. The funds appropriated in this item shall be expended for the Center for Earthquake Engineering Research, contingent upon the center continuing to receive federal matching funds from the National Science Foundation.	
6440-001-0321—For support of University of California, payable from the Oil Spill Response Trust Fund.....	1,300,000
Provisions:	
1. The funds appropriated in this item shall be available to support the Oiled Wildlife Care Network.	
6440-001-0890—For support of University of California, payable from the Federal Trust Fund.....	5,000,000
Provisions:	
1. The funds appropriated in this item are for the federal Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP) (20 U.S.C. 1070a-21 et seq.). These funds are provided to the University of California as the fiscal agent for this intersegmental program.	
6440-001-0945—For support of the University of California, payable from the California Breast Cancer Research Fund.....	473,000
Provisions:	
1. Notwithstanding subdivision (a) of Section 2.00 of this act, the funds appropriated in this item shall be available for expenditure until June 30, 2008.	
6440-001-3054—For support of University of California	1,752,000
Provisions:	
1. The funds appropriated in this item shall be used to support the analysis of health care-related legislation, in accordance with Chapter 795 of the Statutes of 2002.	
6440-002-0001—For support of University of California	(55,000,000)
Provisions:	
1. Notwithstanding Section 2.00 of this act, the funds appropriated in this item are not available for expenditure or encumbrance prior to July 1,	

Item	Amount
<ul style="list-style-type: none"> 2006. Claims for these funds shall be submitted by the University of California on or after July 1, 2006, and before October 1, 2006. 2. No reserve may be established by the Controller for this appropriation before July 1, 2006. 	
6440-003-0001—For support of the University of California, for payments on lease-purchase bonds.....	144,851,000
Schedule:	
<ul style="list-style-type: none"> (1) Rental, insurance, and administrative payments147,367,000 (2) Reimbursements..... -2,516,000 	
Provisions:	
<ul style="list-style-type: none"> 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 needed to ensure debt requirements are met. 2. This item may contain adjustments pursuant to Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30. 	
6440-004-0001—For support of University of California	24,000,000
Provisions:	
<ul style="list-style-type: none"> 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. 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 	

Item	Amount
Finance for review and concurrence prior to execution of the lease to ensure that the proposed lease is consistent with legislative intent. The submission of the lease shall also include an economic analysis detailing the cost benefit of the project.	
6440-005-0001—For support of University of California	4,750,000
Provisions:	
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 pursuant to subdivision (c) of Section 92901 of the Education Code to support the California Institutes for Science and Innovations.	
6440-006-0001—For support of University of California Schedule:	108,000
(1) Membership Dues: Federal Fiscal Year 2006	108,000
Provisions:	
1. Funds appropriated in this item are to support California’s membership in the Western Interstate Commission on Higher Education.	
6440-011-0042—For transfer by the Controller from the State Highway Account, State Transportation Fund to the Earthquake Risk Reduction Fund of 1996.....	(1,000,000)
6440-301-6041—For capital outlay, University of California, payable from the 2004 Higher Education Capital Outlay Bond Fund	136,456,000
Schedule:	
Berkeley Campus:	
(1) 99.01.225-Seismic Safety Corrections, Giannini Hall—Preliminary plans.....	1,055,000
(2) 99.01.240-Doe Library Seismic and Program Improvements, Stage 4—Construction.....	30,810,000
Irvine Campus:	
(3) 99.09.340-Computer Science Unit 3—Equipment.....	3,025,000
Los Angeles Campus:	
(4) 99.04.265-Life Sciences Replacement Building—Working drawings	4,740,000

Item	Amount
Riverside Campus:	
(5) 99.05.200-Environmental Health and Safety Expansion—Preliminary plans and working drawings.....	1,000,000
(6) 99.05.205-Student Academic Support Services Building—Preliminary plans and working drawings	1,650,000
San Diego Campus:	
(7) 99.06.330-Biomedical Library Renovation and Addition—Equipment	695,000
(8) 99.06.340-Student Academic Services Facility—Equipment.....	504,000
(9) 99.06.355-Mayer Hall Addition and Renovation—Equipment.....	445,000
(10) 99.06.370-Music Building—Construction	36,125,000
San Francisco Campus:	
(11) 99.02.145-Medical Sciences Building Improvements, Phase 2—Construction.....	15,319,000
Santa Barbara Campus:	
(12) 99.08.120-Snidecor Hall Office Wing Seismic Replacement—Equipment	405,000
Santa Cruz Campus:	
(13) 99.07.130-Humanities and Social Sciences Facility—Equipment	1,075,000
(14) 99.07.165-McHenry Project—Construction	33,782,000
(15) 99.07.170-Alterations for Engineering, Phase 3—Construction....	4,161,000
(16) 99.07.175-Digital Arts Facility—Working drawings.....	888,000
(17) 99.07.180-Infrastructure Improvements, Phase 1—Preliminary plans.....	777,000
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	

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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 of each year, 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 of each year, 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 rates until June 30, 2006.

6440-302-0574—For capital outlay, University of California, payable from the 1998 Higher Education Capital Outlay Bond Fund	9,000,000
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Schedule:

Los Angeles Campus:

- (1) 99.04.265-Life Sciences Replacement Building—Working drawings and construction..... 9,000,000

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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 in this item for equipment may be used for an augmentation under this provision, or be augmented from any other funds appropriated in 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, in this respect, means 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 any other provision of law, the appropriation made in this item is available for encumbrance or expenditure during the 2005–06 and 2006–07 fiscal years, except that the funds appropriated for construction only must be bid during the 2005–06 fiscal year, and are available for expenditure until June 30, 2007, and that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2008. For the purposes of encumbrance, funds appropriated for construction management and project-

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contingency 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 Provision 5.

- 5. Identified savings in a budget for a capital outlay project, as appropriated in this item, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used without further approval: (a) to augment projects consistent with Provision 2, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (d) to proceed with the design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990, or (e) to fund minor capital outlay projects.
- 6. No later than December 1 of each year, the University of California shall submit a report outlining the expenditures for each project of the funds appropriated by this item to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the fiscal committees of each house of the Legislature, 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 2002 Higher Education Capital Outlay Bond Fund 5,802,000

Schedule:

Los Angeles Campus:

- (1) 99.04.265-Life Sciences Replacement Building—Working drawings and construction..... 5,802,000

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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 in this item for equipment may be used for an augmentation under this provision, or be augmented from any other funds appropriated in 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, in this respect, means 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 any other provision of law, the appropriation made in this item is available for encumbrance or expenditure during the 2005–06 and 2006–07 fiscal years, except that the funds appropriated for construction only must be bid during the 2005–06 fiscal year, and are available for expenditure until June 30, 2007, and that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2008. For the purposes of encumbrance, funds appropriated for construction management and project-

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contingency 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 Provision 5.

- 5. Identified savings in a budget for a capital outlay project, as appropriated in this item, remaining after completion of a capital outlay project and upon resolution of all change orders and claims, may be used without further approval: (a) to augment projects consistent with Provision 2, (b) to proceed further with the underground tank corrections program, (c) to perform engineering evaluations on buildings that have been identified as potentially in need of seismic retrofitting, (d) to proceed with the design and construction of projects to meet requirements under the federal Americans with Disabilities Act of 1990, or (e) to fund minor capital outlay projects.
- 6. No later than December 1 of each year, the University of California shall submit a report outlining the expenditures for each project of the funds appropriated by this item to the Chairperson of the Joint Legislative Budget Committee, the chairpersons of the fiscal committees of each house of the Legislature, 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.

6440-302-6041—For capital outlay, University of California, payable from the 2004 Higher Education Capital Outlay Bond Fund 201,205,000

Schedule:

Davis Campus:

- (1) 99.03.315-Electrical Improvements, Phase 3—Working drawings and construction 10,166,000

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(2) 99.03.325-Physical Sciences Expansion—Working drawings and construction.....	46,280,000
(3) 99.03.345-Steam Expansion, Phase 1—Working drawings and construction	10,483,000
Irvine Campus:	
(4) 99.09.350-Engineering Unit 3—Construction.....	47,347,000
(5) 99.09.355-Social and Behavioral Sciences Building—Preliminary plans and working drawings.....	2,850,000
Los Angeles Campus:	
(5.5) 99.04.265-Life Sciences Replacement Building—Working drawings and construction.....	32,500,000
Riverside Campus:	
(6) 99.05.190-Materials and Science and Engineering Building—Construction	50,549,000
Division of Agriculture and Natural Resources:	
(7) 99.10.055-Lindcove Research and Extension Center Laboratory Facility—Preliminary plans, working drawings and construction	1,030,000
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 in this item for equipment may be used for an augmentation under this provision, or be augmented from any other funds appropriated in this item. This condition does not limit the au-	

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- thority 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 any other provision of law, the appropriation made by this item is available for encumbrance during the 2005–06 and 2006–07 fiscal years, except that the funds appropriated for construction only must be bid during the 2005–06 fiscal year, and are available for expenditure until June 30, 2007, and that the funds appropriated for equipment purposes are available for encumbrance until June 30, 2008. 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 Provision 5.
 5. Identified savings in a budget for a capital outlay project, as appropriated in 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

Item	Amount
<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 Chairperson of the Joint Legislative Budget Committee, the chairpersons 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 projects identified in Schedules (4) and (5) of this item may utilize design-build construction consistent with practices, policies, and procedures of the University of California.</p> <p>6440-401—Identified savings in funds encumbered from Higher Education Capital Outlay Bond Funds of 1986, 1988, 1990, 1992, 1996, 1998, and 2002 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, and (e) for identified savings in funds encumbered from the Higher Education Capital Outlay Bond Funds of 1996, 1998, and 2002, to fund minor capital outlay projects.</p> <p>No later than December 1 of each year, the University of California shall prepare a report showing (a) the identified savings by project and (b) the pur-</p>	

Item	Amount
<p>pose 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>6440-490—Reappropriation, University of California. Notwithstanding any other provision of law, the balances as of June 30, 2005, 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, 2006:</p>	
<p>0001—General Fund</p>	
<p>(1) Item 6440-001-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004).</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 2004 (Ch. 208, Stats. 2004), \$15,000,000 shall be available for deferred maintenance, special repair projects, and the replacement of instructional equipment. As of June 30, 2005, 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, 2005, of Item 6440-001-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004), by September 30, 2005, and the expenditures made pursuant to this item by September 30, 2006.</p>	
<p>6440-491—Reappropriation, University of California. 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, in those appropriations:</p>	
<p>6041—Higher Education Capital Outlay Bond Fund of 2004</p>	
<p>(1) Item 6440-301-6041, Budget Act of 2004 (Ch. 208, Stats. 2004)</p>	
<p>Davis Campus:</p>	
<p>(2) 99.03.305-Robert Mondavi Institute for Wine and Food Science—Construction</p>	
<p>(3) 99.03.310-Seismic Corrections, Phase 4—Construction</p>	

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San Diego Campus:	
(13) 99.06.370-Music Building—Working drawings	
Merced Campus:	
(23) 99.11.035-Logistical Support/Service Facilities—Construction and equipment	
6440-495—Reversion, University of California. As of June 30, 2005, the sum of \$2,500,000 from the appropriation provided in the following citation shall revert to the balance of the fund from which the appropriation was made:	
6041—Higher Education Capital Outlay Bond of 2004 Los Angeles Campus:	
(1) Item 6440-301-6041, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(6) 99.04.320-CHS South Tower Seismic Renovation, Phase A—Working drawings	
6600-001-0001—For support of Hastings College of the Law	8,363,000
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. Notwithstanding any other law, funds in this item shall not be expended at a rate in excess of one-twelfth of the total amount in any month of the 2005–06 fiscal year.	
6610-001-0001—For support of the California State University	2,553,835,250
Schedule:	
(1) Support	3,978,413,250
(3) Reimbursements	–186,032,000
(4) Amount payable from the Higher Education Fees and Income, CSU Fund (Item 6610-001-0498)....	–1,212,546,000
(5) Amount payable from the 2004 Higher Education Capital Outlay Bond Fund (Item 6610-001-6041).	–26,000,000
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.	

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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 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, \$33,785,000 is provided for student financial aid grants. These financial aid funds shall be provided to needy students according to the nationally accepted needs analysis methodology.
8.	Of the amount appropriated in Schedule (1), \$52,000,000 is provided for student academic preparation and student support services programs. The university will provide \$45,000,000 and the state will provide \$7,000,000 to support the Early Academic Assessment Program, Campus-Based Outreach Programs and the Educational Opportunity Program. It is the intent of the Legislature that the university report on the outcomes and effectiveness of the Early Academic Assessment Program to the fiscal committees of each house of the Legislature no later than March 15, 2006.
10.	The amount appropriated in Schedule (1) includes funding for the California State University to enroll 332,223 full-time equivalent (FTE)

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<p>students (excluding students in nonstate supported summer instruction programs). The Legislature expects the university to enroll this number of FTE students during the 2005–06 academic year. The university shall provide a preliminary report to the Legislature by March 15, 2006, and a final report by May 1, 2006, on whether it has met the 2005–06 enrollment goal. These reports shall exclude FTE students in nonstate supported summer instruction programs. If the university does not meet its enrollment goal, the Director of Finance shall revert to the General Fund by May 15, 2006, the total amount of enrollment funding associated with the share of the enrollment goal that was not met.</p>	
<p>11. Of the amount appropriated in Schedule (1), \$4,000,000 is to support the development of entry-level master’s degree programs in nursing, pursuant to Article 8 (commencing with Section 89270) of Chapter 2 of Part 55 of Title 3 of the Education Code.</p>	
<p>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.....</p>	1,212,546,000
<p>Provisions:</p>	
<p>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.</p>	
<p>6610-001-0890—For support of the California State University, payable from the Federal Trust Fund.....</p>	39,789,000
<p>Provisions:</p>	
<p>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.</p>	
<p>6610-001-6041—For support of the California State University, for payment to Item 6610-001-0001, payable from the 2004 Higher Education Capital Outlay Bond Fund</p>	26,000,000

Item	Amount
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	3,034,000
Schedule:	
(1) Center for California Studies— Fellows Program.....	610,000
(2) Center for California Studies— Other	36,500
(3) Assembly Fellows	597,851
(4) Senate Fellows	597,851
(5) Executive Fellows	597,351
(6) Judicial Fellows	421,659
(7) LegiSchool Project.....	116,788
(8) Sacramento Semester Internship Program.....	56,000
6610-003-0001—For support of the California State University for payments on lease-purchase bonds.....	61,668,000
Schedule:	
(1) Rental, insurance, and administra- tive payments	62,190,000
(2) Reimbursements.....	-522,000
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 needed to ensure debt requirements are met.	
2. This item may contain adjustments pursuant to Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30.	
6610-301-6041—For capital outlay, California State University, payable from the 2004 Higher Education Capital Outlay Bond Fund	111,050,000
Schedule:	
(1) 06.48.315-Systemwide: Minor Capital Outlay—Preliminary plans, working drawings and con- struction	16,000,000
(1.5) 06.54.081-Dominguez Hills: Edu- cational Resource Center Addition—Construction.....	34,876,000

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(2.5) 06.64.082-Hayward: Student Services Replacement Building—Preliminary plans and working drawings.....	1,651,000
(3) 06.71.107-Long Beach: Seismic Upgrade, Liberal Arts 2, 3, and 4—Preliminary plans, working drawings and construction.....	1,253,000
(3.5) 06.71.110-Long Beach: Peterson Hall 3 Replacement Building—Working drawings.....	2,048,000
(4) 06.98.107-Pomona: Library Addition and Renovation—Working drawings and construction.....	55,222,000

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 of 1990.

No later than March 1 of each year, 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 of each year, 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.

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6610-302-6041—For capital outlay, California State University, payable from the 2004 Higher Education Capital Outlay Bond Fund	206,367,000
Schedule:	
(1) 06.52.109-Chico: Student Services Center—Equipment.....	2,201,000
(3) 06.56.093-Fresno: Library Addition and Renovation—Working drawings and construction	86,419,000
(4) 06.67.098-Humboldt: Forbes PE Complex Renovation—Working drawings and construction	41,488,000
(5) 06.67.100-Humboldt: Mai Kai Land Acquisition—Acquisition	6,000,000
(7) 06.71.111-Long Beach: Library Addition and Renovation—Working drawings and construction.....	31,326,000
(8) 06.73.094-Los Angeles: Science Replacement Building, Wing A—Equipment.....	4,635,000
(9) 06.82.086-Northridge: Performing Arts Center—Preliminary plans....	1,210,000
(10) 06.80.157-San Diego: Social Sciences/Art Gallery/Parking Structure 8—Equipment	3,324,000
(11) 06.86.115-San Jose: Joint Library, Secondary Effects—Equipment	2,171,000
(12) 06.96.115-San Luis Obispo: Engineering/Architecture Renovation and Replacement, Phase II—Equipment	5,573,000
(13) 06.68.120-San Marcos: Craven Hall Renovation—Equipment	527,000
(14) 06.90.085-Sonoma: Darwin Hall—Equipment	2,221,000
(15) 06.90.086-Sonoma: Music/Faculty Office Building—Construction	16,247,000
(16) 06.92.064-Stanislaus: Science II (Seismic)—Equipment	3,025,000
Provisions:	
1. Notwithstanding Section 13332.11 of the Government Code or any other provision of law, the California State University may proceed with any phase of any project identified in the above schedule, including preparation of preliminary plans,	

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working drawings, construction, or equipment purchase, without the need for any further approvals.	
<p>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 this item 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 in this item. This condition does not limit the authority of the California State University to use nonstate funds for these purposes.</p>	
<p>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 the 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.</p>	
<p>4. Identified savings in a budget for a capital outlay project, as appropriated in 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</p>	

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<p>1990, (e) to fund minor capital outlay projects, or (f) to fund feasibility studies for capital outlay.</p> <p>5. 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 Chairperson of the Joint Legislative Budget Committee, the chairperson of the fiscal committees of each house, the Legislative Analyst, and the Director of Finance. The report 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>6. Notwithstanding any other provision of law, the appropriation made in this item is available for encumbrance during the 2005–06 and 2006–07 fiscal years, except that the funds appropriated for construction only must be bid by the 2005–06 fiscal year, and will be available for expenditure until June 30, 2007, and funds appropriated for equipment purposes are available for encumbrance until June 30, 2008. 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), (e), and (f) of Provision 4.</p> <p>6610-401—Identified savings in funds encumbered from Higher Education Capital Outlay Bond Funds of 1986, 1988, 1990, 1992, 1996, 1998, and 2002 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</p>	

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<p>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> <p>No later than November 1 of each year, the California State University 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>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 encumbrance or expenditure until June 30, 2006:</p> <p>0001—General Fund</p> <p>(1) Item 6610-001-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)</p> <p>Provisions:</p> <ol style="list-style-type: none"> 1. Of the funds reappropriated in this item from Item 6610-001-0001, Budget Act of 2004 (Ch. 208, Stats. 2004), up to \$15,000,000 shall be available for the general support of the California State University. This \$15,000,000 limitation applies only to reappropriations generated from systemwide allocations. As of June 30, 2005, 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, 2005, report to the Department of Finance and the Joint Legislative Budget Committee the amount of the balance as of June 30, 2005, of Item 6610-001-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004), and a proposed expenditure plan for that balance. The California State University shall report by September 30, 2006, on the expenditures made pursuant to this item. 	

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0498—Higher Education Fees and Income, CSU Fund	
(1) Item 6610-001-0498, Budget Act of 2004 (Ch. 208, Stats. 2004).	
6610-493—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, in those appropriations:	
6028—Higher Education Capital Outlay Bond Fund of 2002	
(1) Item 6610-301-6028, Budget Act of 2002 (Ch. 379, Stats. 2002)	
Humboldt Campus:	
(5.5) 06.67.087.202-Humboldt: Behavioral and Social Sciences Phase I—Construction	
6610-494—Reappropriation, California State University. Notwithstanding any other provision of law, the following shall be available for liquidation until June 30, 2006:	
(1) Item 6610-302-0574, Budget Act of 1999 (Ch. 50, Stats. 1999), as reappropriated by Item 6610-492, Budget Act of 2003 (Ch. 157, Stats. 2003), and Item 6610-494, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(8) 06.84.098-San Francisco State University: Renovate Hensill Hall (Seismic)—Construction ..	29,166,000
(2) Item 6610-301-0574, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(9) 06.73.088-Los Angeles: Telecommunications Infrastructure—Construction	7,521,000
6610-495—Reversion, California State University. As of June 30, 2005, \$15,520,000 from the appropriation provided in Schedule (1) of Item 6610-001-0001, Budget Act of 2004 (Ch. 208, Stats. 2004), shall revert to the General Fund, pursuant to Provision 8 of that item.	
6870-001-0001—For support of Board of Governors of the California Community Colleges.....	9,231,000
Schedule:	
(1) 10-Apportionments.....	853,000
(2) 20-Special Services and Operations	16,270,000
(3) 30.01-Administration.....	4,088,000

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| (4) | 30.02-Administration—Distri-
buted | -4,088,000 |
| (5) | 97.20.001-Unallocated Reduction... | -137,000 |
| (6) | Reimbursements | -7,755,000 |

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.
2. Of the amount appropriated in this item, \$417,000 is appropriated for four positions to support workload associated with a district-specific accountability program. These positions are contingent upon the enactment of legislation in the 2005–06 Regular Session that establishes a program for district-specific reporting and evaluation of educational outcomes in response to Chapter 581 of the Statutes of 2004. It is intended that the first report for the district-specific accountability system be provided in January 2007, reflecting outcomes

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from the 2005–06 fiscal year in context as specified in the enacted legislation.	
6870-001-0574—For support of Board of Governors of the California Community Colleges, Program 20.40.010-Facilities Planning, payable from the 1998 Higher Education Capital Outlay Bond Fund	1,434,000
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	19,000
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	15,000
6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98).....	3,153,227,000
Schedule:	
(1) 10.10.010-Appportionments	2,462,948,000
(2) 10.10.020-Basic Skills and Apprenticeship	43,453,000
(3) 10.10.030-Growth for Appportionments	136,709,000
(4) 20.10.005-Student Financial Aid Administration	51,600,000
(5) 20.10.020-Disabled Students.....	91,191,000
(6) 20.10.045-Special Services for CALWORKS Recipients.....	34,603,000
(7) 20.10.060-Foster Care Education Program.....	4,754,000
(8) 20.10.070-Matriculation.....	66,332,000
(9) 20.20.020-Academic Senate for the Community Colleges.....	467,000
(10) 20.20.041-Equal Employment Opportunity pursuant to Ch. 1169, Statutes of 2002.....	1,747,000
(11) 20.20.050-Part-time Faculty Health Insurance	1,000,000
(12) 20.20.051-Part-time Faculty Compensation	50,828,000
(13) 20.20.055-Part-time Faculty Office Hours.....	7,172,000

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(14) 20.30.011-Telecommunications and Technology Services.....	24,397,000
(15) 20.30.050-Economic Development.....	35,790,000
(16) 20.30.070-Transfer Education and Articulation.....	1,974,000
(17) 20.40.026-Physical Plant and Instructional Support.....	27,345,000
(18) 20.10.010-Extended Opportunity Programs and Services and Special Services.....	104,759,000
(19) 20.30.045-Fund for Student Success	6,158,000

Provisions:

1. The funds appropriated in Schedules (1), (2), (3), (4), (5), (6), (7), (8), (10), (11), (12), (13), \$22,050,000 in Schedule (14), (15), (17), and (18) are for transfer by the Controller during the 2005–06 fiscal year to Section B of the State School Fund.
2. The amount appropriated in Schedule (1) reflects the intent of the Legislature to defer \$200,000,000 for apportionments to the 2006–07 fiscal year, pursuant to separate legislation enacted for the 2005–06 fiscal year.
3. 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 full-time-equivalent students (FTES), consistent with K–12 declining 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.
- 4.7. The amount appropriated in Schedule (1) includes a restored amount of \$31,409,000 to encourage district-level accountability efforts. The Chancellor of the California Community Colleges shall allocate these funds to community college districts in the same amounts that were reduced from each district pursuant to budget reductions related to Partnership for Excellence funds in the 2004–05 fiscal year. The allocation

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of these funds shall be contingent on the enactment of legislation during the 2005–06 Regular Session that establishes a program for district-specific reporting and evaluation of educational outcomes in response to Chapter 581 of the Statutes of 2004. It is intended that the first report for the district-specific accountability system be provided by March 31, 2007, reflecting outcomes from the 2005–06 fiscal year in context as specified in the enacted legislation. In addition, the chancellor shall provide preliminary data to the Department of Finance and the Legislative Analyst’s Office by January 31, 2007.

5. 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) Notwithstanding any other provision of law or regulation, the Chancellor of the California Community Colleges shall not reduce district workload obligations for a lack of a funded cost-of-living adjustment.
- 5.5. Of the amount appropriated in Schedule (1), \$10,000,000 shall be used to provide additional support for nursing program enrollment and equipment needs.
 - (a) The Board of Governors of the California Community Colleges shall develop a Request for Applications (RFA) to allocate the funds appropriated in this subdivision to community college districts. Criteria for assessing the RFA shall include, but not be limited to, all of the following:
 - (1) The degree to which the funds provided would be used to increase student enrollments in nursing programs, beyond the level of full-time equivalent students (FTES) served in 2004–05.

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- (2) An agreement by the community college district to have either adopted, or initiated a validation study and plan to adopt, the model prerequisites described in the community colleges Registered Nurse and Licensed Vocational Nurse model prerequisites validation studies.
 - (3) The degree to which funds provided would be used to support infrastructure or equipment needs with the intent of building capacity and increasing the number of nursing students served.
 - (b) On or before March 1, 2006, the Chancellor of the California Community Colleges shall provide the Legislature and the Department of Finance with a report on the allocation of funding. For each district receiving funding under this item, the report shall indicate (1) the amount of funding received, (2) the number of nursing FTES served in 2004–05, and the additional number of nursing FTES to be served with funding provided by this item, (3) the status of the district’s efforts to adopt merit-based admissions criteria, and (4) any equipment or infrastructure-related items acquired with the funds appropriated in this item.
- 6. Notwithstanding any other provision of law, \$30,724,000 of the funds appropriated in Schedule (2) is for allocation to community college districts in the 2005–06 fiscal year for the purposes of funding full-time-equivalent students (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 2005–06 fiscal year exceeds the level of total FTES funded for that district in the 2005–06 fiscal year. The Chancellor of the California Community Colleges shall develop criteria for allocating these funds.
- 6.25. Of the funds appropriated in Schedule (1), \$10,000,000 is to increase the noncredit instruction rate.

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- 6.5. Of the funds appropriated in Schedule (1), \$20,000,000 is for equalization pursuant to this provision, and shall be allocated according to the formula specified in Chapter 216 of the Statutes of 2004. These funds shall not be considered to be Program Improvement funds pursuant to Title 5 regulations.
- 6.6. It is the intent of the Legislature to provide funding to community colleges for career technical education programs through legislation to be enacted during the 2005–06 Regular Session which is effective on or before January 1, 2006, pursuant to Section 24.50.
7. Of the funds appropriated in Schedule (2), the funds not required for the 2005–06 fiscal year to meet the demand for the program funded under that schedule 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, 2006.
8. (a) Of the amount appropriated in Schedule (2), up to \$12,729,000 shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college-related and supplemental instruction pursuant to Section 3074 of the Labor Code as provided in Section 8152 of the Education Code. No community college district shall use funds available under this provision to offer any new apprenticeship training program or the expansion of any existing program unless the new program or expansion has been approved by the chancellor.
- (b) Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of four dollars and eighty-six cents (\$4.86) per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.

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9. Notwithstanding any other provision of law, 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, dance, 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 implement the criteria required by Provision 5(a) of Item 6870-101-0001 of the Budget Act of 2003 for the allocation of funds appropriated in Schedules (1) and (3), 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.
- 10.5. (a) Of the funds appropriated in Schedule (4), not less than \$9,291,000 is available to provide \$0.91/unit reimbursement to community college districts for the provision of Board of Governors (BOG) fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
- (b) Of the funds appropriated in Schedule (4), not less than \$5,309,000 is available to provide reimbursement of 2 percent of total waiver value to community college districts for the provision of BOG fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
- (c) (1) Of the amount appropriated in Schedule (4), \$2,800,000 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

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and tax credits are available to cover enrollment fees and help with books and other costs; and (3) the active 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.

- (2) Of the amount appropriated in Schedule (4), not more than \$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

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demonstrated by BOG fee waiver program participation within a district. It is the intent of the Legislature, to the extent that funds are provided in this section, that all 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 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.

- (3) 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.
- (4) 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, 2006, on the use of the funds allocated pursuant to Provision 10(b), 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.

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- (5) It is the intent of the Legislature that the Chancellor of the California Community Colleges report by September 1, 2005, pursuant to Provision 10(b)(5) of Item 6870-101-0001 of the Budget Act of 2004, on the impact of fee increases and outreach efforts on student headcount and FTES enrollment for the 2003 and 2004 academic years.
11. Of the funds appropriated in Schedule (18), \$91,287,000 is for Extended Opportunity Programs and Services (EOPS) 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 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. \$13,495,000 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 of the California Community Colleges shall allocate funds on a priority basis and to local programs on the basis of need for student services.
12. Of the funds appropriated in Schedule (19), \$6,158,000 is for additional targeted student services, to be expended as follows:
- (1) \$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.
 - (2) Up to \$2,459,000 is for the Mathematics, Engineering and Science Achievement (MESA) Program. For each dollar allocated, the recipient district shall provide one dollar in matching funds.

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- (3) No less than \$1,778,000 is for the Middle College High School Program. With the exception of fully compliant special part-time students at the community colleges pursuant to Sections 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. Further, no community college state apportionment shall be made available for physical education classes, noncredit classes, nor other courses specified in Provision 9.
13. (a) The funds appropriated in Schedule (5) are for assisting districts in 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, as mandated by federal law.
- (b) Of the amount appropriated in Schedule (5), \$3,945,000 shall be used to address deficiencies identified by the federal Office of Civil Rights (OCR), as determined by the Chancellor's Office of the California Community Colleges.
- (c) Of the amount appropriated in Schedule (5) 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 (5) of this item, \$1,702,000 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 2005–06 fiscal year, the associated funds

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shall, upon order of the Department of Finance, after 30 days' notice to the Chairperson of the Joint Legislative Budget Committee, be transferred to the State Department of Developmental Services (DDS). For any transfer of funds to DDS during the 2005–06 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.

14. The funds appropriated in Schedule (6), 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 Schedule (6) shall be for current CalWORKs recipients or prior CalWORKs recipients who are in transition off of cash assistance for no more than two years. Current cash assistance recipients may utilize these services until their initial educational objectives are met. Former recipients in transition off of cash assistance may utilize these services for a period of up to two years after 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 of the California Community Colleges 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.

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- (e) Instruction.
- (f) Postemployment skills training and related skills.

Of the amount appropriated in Schedule (6) 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 2005–06 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 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 full-time-equivalent students (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 submit applications to the chancellor's office by October 15 of each year. If

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the chancellor approves the use of funds for direct instructional workload, the chancellor's office shall submit a report to the Department of Finance and the Joint Legislative Budget Committee by November 15, 2005, 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 (6), by the fourth week following the end of the semester or quarter term commencing in January 2006, 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 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.

First priority for expenditures of any funds appropriated in Schedule (6) 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

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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, 2005, 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.

15. Funds appropriated in Schedule (6) 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 (P.L. 104-193) and may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
- 16.5. (a) Funds provided in Schedule (7) shall be allocated to provide foster and relative/kinship care education and training. Districts shall ensure that education and training required by Sections 1529.1 and 1529.2 of the Health and Safety Code and Section 16003 of the Welfare and Institutions Code receive priority. Districts may use any remaining funds for additional parenting skills and training.

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- (b) Funds provided in Schedule (7) shall be used for foster parent and relative/kinship care provider education training services consistent with the following criteria:
 - (1) The Chancellor of the California Community Colleges shall use these funds exclusively for foster parent and relative/kinship care provider education and training, as specified by the chancellor in consultation with an advisory committee that includes foster parents, representatives of statewide foster parent organizations, parent and relative/kinship care providers, and representatives from the State Department of Social Services.
 - (2) Acceptance of funds under this program shall constitute agreement by the district to comply with such reporting requirements, guidelines, and other conditions for receipt of funding as the chancellor may establish.
 - (3) Each college plan for foster and relative/kinship care education programs shall include the provision of training to facilitate the development of foster family homes, small family homes, and relative/kinship homes to care for no more than six children who have special mental, emotional, developmental, or physical needs.
 - (4) The California Department of Social Services shall facilitate the participation of county welfare departments in the foster and relative/kinship care education program.
- 17. (a) Funds appropriated in Schedule (8) are for the purpose of student matriculation pursuant to Article 1 (commencing with Section 78210) of Chapter 2 of Part 48 of the Education Code.
- (b) Of the amount appropriated in Schedule (8), an amount equal to \$14,842,670 shall be allocated to community college districts on a one-to-one matching funds basis to provide matriculation services, including, but not limited to, orientation, assessment,

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- 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.
- 17.5. The funds in Schedule (12) 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 of the California Community Colleges. These funds are to be used to assist 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.
18. (a) \$9,550,000 of the funds provided in Schedule (14) 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 of the California Community Colleges, 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.

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- (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.
- (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.
- (b) \$12,500,000 of the funds provided in Schedule (14) shall be available for allocations to districts. It is the intent of the Legislature that these funds be used by colleges to maintain the technology capabilities specified in Provision 21(a) of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003). These funds shall not supplant existing funds used for those purposes, and colleges shall match maintenance and ongoing costs with other funds as provided by Provision 21(a) of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (c) Of the funds provided in Schedule (14), \$1,347,000 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,

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- 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 for Education, and the Department of Finance no later than November 1, 2005, for review and comment.
- (d) Of the funds provided in Schedule (14), \$1,000,000 is for ongoing support and expansion of the California Partnership for Achieving Student Success Program (CalPASS).
19. Of the funds provided in Schedule (15) for the Economic and Workforce Development Program:
- (a) \$19,829,170 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 of the California Community Colleges, for the continued operation of Mexican International Trade Centers.
- (b) \$5,862,138 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.
- (c) \$2,705,000 is allocated for statewide network leadership, organizational development, coordination, information and support services, or other program purposes.
- (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

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- for one-time activities listed under subdivision (j) of Section 88531 of the Education Code.
- (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) to (j), inclusive, 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 community college districts on a one-time basis for equipment start-up matching costs associated with nursing program expansion funded through reimbursements from WIA. The chancellor shall initiate a competitive Request for Funding Proposals process for the allocation of these funds to local districts.
 - (g) Funds allocated by the Board of Governors of the California Community Colleges 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

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- support by business shall not be eligible for continued funding. The board of governors shall consider the level of involvement and financial commitments of business and industry as primary factors in making awards. The chancellor shall incorporate grant requirements into its guidelines for audits of Economic Development grants.
- (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. As part of the annual report on the performance of the Economic Development program, the chancellor shall provide disaggregated data detailing the funding 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 each center and collaborative.
20. (a) Of the funds appropriated in Schedule (16), \$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 2005–06.
- (b) Funding provided to community college districts from Schedule (16) is provided to directly offset any mandated costs claimed by community college districts pursuant to Chapter 737 of the Statutes of 2004.
- (c) The Chancellor of the California Community Colleges may redirect funding between the program referenced in subdivision (a) not sooner than 30 days from the date of notification to the Joint Legislative Budget Committee of approval by the Department of Finance.

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21. The funds appropriated in Schedule (17) are available for the following purposes:
 - (a) Scheduled maintenance and special repairs of facilities, replacement of instructional equipment, and replacement of library materials. The Chancellor of the California Community Colleges 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 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 \$1 a district expends from this appropriation for scheduled maintenance and special repairs, the recipient district shall provide \$1 in matching funds. 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.
 - (b) Hazardous substances, abatement, cleanup, and repairs.
 - (c) 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.

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<p>The amounts in Schedule (17) of this item shall be available for expenditure until June 30, 2007.</p> <p>22. Pursuant to Sections 69648.5, 78216, and 84850, and subdivision (b) of Section 87108, of the Education Code, the Board of Governors of the California Community Colleges may allocate funds appropriated in Schedules (5), (8), (10), and (18) 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.</p>	
<p>6870-101-0909—For local assistance, Board of Governors of the California Community Colleges, payable from the Community College Fund for Instructional Improvement</p>	302,000
<p>Schedule:</p> <p>(2) 20.30.022-Instructional Improvement Loans</p>	302,000
<p>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</p>	15,000
<p>6870-102-0959—For transfer by the Controller, upon order of the Director of Finance, from the Foster Parent Training Fund to the General Fund</p>	(3,000,000)
<p>6870-103-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98), to allow selected community colleges to make required lease-purchase payments</p>	60,043,000
<p>Schedule:</p> <p>(1) Rental and administration</p> <p>(2) Reimbursements</p>	60,554,000 -511,000
<p>Provisions:</p> <p>1. The funds appropriated in this item are for transfer by the Controller to Section B of the State School Fund.</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 needed to ensure debt requirements are met.</p>	

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3. This item may contain adjustments pursuant to Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Section 4.30.	
6870-111-0001—For local assistance, Board of Governors of the California Community Colleges.....	0
Schedule:	
(1) 10.20-CalWORKs Services.....	8,000,000
(2) 20.10.060-Foster Parent Training ...	6,112,000
(3) 20.30.030-Vocational Education.....	61,262,000
(3.5) 20.40.010-Facilities Planning	123,000
(4) Reimbursements	-75,497,000
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 of receiving 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 regarding the services and instruction that are needed for CalWORKs recipients.	
3. Of the funds appropriated in Schedule (3), \$4,521,000 is one-time carryover available for the support of additional vocational education instructional activities. These funds shall be used during the 2005–06 academic year to support additional alignment and articulation of K–12 tech prep programs with local community college economic development programs in an effort to incorporate greater participation of K–12 pupils in sequenced, industry-driven coursework that leads to meaningful employment in today’s high-tech, high-demand, and emerging technology areas of industry employment.	
4. The funds appropriated in Schedule (3.5) reflect an interagency agreement between the Chancellor of the California Community Colleges and the State Energy Resources Conservation and Devel-	

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<p>opment Commission for the purpose of developing an Interval Meter Pilot Program on selected community college campuses.</p> <p>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.....</p>	4,000
Schedule:	
(1) 98.01.000.184-Health Fees (Ch. 1, Stats. 1984, 2nd Ex. Sess.) (CSM-4206).....	1,000
(2) 98.01.090.896-Sex Offenders: Disclosure Requirements (Ch. 908, Stats. 1996) (CSM-97-TC-15)	2,000
(3) 98.01.028.498-Law Enforcement Jurisdiction Agreements (Ch. 284, Stats. 1998) (CSM-98-TC-20)	1,000
Provisions:	
<p>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.</p> <p>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 therefore is provided to the chairperson</p>	

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of the committee in each house, which considers appropriations, and the Chairperson of the Joint Legislative Budget Committee or his or her designee.	
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	5,772,000
Schedule:	
Los Angeles Community College District	
Los Angeles Trade Technical College	
(1) 40.26.704-Building F Structural Repair—Preliminary plans, working drawings, and construction	2,374,000
Santa Barbara Community College District	
Santa Barbara City College	
(2) 40.53.121-Physical Science Renovation—Construction.....	3,398,000
6870-301-6041—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 2004 Higher Education Capital Outlay Bond Fund	234,334,000
Schedule:	
Barstow Community College District	
Barstow College	
(1) 40.04.103-Student Services Modernization—Preliminary plans, working drawings, and construction.....	1,520,000
Butte-Glenn Community College District	
Butte College	
(2) 40.05.107-Library Renovation and Expansion—Preliminary plans, working drawings, construction, and equipment	8,402,000
Citrus Community College District	
Citrus College	
(4) 40.09.123-Vocational Technology Building—Preliminary plans and working drawings	866,000

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Desert Community College District College of the Desert	
(5) 40.10.113-Water and Sewer Infra- structure Replacement—Pre- liminary plans and working draw- ings	232,000
Contra Costa Community College District Los Medanos College	
(6) 40.13.315-Core Building Re- model—Preliminary plans and working drawings	182,000
El Camino Community College District El Camino College	
(7) 40.14.110-Learning Resource Cen- ter Addition—Construction and equipment.....	8,151,000
Foothill-DeAnza Community College District DeAnza College	
(8) 40.15.106-Performing Arts Center—Preliminary plans, work- ing drawings, construction, and equipment.....	4,428,000
Hartnell Community College District Hartnell East Campus	
(9) 40.20.102-Center for Assess- ment and Lifelong Learning— Construction and equipment	10,303,000
Kern Community College District Porterville College	
(10) 40.22.306-Science Moderniza- tion—Preliminary plans, working drawings, and construction	2,605,000
Long Beach Community College District Long Beach City College Pacific Coast Campus	
(11) 40.25.119-Library/Learning Re- source Center—Construction and equipment.....	5,757,000
Long Beach City College Liberal Arts Campus	
(12) 40.25.201-Library/Learning Re- source Center Renovation/ Addition—Construction and equipment.....	13,715,000
Los Angeles Community College District Los Angeles City College	
(13) 40.26.205-Learning Resource Center (Health and Safety)— Equipment	1,298,000

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Los Angeles Harbor College	
(14) 40.26.303-Adaptive Physical Education and Physical Education Building Renovation—Construction and equipment	6,280,000
(15) 40.26.304-Child Development Center—Preliminary plans, working drawings, construction, and equipment.....	3,296,000
Los Angeles Mission College	
(16) 40.26.412-Health and Physical Education Building—Preliminary plans, working drawings, construction, and equipment	13,259,000
Los Angeles Pierce College	
(17) 40.26.509-Physical Sciences Renovation—Preliminary plans, working drawings, construction, and equipment	3,785,000
Los Rios Community College District	
Cosumnes River College	
(18) 40.27.211-Police, Print and Office Building Modernization—Preliminary plans, working drawings and construction.....	1,991,000
Sacramento City College	
(19) 40.27.311-North Gym Building Modernization—Preliminary plans, working drawings, and construction	3,004,000
Folsom Lake College	
(20) 40.27.504-Fine Arts Instructional Building—Preliminary plans, working drawings, and construction.....	11,434,000
Merced Community College District	
Merced College	
(21) 40.30.118-Lesher Building Remodel—Preliminary plans, working drawings, construction, and equipment	2,627,000
Mira Costa Community College District	
Mira Costa College	
(22) 40.31.109-Horticulture Project—Construction and equipment	5,838,000

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Monterey Peninsula Community College District	
Monterey Peninsula College	
(23) 40.32.103-Child Development Center—Construction and equipment.....	4,117,000
(24) 40.32.105-Library Building Renovation/Conversion—Preliminary plans, working drawings, construction, and equipment	2,715,000
Mt. San Jacinto Community College District	
Menifee Valley Center	
(25) 40.34.212-Technology Building—Construction and equipment	10,775,000
Palo Verde Community College District	
Palo Verde College	
(26) 40.37.104-Fine and Performing Arts—Preliminary plans and working drawings.....	1,071,000
Rancho Santiago Community College District	
Santiago Canyon College	
(27) 40.41.118-Learning Resource Center—Equipment.....	709,000
(28) 40.41.201-Science Building—Equipment	867,000
Rio Hondo Community College District	
Rio Hondo College	
(29) 40.43.106-Applied Technology Building Reconstruction—Preliminary plans and working drawings	828,000
(30) 40.43.108-Learning Resource/High Technology Center—Construction and equipment	28,211,000
San Francisco Community College District	
Phelan Campus	
(31) 40.48.107-Joint Use Instructional Facility—Working drawings	1,036,000
John Adams Center	
(32) 40.48.201-John Adams Modernization—Construction.....	23,176,000
San Luis Obispo County Community College District	
Cuesta College	
(33) 40.51.113-Reconstruct and Add Laboratories—Construction and equipment.....	6,812,000

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North County Center	
(34) 40.51.202-Technology and Trades Complex—Construction and equipment.....	7,816,000
San Mateo County Community College District	
Cañada College	
(35) 40.52.103-Library/Learning Resource Center/Student Services Center—Equipment.....	3,360,000
College of San Mateo	
(36) 40.52.207-Student Services Consolidation—Equipment.....	263,000
Skyline College	
(37) 40.52.310-Allied Health Vocational Training Center—Preliminary plans and working drawings.....	276,000
(39) 40.53.123-Drama/Music Building Modernization—Preliminary plans and working drawings.....	786,000
Santa Clarita Community College District	
College of the Canyons	
(40) 40.54.114-Physical Education Addition—Preliminary plans, working drawings, construction, and equipment	2,954,000
Sierra Joint Community College District	
Sierra College	
(41) 40.58.107-Construct New Classroom/Labs—Equipment.....	2,564,000
Sonoma County Community College District	
Santa Rosa Jr. College	
(42) 40.61.403-Plover Library Conversion—Construction.....	3,050,000
State Center Community College District	
Fresno City College	
(43) 40.64.108-Student Services Building Remodel—Construction	3,514,000
Willow International Center	
(44) 40.64.500-Academic Facilities and Site Development Phase 1—Equipment.....	3,920,000
Ventura County Community College District	
Oxnard College	
(45) 40.65.206-Warehouse Replacement—Construction and equipment.....	1,822,000

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Ventura College	
(46) 40.65.305-Buildings APP, S, and DP Modernization—Preliminary plans, working drawings, construction, and equipment	4,075,000
(47) 40.65.306-Communication Building Modernization—Construction and equipment	1,375,000
Victor Valley Community College District	
Victor Valley College	
(48) 40.66.116-Seismic Retrofit Auxiliary Gym—Construction and equipment.....	3,326,000
West Kern Community College District	
Taft College	
(49) 40.68.103-Science Modernization—Preliminary plans, working drawings, construction, and equipment	2,741,000
Yuba Community College District	
Yuba College	
(50) 40.71.108-Liberal Arts Modernization—Preliminary plans, working drawings, and construction	3,202,000
Provisions:	
1. The projects identified in Schedules (1), (2), (8), (10), (15), (16), (17), (18), (19), (20), (21), (24), (40), (46), (49), and (50) 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 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 of the California Community Colleges to the Department of Finance: (1) the program	

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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 any other provision of law, the appropriation made in this item is available for encumbrance or expenditure during the 2005–06 and 2006–07 fiscal years, except that the funds appropriated for equipment purposes are available for encumbrance or expenditure until June 30, 2008. 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 (Proposition 98), Board of Governors of the California Community Colleges. The sum of \$33,000,000 is reappropriated from the Proposition 98 Reversion Account, for the purpose of backfilling a projected shortfall in 2004–05 local property tax revenues for community colleges. To the extent that the funding provided for this purpose exceeds the amount necessary to compensate community colleges for the shortfall in local property tax revenues, the remaining funding shall be reappropriated to community colleges to further support equalizing community college apportionment rates.

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, in those appropriations:

6028—Higher Education Capital Outlay Bond Fund of 2002

- (1) Item 6870-301-6028, Budget Act of 2002 (Ch. 379, Stats. 2002)

Chaffey Community College District

Chaffey College

- (7) 40.08.109-Science Building—Construction

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(2) Item 6870-301-6028, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 6870-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	
Chaffey Community College District	
Chaffey College	
(7) 40.08.109-Science Building—Equipment	
Compton Community College District	
Compton College	
(10) 40.12.111-Performing Arts and Recreation Complex—Working drawings	
Los Angeles Community College District	
East Los Angeles College	
(32) 40.26.107-Fine and Performing Arts Center—Construction and equipment	
Los Angeles Mission College	
(34) 40.26.408-Child Development Center—Construction and equipment	
Los Angeles Trade Technical College	
(36) 40.26.702-Child Development Center—Construction and equipment	
Rancho Santiago Community College District	
Santiago Canyon College	
(55) 40.41.201-Science Building—Working drawings	
San Francisco Community College District	
Mission Center	
(61) 40.48.106-Mission Center Building—Construction and equipment	
Santa Barbara Community College District	
Santa Barbara City College	
(68) 40.53.121-Physical Science Renovation—Working drawings	
Shasta-Tehama-Trinity Joint Community College District	
Shasta College	
(73) 40.57.103-Library Addition—Construction and equipment	
West Valley-Mission Community College District	
West Valley College	
(90) 40.69.105-Campus Technology Center—Working drawings	
Mission College	
(91) 40.69.208-Main Building Third Floor Reconstruction—Construction and equipment	

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(3) Item 6870-301-6028, Budget Act of 2004 (Ch. 208, Stats. 2004) Los Angeles Community College District Los Angeles Pierce College (9) 40.26.503-Infrastructure Correction— Construction Mira Costa Community College District Mira Costa College (10) 40.31.110-Creative Arts Building Replacement—Construction West Valley-Mission Community College District West Valley College (16) 40.69.106-Math and Science Replace- ment—Working drawings 6041—Higher Education Capital Outlay Bond Fund of 2004	
(1) Item 6870-301-6041, Budget Act of 2004 (Ch. 208, Stats. 2004) Chaffey Community College District Chaffey College (4) 40.08.112-Health/Physical Science Building Renovation—Working drawings Compton Community College District Compton College (6) 40.12.111-Performing Arts and Recreation Complex—Construction and equipment Kern Community College District Porterville College (18) 40.22.305-Library Expansion—Construc- tion and equipment Los Angeles Community College District Los Angeles City College (23) 40.26.207-Learning Resource Center— Construction Los Angeles Harbor College (24) 40.26.302-Applied Technology Building— Construction and equipment Los Angeles Pierce College (26) 40.26.505-Child Development Center— Construction and equipment West Los Angeles College (27) 40.26.907-Science Complex—Construc- tion and equipment	

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- Los Rios Community College District
American River College
(28) 40.27.104-Fine Arts Modernization—
Construction
- Palo Verde Community College District
Palo Verde College
(37) 40.37.103-Physical Education Complex—
Construction and equipment
- Rancho Santiago Community College District
Santiago Canyon College
(38) 40.41.201-Science Building—Construc-
tion
- San Francisco Community College District
Chinatown Campus
(44) 40.48.108-Campus Building—Construc-
tion and equipment
- San Jose-Evergreen Community College District
San Jose City College
(47) 40.50.204-Applied Sciences Center—
Construction and equipment
- San Luis Obispo Community College District
North County Center
(49) 40.51.201-Learning Resource Center—
Construction and equipment
- Santa Barbara Community College District
Santa Barbara City College
(53) 40.53.122-High Technology Center—
Working drawings
- Sonoma County Community College District
Petaluma Center
(58) 40.61.200-Petaluma Center Phase II—
Construction and equipment
- Ventura County Community College District
Moorpark College
(66) 40.65.111-Reconstruction of Library
Building—Construction and equipment
- Victor Valley Community College District
Victor Valley College
(69) 40.66.117-Speech/Drama Studio Addi-
tion—Construction and equipment
- West Kern Community College District
Taft College
(71) 40.68.102-Remodel for Efficiency—
Construction and equipment

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Yosemite Community College District	
Modesto Junior College	
(73) 40.70.211-Auditorium Renovation/Expansion—Construction and equipment	
Copper Mountain Community College District	
Copper Mountain College	
(76) 40.72.100-Multi-use Sports Complex—Construction and equipment	
6870-495—Reversion, California Community Colleges (Proposition 98). The following amounts shall revert to the Proposition 98 Reversion Account:	
(1) \$200,000, or whatever greater or lesser amount represents the balance available, from Schedule (26) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2001 (Ch. 106, Stats. 2001)	
(2) \$250,000, or whatever greater or lesser amount represents the balance available, from subparagraph (B) of paragraph (1) of subdivision (a) of Section 34 of Chapter 891 of the Statutes of 2001	
6870-496—Reversion, Board of Governors of the California Community Colleges. As of June 30, 2005, the sum of \$8,115,000 from the appropriations provided for in the following citations shall revert to the balances of the funds from which the appropriations were made:	
6028—2002 Higher Education Capital Outlay Bond Fund	
(1) Item 6870-301-6028, Budget Act of 2003 (Ch. 157, Stats. 2003), as reappropriated by Item 6870-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	
Mira Costa Community College District	
Mira Costa College	
(46) 40.31.109-Horticulture Project—Construction and equipment	
(2) Item 6870-301-6028, Budget Act of 2004 (Ch. 208, Stats. 2004)	
Santa Barbara Community College District	
Santa Barbara City College	
(14) 40.53.121-Physical Science Renovation—Construction	
6041—2004 Higher Education Capital Outlay Bond Fund	
(1) Item 6870-301-6041, Budget Act of 2004 (Ch. 208, Stats. 2004)	

Item	Amount
West Valley-Mission Community College District	
West Valley College	
(72) 40.69.105-Campus Technology Center— Construction	
7980-001-0784—For support of Student Aid Commis- sion, payable from the Student Loan Operating Fund	13,494,000
Schedule:	
(1) 15-Financial Aid Grants Program...	11,951,000
(2) 50-California Loan Program	1,789,000
(3) 80.01-Administration and Support Services	3,302,000
(4) 80.02-Distributed Administration and Support Services	-3,302,000
(5) Reimbursements	-246,000
Provisions:	
1. The funds appropriated in this item shall only be available for the California Student Aid Commis- sion’s state operations activities.	
2. It is the intent of the Legislature that funding from the Student Loan Operating Fund be used in ac- cordance with federal law.	
4. (a) It is the intent of the Legislature to protect the value of EdFUND to the state, students, and institutions of higher education.	
(b) To meet this end, the California Student Aid Commission shall be required to provide no- tice to the Legislature and the Department of Finance in advance of any proposed action by the Student Aid Commission which would make substantial and significant changes to the governance of EdFUND, such as the com- position of the EdFUND Board of Directors and the roles and responsibilities of the Ed- FUND Board of Directors.	
(c) Any changes meeting the requirements in subdivision (b) shall be authorized no sooner than 45 days after notification of the necessity for the change, in writing, to the Joint Legis- lative Budget Committee and the Department of Finance. If the Director of Finance or the Joint Legislative Budget Committee notifies the Student Aid Commission regarding issues of concern with any of the proposed changes, the commission shall convene a meeting of	

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appropriate representatives from the commission, EdFUND, the Department of Finance, and the Legislature to resolve those issues.

- (d) This notification requirement does not apply to the day-to-day operational decisions of the Student Aid Commission, personnel decisions affecting staff, or changes otherwise contained in the annual EdFUND-Student Aid Commission Operating Agreement, as required by paragraph (1) of subdivision (d) of Section 69522 of the Education Code.
- (e) The Student Aid Commission shall consult with the various stakeholders, including, but not limited to, the Legislature, the Administration, the higher education segments, EdFUND management, and where appropriate, the financial community, prior to determining a course of action on the subjects of significance included in subdivision (b).
- (f) To further meet the goal set forth in subdivision (a), it is the intent of the Legislature not to approve any legislation that would be necessary to bring about the sale or transfer of the federal loan guarantee to any other entity.

7980-101-0001—For local assistance, Student Aid Commission.....	752,449,000
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Schedule:

- | | |
|--|-------------|
| (1) 15-Financial Aid Grants Program... | 838,193,000 |
| (2) Reimbursements | -73,161,000 |
| (3) Amount payable from the Federal Trust Fund (Item 7980-101-0890)..... | -12,583,000 |

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.
 - (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.

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- (e) The purchase of loan assumptions under Article 5 (commencing with Section 69612) of Chapter 2 of Part 42 of the Education Code. The Student Aid Commission shall issue 8,000 new warrants. The commission shall give first priority for the 300 additional new warrants to individuals training to become math, science, and special education teachers.
 - (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.
 - (h) The purchase of loan assumptions authorized pursuant to legislation enacted on or before January 1, 2006, establishing a graduate-level nursing loan assumption program. The California Student Aid Commission is hereby authorized to issue 100 loan assumption warrants pursuant to the purchase of loan assumptions.
2. If federal trust funds for the 2005–06 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 in 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 \$80,400 for the purposes of determining recipients for the 2005–06 award year.
 4. Notwithstanding any other provision of law, the maximum award for:
 - (c) New recipients attending private and independent institutions shall be \$8,322;
 - (d) All recipients receiving Cal Grant B access awards shall be \$1,551;
 - (e) All recipients receiving Cal Grant C tuition and fee awards shall be \$2,592; and
 - (f) All recipients receiving Cal Grant C book and supply awards 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

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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 (commencing with Section 69560) of Chapter 2 of Part 42 of the Education Code and Section 1072b of Title 20 of the United States Code.

- 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 Article 5.5 (commencing with Section 69618) of Chapter 2 of Part 42 of the Education Code.
- 7. The amount listed in Schedule (2) of this item includes \$51,000,000 in one-time funds received from the Student Loan Operating Fund, for expenditure within the Cal Grant Program.

The General Fund shall be reimbursed for Cal Grant expenditures as follows:

- (a) \$35,000,000 no later than 30 days after the 2005–06 Cal Grant fall term advance payments have been issued; and
- (b) \$16,000,000 as determined jointly with the Department of Finance to ensure the availability of cash within the Student Loan Operating Fund.

It is the intent of the Legislature that funding provided by the Student Loan Operating Fund for the Cal Grant programs be short term in nature until such time as the state’s fiscal situation improves to allow these programs to be funded wholly or in part by the state General Fund.

- 8. It is the intent of the Legislature that funding from the Student Loan Operating Fund be used in accordance with federal law.

7980-101-0890—For local assistance, Student Aid Commission, for payment to Item 7980-101-0001, payable from the Federal Trust Fund 12,583,000

7980-495—Reversion, Student Aid Commission. The unencumbered balance as of June 30, 2005, of the appropriation provided in the following citation shall revert to the fund balance of the fund from which the appropriation was made:

0001—General Fund

- (1) Item 7980-101-0001, Budget Act of 2004 (Ch. 208, Stats. 2004)

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	LABOR AND WORKFORCE DEVELOPMENT AGENCY	

7100-001-0001	—For support of Employment Development Department, for payment to Item 7100-001-0870.....	22,679,000
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Provisions:

1. Of the amount appropriated in this item, \$750,000 is for rural simulator projects, pursuant to Section 9619 of the Unemployment Insurance Code.

7100-001-0184	—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Employment Development Department Benefit Audit Fund	12,878,000
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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.

7100-001-0185	—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Employment Development Contingent Fund.....	75,103,000
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Provisions:

1. Funds appropriated in this item are in lieu of the amounts that otherwise would have been appropriated for administration pursuant to Section 1586 of the Unemployment Insurance Code.
2. The Director of Finance is authorized to approve expenditures in any amount made necessary by changes in either workload or payments, or any rule or regulation adopted as a result of the enactment of a federal or state law, the adoption of a federal regulation, or following a court decision, during the 2005–06 fiscal year that are within or in excess of amounts appropriated in this act for that year.
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.
4. Notwithstanding any other provision of law and sections of this act, the Director of the Employment Development Department (EDD) may augment this item by up to \$3,000,000 to make interest payments on an Unemployment Fund loan

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secured to pay Unemployment Insurance (UI) benefits. The EDD will notify the Department of Finance by October 1, 2005, of a planned augmentation by submitting an estimated interest calculation for review. The amount disbursed under this augmentation is limited to actual interest due on an Unemployment Fund loan secured to pay UI benefits. Pursuant to Provision 1 of Item 7100-011-0185, any amount not disbursed for the purpose specified above shall be transferred to the General Fund.	
7100-001-0514—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Employment Training Fund	43,499,000
Provisions:	
1. Upon order of the Director of Finance, funds disencumbered from Employment Training Fund training contracts during the 2005–06 fiscal year that have not reverted as of July 1, 2005, may be appropriated in augmentation of this item.	
2. Notwithstanding subparagraph (B) of paragraph (2) of subdivision (a) of Section 10206 of the Unemployment Insurance Code, the Employment Training Panel’s administrative costs may exceed 15 percent of the amount appropriated in this item.	
3. Of the amount appropriated in this item, \$2,500,000 is designated to fund a health care training program that will be adopted in legislation during the 2005–06 Regular Session.	
7100-001-0588—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the Unemployment Compensation Disability Fund.....	214,699,000
Provisions:	
1. The Employment Development Department shall submit on October 1, 2005, and April 20, 2006, 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 under-	

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lying all estimates within 15 working days of the due date. If the Department of Finance does not approve or modify in writing, the assumptions underlying all estimates within 15 working days of the due date, the Employment Development Department shall consider the assumptions and calculations approved as submitted. If the Department of Finance determines that the estimate of expenditures differs from the amount appropriated by this item, the Director of Finance shall so report to the Legislature. At the time the report is made, the amount of this appropriation shall be adjusted by the difference between this Budget Act appropriation and the approved estimate of the Department of Finance. Revisions reported pursuant to this provision are not subject to Section 28.00 of this act.

2. The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either workload or payments, or any rule or regulation adopted 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 2005–06 fiscal year that are within or in excess of amounts appropriated in this act for that year.

7100-001-0869—For support of state programs under the Workforce Investment Act (WIA), Employment Development Department, payable from the Consolidated Work Program Fund 154,044,000

Schedule:

- (5.5) 61.35-WIA Administration and Program Services 27,910,000
- (6) 61.40-WIA Growth Industries..... 3,809,000
- (7) 61.50-WIA Industries with a State-wide Need 14,200,000
- (8) 61.60-WIA Removing Barriers for Special Needs Populations..... 17,434,000
- (9) 61.70-WIA Rapid Response Activities 45,691,000
- (10) 62.10-National Emergency Grant Program..... 45,000,000

Provisions:

1. Provision 1 of Item 7100-001-0588 also applies to Schedules (5.5) and (9) of this item.

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- 1.5. For Schedules (6), (7), and (8), the Employment Development Department (EDD) shall submit on October 1, 2005, and April 20, 2006, to the Department of Finance for its review and approval an estimate of expenditures for both the current and budget fiscal years, including the assumptions and calculations underlying the EDD's projections for expenditures from these schedules. To the extent the EDD identifies unspent or receives unanticipated additional federal WIA 15 percent discretionary funds, the Department of Finance may increase expenditure authority for Schedules (6) to (8), inclusive, if the additional funding is consistent with the expenditure plan for WIA discretionary funds in this item and meets the four requirements set forth in subdivision (b) of Section 28.00. No augmentation exceeding two hundred fifty thousand dollars (\$250,000) shall be authorized sooner than 30 days after written notification is provided to the chairpersons of the committees in each house of the Legislature that consider the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine.
2. The Secretary of Labor and Workforce Development is authorized to transfer up to \$500,000 of the 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 WIA Program. Any transfer made pursuant to this provision shall be reported in writing to the Department of Finance, 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 of the transfer.
3. Notwithstanding any other provision of law, the Secretary of Labor and Workforce Development is authorized to transfer funds between categories (Schedules (5.5) to (8), inclusive) as included in the schedule to be used for projects. Any transfer made pursuant to this provision shall be reported

Item	Amount
in writing to the Department of Finance, the chairpersons of the fiscal committees of each house, and the Chairperson of the Joint Legislative Budget Committee within 30 days of the date of the transfer.	
7100-001-0870—For support of Employment Development Department, payable from the Unemployment Administration Fund-Federal.....	577,319,000
Schedule:	
(1) 10-Employment and Employment Related Services	208,356,000
(2) 21-Tax Collections and Benefit Payments	647,908,000
(3) 22-California Unemployment Insurance Appeals Board	78,429,000
(4) 30.01-General Administration	52,494,000
(5) 30.02-Distributed General Administration.....	-51,194,000
(6) 50-Employment Training Panel.....	38,182,000
(6.5) 63-Nursing Education Initiative ..	750,000
(7) 97.20.001-Unallocated Reduction...	-299,000
(8) Reimbursements.....	-27,228,000
(9) Amount payable from the General Fund (Item 7100-001-0001).....	-22,679,000
(10) Amount payable from the Employment Development Department Benefit Audit Fund (Item 7100-001-0184).....	-12,878,000
(11) Amount payable from the Employment Development Contingent Fund (Item 7100-001-0185).....	-75,103,000
(12) Amount payable from the Employment Training Fund (Item 7100-001-0514).....	-43,499,000
(13) Amount payable from the Unemployment Compensation Disability Fund (Item 7100-001-0588)....	-214,699,000
(14) Amount payable from the School Employees Fund (Item 7100-001-0908).....	-1,221,000
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.	

Item	Amount
<ul style="list-style-type: none"> 2. Provision 1 of Item 7100-001-0588 also applies to funds appropriated in this item for the Unemployment Insurance Program. 3. The Secretary for Labor and Workforce Development shall report to the Director of Finance, and the Joint Legislative Budget Committee on the progress of the Underground Economy Enforcement and shall provide justification for its continuance by September 13, 2007. 4. The Employment Development Department is authorized to use up to 5 percent of the amount appropriated for the Nurse Education Initiative in Items 7100-001-0001 and 7100-001-0514 to offset costs associated with administering the program. 	
7100-001-0908—For support of Employment Development Department, for payment to Item 7100-001-0870, payable from the School Employees Fund	1,221,000
Provisions:	
<ul style="list-style-type: none"> 1. The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either workload or payments, or any rule or regulation adopted 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 2005–06 fiscal year that are within or in excess of amounts appropriated in this act for that year. 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.....	(282,000)
Provisions:	
<ul style="list-style-type: none"> 1. The unencumbered balance in the Employment Development Department Benefit Audit Fund as of June 30, 2006, 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	(9,321,000)

Item	Amount
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, 2006.	
7100-011-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Unemployment Administration Fund—Federal	(586,043,000)
7100-021-0890—For support of Employment Development Department, payable from the Federal Trust Fund, for transfer to the Consolidated Work Program Fund.....	(154,044,000)
7100-101-0588—For local assistance, Employment Development Department, for Program 21—Tax collections and benefit payments, payable from the Unemployment Compensation Disability Fund	4,109,751,000
Provisions:	
1. The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either workload or payments, or any rule or regulation adopted 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 2005–06 fiscal year that are within or in excess of amounts appropriated in this act for that year.	
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.....	334,753,000
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	5,831,228,000

Item	Amount
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.....	(334,753,000)
7100-101-0908—For local assistance, Employment Development Department, for Program 21—Tax collections and benefit payments, payable from the School Employees Fund	138,329,000
Provisions:	
1. The Department of Finance is authorized to approve expenditures in those amounts made necessary by changes in either workload or payments, or any rule or regulation adopted 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 2005–06 fiscal year that are within or in excess of amounts appropriated in this act for that year.	
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	(5,831,228,000)
7100-311-0690—For capital outlay, Employment Development Department. To prevent the loss of funds in the Employment Development Department Building Fund, 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, 2006, the amount of funds transferred pursuant to this item.	

Item	Amount
7120-001-0890—For support of the California Workforce Investment Board, payable from the Federal Trust Fund.....	3,916,000
Schedule:	
(1) 10-California Workforce Investment Program	4,781,000
(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.	
7300-001-0001—For support of Agricultural Labor Relations Board	4,904,000
Schedule:	
(1) 10-Board Administration	2,144,000
(2) 20-General Counsel Administration.....	2,836,000
(3) 30.01-Administration Services	255,000
(4) 30.02-Distributed Administration Services.....	-255,000
(5) 97.20.001-Unallocated Reduction...	-76,000
Provisions:	
1. Notwithstanding any other provision of law, upon approval of the Department of Finance, the State Controller's Office shall reestablish up to 2.0 vacant positions within the Agricultural Labor Relations Board.	
7350-001-0001—For support of Department of Industrial Relations	64,249,000
Schedule:	
(1) 10-Self-Insurance Plans	3,587,000
(2) 20-Mediation/Conciliation	2,261,000
(3) 30-Division of Workers' Compensation	154,257,000
(4) 36-Commission on Health and Safety and Workers' Compensation.....	3,139,000

Item	Amount
(5) 40-Division of Occupational Safety and Health	85,225,000
(6) 50-Division of Labor Standards Enforcement	49,983,000
(7) 60-Division of Apprenticeship Standards	9,991,000
(8) 70-Division of Labor Statistics and Research	3,915,000
(9) 80-Claims, Wages, and Contingencies.....	892,000
(10) 94.01-Administration.....	26,939,000
(11) 94.02-Distributed Administration.....	-26,939,000
(12) 97.20.001-Unallocated Reduction.....	-955,000
(13) Reimbursements	-3,632,000
(14) Amount payable from the Farmworkers Remedial Account (Item 7350-001-0023)	-102,000
(15) Amount payable from the Cal-OSHA Targeted Inspection and Consultation Fund (Item 7350-001-0096).....	-15,279,000
(16) Amount payable from the Workers' Compensation Managed Care Fund (Item 7350-001-0132).....	-387,000
(17) Amount payable from the Industrial Relations Construction Industry Enforcement Fund (Item 7350-001-0216).....	-56,000
(18) Amount payable from the Workers' Compensation Administration Revolving Fund (Item 7350-001-0223)	-154,236,000
(19) Amount payable from the Asbestos Consultant Certification Account (Item 7350-001-0368).....	-328,000
(20) Amount payable from the Asbestos Training Approval Account (Item 7350-001-0369)	-120,000
(21) Amount payable from the Self-Insurance Plans Fund (Item 7350-001-0396)	-3,545,000
(22) Amount payable from the Elevator Safety Inspection Account (Item 7350-001-0452)	-13,460,000
(23) Amount payable from the Pressure Vessel Inspection Account (Item 7350-001-0453)	-3,245,000

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(24) Amount payable from the Garment Manufacturers Special Account (Item 7350-001-0481)	-200,000
(25) Amount payable from the Uninsured Employers' Account, Uninsured Employers Fund (Item 7350-001-0571)	-692,000
(26) Amount payable from the Employment Training Fund (Item 7350-001-0514)	-3,143,000
(27) Amount payable from the Federal Trust Fund (Item 7350-001-0890).	-31,583,000
(28) Amount payable from the Industrial Relations Unpaid Wage Fund (Item 7350-001-0913)	-4,939,000
(29) Amount payable from the Industrial Relations Unpaid Wage Fund (Section 96.6 of the Labor Code) .	-500,000
(30) Amount payable from the Electrician Certification Fund (Item 7350-001-3002)	-2,652,000
(31) Amount payable from the Permanent Amusement Ride Safety Inspection Fund (Item 7350-001-3003).....	-1,000,000
(32) Amount payable from the Garment Industry Regulations Fund (Item 7350-001-3004)	-3,362,000
(33) Amount payable from the Apprenticeship Training Contribution Fund (Item 7350-001-3022).....	-4,096,000
(34) Amount payable from the Workers' Occupational Safety and Health Education Fund (Item 7350-001-3030)	-1,213,000
(35) Amount payable from the Car Wash Worker Restitution Fund (Item 7350-001-3071)	-80,000
(36) Amount payable from the Car Wash Worker Fund (Item 7350-001-3072)	-160,000
(37) Amount payable from the Worker Safety Bilingual Investigative Support, Enforcement and Training Account (Item 7350-001-8024).....	-36,000

Item		Amount
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Provisions:

1. The Secretary of Labor and Workforce Development shall report to the Director of Finance, and the Joint Legislative Budget Committee on the progress of the Underground Economy Enforcement and shall provide justification for its continuance by September 13, 2007.
2. Of the amount provided in Schedule (6), \$3,000,000 shall be solely expended for additional field enforcement efforts by the Labor Commissioner and the Bureau of Field Enforcement regarding minimum wage and overtime law compliance in construction, agriculture, garment manufacturing, janitorial, and restaurant employment.
 - (a) The Department of Industrial Relations is authorized to establish positions for the additional field enforcement efforts.
 - (b) The new funds provided in this item shall be divided equally between urban and rural enforcement efforts.
 - (c) The new enforcement efforts funded by the augmentation to this item shall not be used to supplant funding previously intended by the Division of Labor Standards Enforcement to go into field enforcement activities for this fiscal year.
 - (d) The department shall provide the Legislature with a description of additional minimum wage and overtime law compliance activities undertaken with this augmentation, as well as an assessment of whether a continued special focus on minimum wage and overtime law compliance is warranted. This update shall be provided during budget hearings.

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
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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		15,279,000
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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	387,000
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.....	56,000
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.....	154,236,000

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 60 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, the Subsequent Injuries Benefits Trust Fund, and the Uninsured Employers Benefits Trust 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.
2. Notwithstanding any other provision of law, the funds appropriated in this item may be used to pay workers’ compensation benefits for the Subsequent Injuries Program and the Uninsured Employers Program, if either or both of those funds’

Item	Amount
reserves are insufficient to make the payments. Any expenditures made pursuant to this provision shall be credited to the Workers' Compensation Administration Revolving Fund upon receipt of sufficient revenues.	
3. Notwithstanding any other provision of law, upon approval by the Department of Finance, the State Controller shall reestablish up to 274.3 vacant positions within the Department of Industrial Relations for the implementation of workers' compensation reforms enacted in Chapter 6 of the Statutes of 2002, Chapter 639 of the Statutes of 2003, and Chapter 34 of the Statutes of 2004.	
7350-001-0368—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Asbestos Consultant Certification Account.....	328,000
7350-001-0369—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Asbestos Training Approval Account.	120,000
7350-001-0396—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Self-Insurance Plans Fund	3,545,000
7350-001-0452—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Elevator Inspection Account	13,460,000
7350-001-0453—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Pressure Vessel Account	3,245,000
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	3,143,000
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, \$3,143,000 from the Employment Training Fund	

Item	Amount
<p>shall be transferred by the State Controller to the Department of Industrial Relations for the support of the Division of Apprenticeship Standards.</p>	
<p>7350-001-0571—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Uninsured Employers Fund</p>	692,000
<p>Provisions:</p>	
<p>1. Notwithstanding any other provision of law, the amount available for expenditure in this appropriation may be used for Underground Economy Enforcement.</p>	
<p>7350-001-0890—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Federal Trust Fund</p>	31,583,000
<p>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</p>	4,939,000
<p>Provisions:</p>	
<p>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 and the Division of Occupational Safety and Health to administer the following: (a) the Targeted Industries Partnership Program to increase enforcement and compliance in the agricultural, garment, and restaurant industries, and (b) the Economic and Employment Enforcement Coalition (Underground Economy Program).</p>	
<p>2. It is the intent of the Legislature that the Targeted Industries Partnership Program result in increased enforcement of, and compliance by, the agricultural, garment, and restaurant industries regarding wages, hours, conditions of employment, licensing, registration, child labor laws and regulations.</p>	
<p>7350-001-3002—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Electrician Certification Fund</p>	2,652,000
<p>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</p>	1,000,000
<p>7350-001-3004—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Garment Industry Regulations Fund..</p>	3,362,000

Item	Amount
7350-001-3022—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Apprenticeship Training Contribution Fund	4,096,000
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	1,213,000
7350-001-3071—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Car Wash Worker Restitution Fund...	80,000
7350-001-3072—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Car Wash Worker Fund	160,000
7350-001-8024—For support of Department of Industrial Relations, for payment to Item 7350-001-0001, payable from the Worker Safety Bilingual Investigative Support, Enforcement, and Training Account.....	36,000
Provisions:	
1. Notwithstanding any other provision of law, upon approval of the Director of Finance, this item may be augmented if revenues become available.	
7350-011-0913—For transfer by the Controller, upon order of the Director of Finance, from the Industrial Relations Unpaid Wage Fund to the General Fund..	(1,000)
Provisions:	
1. Notwithstanding any other provision of law, the State Controller shall transfer to the General Fund the unencumbered balance, less six months of expenditures, as determined by the Director of Finance, in the Industrial Relations Unpaid Wage Fund as of June 30, 2006.	
7350-491—Reappropriation, Department of Industrial Relations. Up to \$990,000 of the appropriation provided for in Item 7350-001-0223, Budget Act of 2004 (Ch. 208, Stats. 2004), is reappropriated and shall be available for encumbrance or expenditure until June 30, 2006.	
Provisions:	
1. Up to 274.3 vacant positions provided to implement workers’ compensation reforms abolished pursuant to Section 12439 of the Government Code may be reestablished upon approval by the Department of Finance.	

Item	Amount
GENERAL GOVERNMENT	
8120-001-0268—For support of Commission on Peace Officer Standards and Training, payable from the Peace Officers’ Training Fund.....	14,145,000
Schedule:	
(1) 10-Standards	5,105,000
(2) 20-Training	29,226,000
(3) 30-Peace Officer Training.....	118,000
(4) 40.01-Administration.....	5,649,000
(5) 40.02-Distributed Administration ...	-5,649,000
(6) Reimbursements.....	-1,259,000
(7) Amount payable from the Peace Officers’ Training Fund (Item 8120-011-0268)	-17,489,000
(8) 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.....	17,489,000
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 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	

Item	Amount
<p>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>	21,382,000
<p>Provisions:</p> <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. 	
<p>8140-001-0001—For support of State Public Defender..</p>	11,330,000
<p>Schedule:</p>	
<p>(1) 10-State Public Defender.....</p>	11,506,000
<p>(2) 97.20.001-Unallocated Reduction...</p>	-176,000

Item	Amount
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 local government for costs of homicide trials, for payment by the State Controller.....	4,305,000
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. All counties that apply for a grant pursuant to this item shall provide the State Controller’s Office and the Department of Finance a written summary of any amounts that they received pursuant to this item in a previous fiscal year that were not expended as of June 30, 2006. This summary shall detail the amount of unexpended funds by the fiscal year in which they were received. The summary also shall include a description of the purposes for which the county proposes to use the unexpended funds. Applicant counties shall provide this written summary to the State Controller’s Office and the Department of Finance no later than June 30, 2006. To ensure compliance	

Item	Amount
with this requirement, the State Controller's Office shall notify counties of this requirement when they submit their applications for funding.	
8260-001-0001—For support of California Arts Council	1,153,000
Schedule:	
(1) 90-Arts Council	3,274,000
(2) 97.20.001-Unallocated Reduction...	-18,000
(3) Reimbursements	-197,000
(4) Amount payable from the Graphic Design License Plate Account (Item 8260-001-0078)	-968,000
(5) Amount payable from the Federal Trust Fund (Item 8260-001-0890).	-938,000
8260-001-0078—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Graphic Design License Plate Account	968,000
8260-001-0890—For support of California Arts Council, for payment to Item 8260-001-0001, payable from the Federal Trust Fund.....	938,000
8320-001-0001—For support of Public Employment Relations Board	5,558,000
Schedule:	
(1) 11-Public Employment Relations ...	5,656,000
(2) 97.20.001-Unallocated Reduction...	-86,000
(3) Reimbursements	-12,000
8380-001-0001—For support of Department of Personnel Administration	9,669,000
Schedule:	
(1) 10-Policy Operations	5,181,000
(2) 20-Labor Relations.....	3,198,000
(3) 25-Legal	5,494,000
(4) 40.01-Administration.....	4,168,000
(5) 40.02-Distributed Administration ...	-4,168,000
(6) 54-Benefits Administration	20,392,000
(7) 97.20.001-Unallocated Reduction...	-141,000
(8) Reimbursements.....	-13,410,000
(9) Amount payable from the Flexelect Benefit Fund (Item 8380-001-0821).....	-1,249,000
(10) Amount payable from the Deferred Compensation Plan Fund (Item 8380-001-0915)	-9,796,000
Provisions:	
2. Of the funds appropriated in this item, \$573,000 shall be used to complete a comprehensive salary survey that includes private and public employers,	

Item	Amount
geographical data, and total compensation. The Department of Personnel Administration shall provide to the appropriate fiscal and policy committees of each house of the Legislature and the Legislative Analyst, within 30 days of completion, each completed salary survey report.	
8380-001-0821—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Flexelect Benefit Fund.....	1,249,000
8380-001-0915—For support of Department of Personnel Administration, for payment to Item 8380-001-0001, payable from the Deferred Compensation Plan Fund	9,796,000
8380-004-0001—For support of Department of Personnel Administration	23,305,000
Schedule:	
(1) 54-Benefits Administration	23,650,000
(2) 97.20.001-Unallocated Reduction...	-345,000
8380-490—Reappropriation, Department of Personnel Administration. Notwithstanding any other provision of law, as of June 30, 2005, 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 and expenditure until June 30, 2006:	
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), Item 8380-490, Budget Act of 2002 (Ch. 379, Stats. 2002) and Item 8380-490, Budget Act of 2003 (Ch. 157, Stats. 2003), Budget Act of 2004 (Ch. 208, Stats. 2004)	
8380-495—Reversion, Department of Personnel Administration. Notwithstanding subdivision (h) of Section 22877 of the Government Code, and as of June 30, 2005, the unencumbered balances of the appropriations provided in the following citations shall revert to the balance of the fund from which the appropriation was made:	
0001—General Fund	
(1) Item 8380-004-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)	
(2) Item 8380-004-0001, Budget Act of 2001 (Ch. 106, Stats. 2001)	
(3) Item 8380-004-0001, Budget Act of 2002 (Ch. 379, Stats. 2002)	

Item	Amount
(4) Item 8380-004-0001, Budget Act of 2003 (Ch. 157, Stats. 2003)	
8385-001-0001—For support of California Citizens’ Compensation Commission, Program 10	14,000
8500-001-0152—For support of Board of Chiropractic Examiners, payable from the State Board of Chiropractic Examiners Fund	2,636,000
Schedule:	
(1) 10-Board of Chiropractic Examiners	2,678,000
(2) Reimbursements	-42,000
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.	
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.....	1,524,000
Schedule:	
(1) 10.01-Support	631,000
(2) 10.02-Training.....	893,000
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.	
8550-001-0191—For support of California Horse Racing Board, payable from the Fair and Exposition Fund	8,477,000
Schedule:	
(1) 10-California Horse Racing Board.	8,747,000
(2) Amount payable from the Racetrack Security Account, Special Deposit Fund (Item 8550-001-0942).....	-270,000
8550-001-0942—For support of California Horse Racing Board, for payment to Item 8550-001-0191, payable from the Racetrack Security Account, Special Deposit Fund	270,000
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, 2006	(2,000,000)

Item	Amount
8570-001-0001—For support of Department of Food and Agriculture	63,208,000
Schedule:	
(1) 11-Agricultural Plant and Animal, Pest and Disease Prevention	89,480,000
(2) 21-Marketing, Commodities, and Agricultural Services.....	23,076,000
(3) 31-Assistance to Fairs and County Agricultural Activities	3,332,000
(4) 41.01-Executive, Management, and Administrative Services.....	14,422,000
(5) 41.02-Distributed Executive, Management, and Administrative Services.....	-13,237,000
(6) 97.20.001-Unallocated Reduction...	-1,566,000
(7) Reimbursements.....	-7,322,000
(8) Amount payable from the Department of Agriculture Account, Department of Agriculture Fund (Item 8570-001-0111).....	-15,387,000
(9) Amount payable from the Fair and Exposition Fund (Item 8570-001-0191).....	-3,643,000
(10) Amount payable from the Harbors and Watercraft Revolving Fund (Item 8570-001-0516)	-1,241,000
(11) Amount payable from the Agriculture Building Fund (Item 8570-001-0601)	-1,439,000
(12) Amount payable from the Federal Trust Fund (Item 8570-001-0890).....	-22,653,000
(13) Amount payable from the Agricultural Pest Control Research Account (Item 8570-011-0112)	-5,000
(14) Amount payable from the Satellite Wagering Account (Item 8570-012-0192).....	-609,000
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. Notwithstanding provision (c) of Section 224 of the Food and Agricultural Code, any unencumbered balance of	

Item

Amount

these funds shall revert to the General Fund on June 30, 2006. 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 upon the approval of the Director of Finance. The funds that are so appropriated are not subject to Section 26.00, 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, 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 resolution 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.

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

15,387,000

Item	Amount
Provisions:	
1. The amount appropriated in this item includes revenues derived from the assessment of fines and penalties imposed as specified in Government Code Section 13332.18.	
8570-001-0191—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Fair and Exposition Fund.....	3,643,000
8570-001-0516—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Harbors and Watercraft Revolving Fund	1,241,000
8570-001-0601—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Agriculture Building Fund.....	1,439,000
Provisions:	
1. Funds appropriated in this item are in lieu of the appropriation made by Section 624 of the Food and Agricultural Code.	
8570-001-0890—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Federal Trust Fund.....	22,653,000
Provisions:	
1. The Department of Finance may authorize the augmentation of this item in an amount not to exceed a cumulative total of \$1,500,000. Any augmentation pursuant to this provision shall be made only if the Department of Food and Agriculture has a valid federal contract or grant. These funds shall not be used for state or federal cooperative fruit fly eradication projects. The augmentations pursuant to this authority are not subject to Section 26.00 or 28.00 of this act.	
2. The Director of Finance may authorize an augmentation of the amount available for activities pursuant to the federal Specialty Crop Block Grant from unexpended funds federally authorized for the program in 2002. The Secretary of Food and Agriculture shall submit a spending plan to the Department of Finance for approval. The spending plan shall include, at a minimum, all of the following: (a) a detailed description and schedule of proposed expenditures by grant recipient, (b) a detailed list of criteria used to award grants and distribute funds, (c) an expenditure timeline for funds, and (d) a detailed description of any proposed hiring of state employees or the	

Item	Amount
<p>use of consulting contracts using Specialty Crop Block Grant funds. No approval of a spending plan by the Department of Finance shall be effective sooner than 30 days following transmittal of the plan to the Chairperson of the Joint Legislative Budget Committee.</p>	
<p>8570-002-0001—For support of Department of Food and Agriculture, for sterile Medfly release program in the Los Angeles Basin.....</p>	7,982,000
<p>Schedule:</p>	
<p>(1) 11-Agricultural Plant and Animal, Pest and Disease Prevention.....</p>	8,105,000
<p>(2) 97.20.001-Unallocated Reduction...</p>	-123,000
<p>8570-003-0001—For support of Department of Food and Agriculture, for rental payments on lease-revenue bonds</p>	1,593,000
<p>Schedule:</p>	
<p>(1) Base Rental and Fees</p>	1,612,000
<p>(2) Insurance</p>	13,000
<p>(3) Reimbursements.....</p>	-32,000
<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>2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.</p>	
<p>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</p>	40,000
<p>Schedule:</p>	
<p>(1) Base Rental.....</p>	40,000
<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>	

Item	Amount
<ul style="list-style-type: none"> 2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30. 	
8570-003-0601—For support of Department of Food and Agriculture, for rental payments on lease-revenue bonds, payable from the Agriculture Building Fund	223,000
Schedule:	
<ul style="list-style-type: none"> (1) Base Rental..... (2) Insurance 	221,000 2,000
Provisions:	
<ul style="list-style-type: none"> 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. 2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30. 	
8570-004-0001—For transfer by the Controller to the Pierce’s Disease Management Account.....	4,341,000
Provisions:	
<ul style="list-style-type: none"> 1. Of the funds appropriated in this item, \$4,341,000 shall be deposited in the Pierce’s Disease Management Account in the Food and Agricultural 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:	
<ul style="list-style-type: none"> 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)

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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.	
2. The Secretary of the Department of Food and Agriculture shall authorize a one-time transfer of two hundred and fifty thousand dollars (\$250,000) from the Pierce’s Disease Management Account to the University of California’s (UC) Cooperative Extension Service for use in making improvements to the Kern County Farm and Home Advisors Program of the Office of the UC Cooperative Extension.	
8570-012-0192—For support of Department of Food and Agriculture, for payment to Item 8570-001-0001, payable from the Satellite Wagering Account	609,000
8570-101-0001—For local assistance, Department of Food and Agriculture	5,272,000
Schedule:	
(1) 11-Agricultural Plant and Animal, Pest and Disease Prevention	5,272,000
(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.	
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,	

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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.	
8570-102-0001—For local assistance, Department of Food and Agriculture	760,000
Provisions:	
1. The funds appropriated in this item are to be expended for the purposes identified in Chapter 631 of the Statutes of 2004.	
8570-111-0001—For local assistance, Department of Food and Agriculture, for payment to Item 8570-101-0001	383,000
Provisions:	
1. The funds appropriated in this item are also available for compensation for services performed for agricultural departments and are to be expended in accordance with the provisions of Sections 2221 to 2224, inclusive, of the Food and Agricultural Code.	
8570-301-0042—For capital outlay, Department of Food and Agriculture, payable from the State Highway Account, State Transportation Fund.....	5,640,000
Schedule:	
(1) 90.18.001-Relocation: Yermo Agriculture Inspection Station—Acquisition, preliminary plans, and construction	5,640,000
8570-301-0660—For capital outlay, Department of Food and Agriculture, payable from the Public Buildings Construction Fund	17,556,000
Schedule:	
(1) 90.18.001-Relocation: Yermo Agriculture Inspection Station—Construction	17,556,000
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.	

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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, 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 costs of acquisition, design, and 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 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 Food and Agriculture is authorized and directed to execute and deliver any and all leases, contracts, agreements, or other documents necessary or advisable to consummate the financing of the projects authorized in this item.
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 10b (commencing with Section 15800) of Division 3 of Title 2 of the Government Code). This provision does not exempt the Department of Food and Agriculture from the requirements of the California Environmental Quality Act. This provision is intended to be declarative of existing law.

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

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<p>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 of the Joint Legislative Budget Committee with copies to the Chairpersons of Senate Budget and Fiscal Review Subcommittee No. 2, Assembly Budget Subcommittee No. 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,</p>	

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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, 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 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, 2005. A fee or assessment may not be increased by the Department of Food and Agriculture as a result of the loan.	
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	
(1) Item 8570-301-0042, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 8570-490, Budget Act of 2003 (Ch. 157, Stats.	

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2003) and Item 8570-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(1) 90.18.001-Relocation: Yermo Agriculture Inspection Station—Working drawings and construction	
8570-496—Reversion, Department of Food and Agriculture. Notwithstanding any other provision of law, the unencumbered balance as of June 30, 2005, of the appropriation provided for in the following citation shall revert to the fund balance of the fund from which the appropriation was made:	
0660—Public Buildings Construction Fund	
(.5) Item 8570-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 8570-490, Budget Act of 2003 (Ch. 157, Stats. 2003) and Item 8570-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(1) 90.18.001-Relocation: Yermo Agriculture Inspection Station—Working drawings and construction	
(1) Item 8570-301-0660, Budget Act of 2003 (Ch. 157, Stats. 2003), as partially reappropriated by Item 8570-490, Budget Act of 2004 (Ch. 208, Stats. 2004)	
(1) 90.19.010-Hawaii Medfly Rearing Facility—Working drawings and construction	
8620-001-0001—For support of Fair Political Practices Commission	1,911,000
Schedule:	
(1) 10.10-Local enforcement	714,000
(2) 10.20-Legal, technical assistance and state enforcement	1,228,000
(3) 97.20.001-Unallocated Reduction...	-31,000
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.....	2,520,000
Schedule:	
(1) 10-Secretary of State	790,000
For transfer by the State Controller to Item 0890-001-0001 as follows:	
(1) Personal Services...	(565,000)
(2) Operating expenses and equipment.....	(225,000)

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(2) 20-Franchise Tax Board.....	1,522,000
For transfer by the State Controller to Item 1730-001-0001 as follows:	
(3) 30-Political Reform Audit.....	(1,522,000)
(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)
(9) 50-Law Enforce- ment.....	(138,000)
(4) 40-Fair Political Practices Commis- sion	(3,693,000)
(5) 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 Department of Finance, on January 1, 2006.

8660-001-0042—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the State Highway Account, State Transportation Fund.....	2,538,000
8660-001-0046—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Public Transportation Account, State Transportation Fund.....	2,436,000
8660-001-0412—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Transportation Rate Fund	2,284,000
8660-001-0461—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Public Utilities Commission Transportation Reimbursement Account.....	8,785,000

Provisions:

1. Of the amount appropriated in this item, \$100,000 shall be used by the Public Utilities Commission to constitute a working group, including experts from the railroad industry, railroad employee groups, the federal government, and public safety and emergency response agencies, in order to provide a report to the Legislature by April 1, 2006, identifying safety problems or concerns and mak-

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ing recommendations for improvement in the following areas:	
(a) Threats from vandalism or terrorism.	
(b) Deficiencies in current land use planning affecting rail safety.	
(c) Deficiencies in rail emergency response.	
8660-001-0462—For support of Public Utilities Commission, payable from the Public Utilities Commission Utilities Reimbursement Account	55,824,000
Schedule:	
(1) 10-Regulation of Utilities	88,887,000
(2) 15-Universal Service Telephone Programs.....	858,035,000
(3) 20-Regulation of Transportation.....	16,043,000
(4) 30.01-Administration.....	16,341,000
(5) 30.02-Distributed Administration ...	-16,341,000
(6) Reimbursements.....	-8,784,000
(6.5) Reimbursement to the Office of Ratepayer Advocates.....	-3,848,000
(7) Amount payable from the State Highway Account, State Transportation Fund (Item 8660-001-0042).	-2,538,000
(8) Amount payable from the Public Transportation Account, State Transportation Fund (Item 8660-001-0046)	-2,436,000
(9) Amount payable from the Transportation Rate Fund (Item 8660-001-0412).....	-2,284,000
(10) Amount payable from the Public Utilities Commission Transportation Reimbursement Account (Item 8660-001-0461)	-8,785,000
(11) Amount payable from California High-Cost Fund-A Administrative Committee Fund (Item 8660-001-0464).....	-42,695,000
(12) Amount payable from California High-Cost Fund-B Administrative Committee Fund (Item 8660-001-0470)	-447,114,000
(13) Amount payable from Universal Lifeline Telephone Service Trust Administrative Committee Fund (Item 8660-001-0471).....	-277,394,000

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(14) Amount payable from Deaf and Disabled Telecommunications Program Administrative Committee Fund (Item 8660-001-0483).....	-69,580,000
(15) Amount payable from Payphone Service Providers Committee Fund (Item 8660-001-0491)	-931,000
(16) Amount payable from California Teleconnect Fund Administrative Committee Fund (Item 8660-001-0493).....	-20,321,000
(17) Amount payable from the Federal Trust Fund (Item 8660-001-0890).	-1,052,000
(18) Amount payable from the Public Utilities Commission Ratepayer Advocate Account (Item 8660-001-3089).....	-19,379,000
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.	
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.....	42,695,000
Provisions:	
1. Of the amount appropriated in this item, up to \$373,000 shall be used by the Public Utilities Commission to fund administrative and staffing costs for the California High-Cost Fund-A Administrative Committee Program.	
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.....	447,114,000
Provisions:	
1. Of the amount appropriated in this item, up to \$1,304,000 shall be used by the Public Utilities Commission to fund administrative and staffing costs for the California High-Cost Fund-B Administrative Committee Program.	
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.....	277,394,000

Item	Amount
Provisions:	
1. Of the amount appropriated in this item, up to \$1,255,000 shall be used by the Public Utilities Commission to fund administrative and staffing costs for the Universal Lifeline Telephone Service Trust Administrative Committee Program.	
2. Of the amount appropriated in this item, up to \$6,000,000 shall be used to pay carrier claims from the prior fiscal year.	
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.....	69,580,000
Provisions:	
1. Of the amount appropriated in this item, up to \$483,000 shall be used by the Public Utilities Commission to fund administrative and staffing costs for the Deaf and Disabled Telecommunications Administrative Committee Program.	
8660-001-0491—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Payphone Service Providers Committee Fund.....	931,000
Provisions:	
1. Of the amount appropriated in this item, up to \$502,000 shall be used by the Public Utilities Commission to fund administrative and staffing costs for the Payphone Service Providers Committee Program.	
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.....	20,321,000
Provisions:	
1. Of the amount appropriated in this item, up to \$68,000 shall be used by the Public Utilities Commission to fund administrative and staffing costs for the California Teleconnect Fund Administrative Committee Program.	
8660-001-0890—For support of Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Federal Trust Fund	1,052,000
8660-001-3089—For support of the Public Utilities Commission, for payment to Item 8660-001-0462, payable from the Public Utilities Commission Ratepayer Advocate Account	19,379,000

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8660-003-0412—For support of Public Utilities Commission for rental payments on lease-revenue bonds, payable from the Transportation Rate Fund	151,000
Schedule:	
(1) Base Rental.....	151,000
(2) Insurance	2,000
(3) Reimbursements	-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.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
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.....	553,000
Schedule:	
(1) Base Rental and Fees	553,000
(2) Insurance	7,000
(3) Reimbursements	-7,000
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 may be needed to ensure debt requirements are met.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
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	4,334,000
Schedule:	
(1) Base Rental and Fees	4,327,000
(2) Insurance	58,000
(3) Reimbursements	-51,000

Item	Amount
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 may be needed to ensure debt requirements are met.	
2. This item may contain adjustments pursuant to Control Section 4.30 that are not currently reflected. Any adjustments to this item shall be reported to the Joint Legislative Budget Committee pursuant to Control Section 4.30.	
8660-011-0462—For transfer by the Controller from the Public Utilities Commission Utilities Reimbursement Account to the Public Utilities Commission Ratepayer Advocate Account, as prescribed by subdivision (f) of Section 309.5 of the Public Utilities Code	(19,379,000)
8690-001-0217—For support of Seismic Safety Commission, payable from the Insurance Fund.....	1,022,000
Schedule:	
(1) 10-Seismic Safety Commission.....	1,097,000
(2) Reimbursements.....	-75,000
8770-001-0462—For support of Electricity Oversight Board, payable from the Public Utilities Commission Utilities Reimbursement Account.....	3,338,000
Schedule:	
(1) 30-Administration	3,850,000
(2) Amount payable from the Energy Resources Programs Account (Item 8770-001-0465)	-512,000
8770-001-0465—For support of Electricity Oversight Board, for payment to Item 8770-001-0462, payable from the Energy Resources Programs Account	512,000
8780-001-0001—For support of Milton Marks “Little Hoover” Commission on California State Government Organization and Economy	941,000
Schedule:	
(1) 10-Milton Marks Commission on California State Government Organization and Economy.....	958,000
(2) 97.20.001-Unallocated Reduction...	-15,000
(3) Reimbursements.....	-2,000
8820-001-0001—For support of Commission on the Status of Women.....	436,000

Item	Amount
Schedule:	
(1) 10-Administration, Legislation, Research and Information.....	438,000
(3) Reimbursements	-2,000
8830-001-0001—For support of California Law Revision Commission	685,000
Schedule:	
(1) 10-Law Revision Commission	700,000
(2) Reimbursements	-15,000
8840-001-0001—For support of the California Commission on Uniform State Laws	149,000
8855-001-0001—For support of Bureau of State Audits, for transfer to the State Audit Fund.....	14,232,000
Schedule:	
(1) 10-State Auditor.....	14,232,000
8860-001-0001—For support of Department of Finance	34,542,000
Schedule:	
(1) 10-Annual Financial Plan	19,139,000
(2) 20-Program and Information System Assessments	15,361,000
(3) 30-Supportive Data	14,284,000
(4) 40.01-Administration.....	5,742,000
(5) 40.02-Distributed Administration ...	-5,742,000
(6) 97.20.001-Unallocated Reduction...	-520,000
(7) Reimbursements.....	-13,722,000
Provisions:	
1. The funds appropriated in this item for CALSTARS shall be transferred by the Controller, upon order of the Director 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.	
3. Notwithstanding any other provision of law, the Director of Finance may authorize a loan from the General Fund to the Department of Finance for the purpose of meeting operational cashflow ob-	

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ligations for the 2005–06 fiscal year. The loan shall not exceed the estimated amount of uncollected reimbursements for the final quarter of the fiscal year.

4. From the funds appropriated in Schedule 3 for the purpose of evaluating and continuing development and enhancement of the Governor’s Budget Presentation System (GBPS), the following provisions apply:
 - (a) From time to time, but no later than December 1 of each year, the Department of Finance shall update the Legislature on anticipated changes to the GBPS. In addition, the Department of Finance shall (1) no later than the approximate same time the Governor’s Budget is formally presented in electronic or any other Web-based form, provide printed and bound hard copies of the Governor’s Budget and Governor’s Budget Summary as follows: to the Legislative Analyst Office—45 copies, the Office of the Legislative Counsel—six copies, offices of the Members of the Legislature—120 copies, and the fiscal committees of the Legislature—60 copies, and (2) no later than four weeks after the Governor’s Budget is formally presented in electronic or any other Web-based form, 135 printed and bound hard copies of the Governor’s Budget and Governor’s Budget Summary shall be provided as follows: two copies to the State Library, to ensure that the State Librarian maintains at least one public copy and one for the permanent research collections, and 133 copies: one copy to each depository public library in the state. Additional copies, either bound or unbound, shall be available for purchase by the public based on the cost of producing the documents requested.
 - (b) Notwithstanding any other provision of law, the Department of Finance may amend its existing contract with the Web-development firm to augment and continue consulting services until June 30, 2006, for the purpose of providing continuity of services and avoiding delays in producing the Governor’s Budget.

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- 5. It is the intent of the Legislature that newly reorganized departmental entities maintain effective systems of internal accounting and administrative control as an integral part of their management practices. Not less than \$1,150,000 in this item shall be used for the purpose of assessing and strengthening the systems of internal accounting and administrative control to minimize fraud, errors, abuse, and waste of government funds within any department or agency reorganized in the 2005–06 legislative session. The Department of Finance shall report to the fiscal committees of each house of the Legislature by December 1, 2005, on its preliminary review of the reorganized departmental entities, with a final report due no later than April 15, 2006.
- 6. Expenditure of funds in this item for the Budget Information System (BIS) is contingent upon submission of an approved Feasibility Study Report for the BIS project to the Legislature and a 45-day review period.
- 7. The Department of Finance shall evaluate the current mandates reimbursement process and provide alternatives and suggest improvements to the process to the chairperson of the fiscal committees of each house of the Legislature and to the Chairperson of the Joint Legislative Budget Committee not later than March 1, 2006.

8885-001-0001—For support of Commission on State Mandates.....

Schedule:

1,629,000

- (1) 10-Commission on State Mandates. 1,658,000
 - (2) 97.20.001-Unallocated Reduction... -29,000
- Provisions:

- 1. 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, notwithstanding the provisions of Section 17000.6 of the Welfare and Institutions Code, the time limit imposed on the commission to reach its preliminary and final decisions shall be tolled until such time as the commission has received an appropriation from the Legislature to carry out its duties as prescribed in Section 17000.6 of the Welfare and Institutions Code.

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8885-295-0001—For local assistance 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 for claims for costs incurred in the 2004–05 and 2005–06 fiscal years.....	119,364,000
Schedule:	

- (1) For payment of the following mandate claims for the 2004–05 fiscal years..... 73,156,000
 - (a) Crime Victim Rights (Ch. 411, Stats. 1995) (CSM-96-358-03)
 - (b) Threats Against Peace Officers (Ch. 1249, Stats. 1992 and Ch. 666, Stats. 1995) (CSM-96-365-02)
 - (c) Child Abduction and Recovery (Ch. 1399, Stats. 1976; Ch. 162, Stats. 1992; and Ch. 988, Stats. 1996) (CSM-4237)
 - (d) Stolen Vehicle Notification (Ch. 337, Stats. 1990) (CSM-4403)
 - (e) Absentee Ballots (Ch. 77, Stats. 1978) (CSM-3713)
 - (f) Permanent Absent Voters (Ch. 1422, Stats. 1982) (CSM-4358)
 - (g) Voter Registration Procedures (Ch. 704, Stats. 1975) (04-LM-04)
 - (h) Absentee Ballots II-Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC-08)
 - (i) Brendan McGuire Act (Ch. 391, Stats. 1988) (CSM-4357)
 - (k) Medi-Cal Beneficiary Death Notices (Ch. 102 and 1163, Stats. 1981) (CSM-4032)
 - (l) Pacific Beach Safety (Ch. 961, Stats. 1992) (CSM-4432)
 - (m) Perinatal Services (Ch. 1603, Stats. 1990) (CSM-4397)
 - (n) AIDS/Search Warrant (Ch. 1088, Stats. 1988) (CSM-4392)
 - (o) Mentally Retarded Defendants Representation (Ch. 1253, Stats. 1980) (04-LM-12)
 - (p) Judicial Proceedings (Ch. 644, Stats. 1980) (CSM-4366)

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- (q) Conservatorship: Developmentally Disabled Adults (Ch. 1304, Stats. 1980) (04-LM-13)
 - (r) Developmentally Disabled Attorneys Services (Ch. 694, Stats. 1975) (04-LM-03)
 - (s) Coroners Costs (Ch. 498, Stats. 1977) (04-LM-07)
 - (t) Not Guilty by Reason of Insanity II (Ch. 1114, Stats. 1979) (CSM-2753)
 - (u) Mentally Disordered Offenders' Extended Commitments (Ch. 1038, Stats. 1978) (98-TC-09)
 - (v) Sexually Violent Predators (Ch. 762 and 763, Stats. 1995) (CSM-4509)
 - (w) Mentally Disordered Sex Offenders Re-commitments (Ch. 1036, Stats. 1978) (04-LM-09)
 - (x) Domestic Violence Treatment Services (Ch. 183, Stats. 1992) (CSM-96-281-01)
 - (y) Police Officer's Cancer Presumption (Ch. 1171, Stats. 1989) (CSM-4416)
 - (z) Firefighter's Cancer Presumption (Ch. 1568, Stats. 1982) (CSM-4081)
 - (aa) Domestic Violence Arrest Policies (Ch. 246, Stats. 1995) (CSM-96-362-02)
 - (bb) Animal Adoption (Ch. 752, Stats. 1998) (98-TC-11)
 - (cc) Unitary Countywide Tax Rates (Ch. 921, Stats. 1987) (CSM-4355 and CSM-4317)
 - (dd) Senior Citizens Property Tax Deferral (Ch. 1242, Stats. 1977) (CSM-4359)
 - (ee) Allocation of Property Tax Revenues (Ch. 697, Stats. 1992) (CSM-4448)
 - (ff) Photographic Record of Evidence (Ch. 875, Stats. 1985) (98-TC-07)
 - (gg) Rape Victim Counseling (Ch. 999, Stats. 1991) (CSM-4426)
 - (hh) Health Benefits for Survivors-Peace Officers Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
 - (ii) Open Meetings Act/Brown Act Reform (Ch. 641, Stats. 1986) (CSM-4469 and CSM 4257)
- (2) For payment of the following mandate claims for the 2005-06 fiscal year 46,208,000

Item

Amount

- (a) Crime Victim Rights (Ch. 411, Stats. 1995) (CSM-96-358-03)
- (b) Threats Against Peace Officers (Ch. 1249, Stats. 1992 and Ch. 666, Stats. 1995) (CSM-96-365-02)
- (c) Child Abduction and Recovery (Ch. 1399, Stats. 1976; Ch. 162, Stats. 1992; and Ch. 988, Stats. 1996) (CSM-4237)
- (d) Stolen Vehicle Notification (Ch. 337, Stats. 1990) (CSM-4403)
- (e) Absentee Ballots (Ch. 77, Stats. 1978) (CSM-3713)
- (f) Permanent Absent Voters (Ch. 1422, Stats. 1982) (CSM-4358)
- (g) Voter Registration Procedures (Ch. 704, Stats. 1975) (04-LM-04)
- (h) Absentee Ballots II-Tabulation by Precinct (Ch. 697, Stats. 1999) (00-TC-08)
- (i) Brendan McGuire Act (Ch. 391, Stats. 1988) (CSM-4357)
- (j) Medi-Cal Beneficiary Death Notices (Ch. 102 and 1163, Stats. 1981) (CSM-4032)
- (k) Pacific Beach Safety (Ch. 961, Stats. 1992) (CSM-4432)
- (l) Perinatal Services (Ch. 1603, Stats. 1990) (CSM-4397)
- (m) AIDS/Search Warrant (Ch. 1088, Stats. 1988) (CSM-4392)
- (n) Mentally Retarded Defendants Representation (Ch. 1253, Stats. 1980) (04-LM-12)
- (o) Judicial Proceedings (Ch. 644, Stats. 1980) (CSM-4366)
- (p) Conservatorship: Developmentally Disabled Adults (Ch. 1304, Stats. 1980) (04-LM-13)
- (q) Developmentally Disabled Attorneys Services (Ch. 694, Stats. 1975) (04-LM-03)
- (r) Coroners Costs (Ch. 498, Stats. 1977) (04-LM-07)
- (s) Not Guilty by Reason of Insanity II (Ch. 1114, Stats. 1979) (CSM-2753)
- (t) Mentally Disordered Offenders' Extended Commitments (Ch. 1038, Stats. 1978) (98-TC-09)
- (u) Sexually Violent Predators (Ch. 762 and 763, Stats. 1995) (CSM-4509)

Item

Amount

- (v) Mentally Disordered Sex Offenders Re-commitments (Ch. 1036, Stats. 1978) (04-LM-09)
 - (w) Domestic Violence Treatment Services (Ch. 183, Stats. 1992) (CSM-96-281-01)
 - (x) Police Officer’s Cancer Presumption (Ch. 1171, Stats. 1989) (CSM-4416)
 - (y) Firefighter’s Cancer Presumption (Ch. 1568, Stats. 1982) (CSM-4081)
 - (z) Domestic Violence Arrest Policies (Ch. 246, Stats. 1995) (CSM-96-362-02)
 - (aa) Animal Adoption (Ch. 752, Stats. 1998) (98-TC-11)
 - (bb) Unitary Countywide Tax Rates (Ch. 921, Stats. 1987) (CSM-4355 and CSM-4317)
 - (cc) Senior Citizens Property Tax Deferral (Ch. 1242, Stats. 1977) (CSM-4359)
 - (dd) Allocation of Property Tax Revenues (Ch. 697, Stats. 1992) (CSM-4448)
 - (ee) Photographic Record of Evidence (Ch. 875, Stats. 1985) (98-TC-07)
 - (ff) Rape Victim Counseling (Ch. 999, Stats. 1991) (CSM-4426)
 - (gg) Health Benefits for Survivors-Peace Officers Firefighters (Ch. 1120, Stats. 1996) (97-TC-25)
- (3) Pursuant to the provisions of Section 17581 of the Government Code, the mandates identified in the following schedule are specifically identified by the Legislature for suspension during the 2005–06 fiscal year..... 0
- (a) Grand Jury Proceedings (Ch. 1170, Stats. 1996) (98-TC-27)
 - (b) Sex Crime Confidentiality (Ch. 36, Stats. 1994, 1st Ex. Sess.) (98-TC-21)
 - (c) Deaf Teletype Equipment (Ch. 1032, Stats. 1980) (04-LM-11)
 - (d) Sex Offenders: Disclosure by Law Enforcement Officers (Ch. 908 and 909, Stats. 1996) (97-TC-15)
 - (e) Missing Persons Report (Ch. 1456, Stats. 1988, and Ch. 59, Stats. 1993) (CSM-4255, CSM-4484, and CSM-4368)

Item

Amount

- (g) Presidential Primaries (Ch. 18, Stats. 1999) (99-TC-04)
- (h) Handicapped Voter Access Information (Ch. 494, Stats. 1979) (CSM-4363)
- (i) Substandard Housing (Ch. 238, Stats. 1974) (CSM-4303)
- (j) Adult Felony Restitution (Ch. 1123, Stats. 1977) (04-LM-08)
- (k) Airport Land Use Commissions/Plans (Ch. 644, Stats. 1994) (CSM-4507)
- (m) Very High Fire Hazard Severity Zones (Ch. 1188, Stats. 1992) (97-TC-13)
- (n) Local Coastal Plans (Ch. 1330, Stats. 1976) (CSM-4431)
- (o) SIDS Training for Peace Officers (Ch. 1111, Stats. 1989) (CSM-4412)
- (p) SIDS: Contacts by Local Health Officers (Ch. 268, Stats. 1991) (CSM-4424)
- (q) SIDS Autopsies (Ch. 955, Stats. 1989) (CSM-4393)
- (r) Inmate AIDS Testing (Ch. 1597, Stats. 1988) (CSM-4369)
- (s) SIDS Notices (Ch. 453, Stats. 1974) (04-LM-01)
- (t) Guardianship/Conservatorship Filings (Ch. 1357, Stats. 1976) (04-LM-15)
- (x) Victims' Statements-Minors (Ch. 332, Stats. 1981) (04-LM-14)
- (y) Extended Commitment, Youth Authority (Ch. 267, Stats. 1998) (98-TC-13)
- (z) Prisoner Parental Rights (Ch. 820, Stats. 1991) (CSM-4427)
- (aa) Structural and wildland firefighter safety clothing and equipment (8 Cal. Code Regs. 3401 to 3410, incl.) (CSM-4261-4281)
- (bb) Personal Alarm Devices (8 Cal. Code Regs. 3401(c)) (CSM-4087)
- (cc) Law Enforcement Sexual Harassment Training (Ch. 126, Stats. 1993) (97-TC-07)
- (dd) Elder Abuse, Law Enforcement Training (Ch. 444, Stats. 1997) (98-TC-12)
- (ee) Redevelopment Agencies (Ch. 39, Stats. 1998) (88-TC-06)
- (ff) Mandate Reimbursement Process (Ch. 486, Stats. 1975) (CSM-4485)

Item

Amount

- (gg) Filipino Employee Surveys (Ch. 845, Stats. 1978) (CSM-2142)
- (hh) Domestic Violence Information (Ch. 1609, Stats. 1984) (CSM-4222)
- (ii) Pocket Masks (Ch. 1334, Stats. 1987) (CSM-4291)

Provisions:

1. The mandate identified in the following schedule is specifically identified by the Legislature for deferral of payment for costs incurred during the 2004–05 and 2005–06 fiscal years:
 - (a) Public Safety Officers' Procedural Bill of Rights (PSOPBR) (Ch. 675, Stats. 1990) (CSM-4499)
2. If the amount in Schedule (1) is insufficient to pay claims for costs incurred to carry out the cited state mandates in the 2004–05 fiscal year, the State Controller shall notify the Director of Finance of the amount of the deficiency and, with the approval of the director, augment the amount in Schedule (1) from the unencumbered balance of Schedule (2) to pay those claims. If the Controller determines that excess funds will remain available from Schedule (1) after all 2004–05 claims are paid, then the Controller, with the approval of the director, may augment the amount in Schedule (2) from the unencumbered balance of the amount provided in Schedule (1). The director shall notify the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the Legislature prior to authorizing any augmentation pursuant to this provision.
3. 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. 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
8885-295-0042—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 State Controller	0
Schedule:	
(1) 98.01.064-Airport Land Use Commission/Plans (Ch. 644, Stats. 1994) (CSM-4507).....	0
Provisions:	
1. Allocations of funds provided in this item to the appropriate local entities shall be made by the State Controller in accordance with the provisions of each statute or executive order that mandates the reimbursement of the costs, and shall be audited to verify the actual amount of the mandated costs in accordance with subdivision (d) of Section 17561 of the Government Code. Audit adjustments to prior year claims may be paid from this item. Funds appropriated in this item may be used to provide reimbursement pursuant to Article 5 (commencing with Section 17615) of Chapter 4 of Part 7 of Division 4 of Title 2 of the Government Code.	
2. Pursuant to Section 17581 of the Government Code, mandates identified in the appropriation schedule of this item with an appropriation of \$0 and included in the language of this provision are specifically identified by the Legislature for suspension during the 2005–06 fiscal year:	
(1) Airport Land Use Commissions/Plans (Ch. 644, Stats. 1994) (CSM-4507)	
8885-295-0044—For local assistance, Department of Motor Vehicles, payable from the Motor Vehicle Account, State Transportation Fund, 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.	1,506,000

Item		Amount
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Schedule:

- (1) 98.00.146.089-Administrative License Suspension, Per Se (Ch. 1460, Stats. 1989) (98-TC-16)..... 1,506,000

Provisions:

- 1. 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.

8885-295-0106—	For local assistance, Department of Pesticide Regulation, payable from the Department of Pesticide Regulation Fund 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	157,000
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Schedule:

- (1) 98.01.120.089-Pesticide Use Reports (Ch. 1200, Stats. 1989) (CSM-4420)..... 157,000

Provisions:

- 1. 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
8910-001-0001—For support of Office of Administrative Law	2,429,000
Schedule:	
(1) 10-Regulatory Oversight.....	2,764,000
(2) 97.20.001-Unallocated Reduction...	-37,000
(3) Reimbursements	-298,000
8940-001-0001—For support of Military Department	33,352,000
Schedule:	
(1) 10-Army National Guard.....	58,652,000
(2) 20-Air National Guard	19,246,000
(3) 30.01-Office of the Adjutant General.....	9,190,000
(4) 30.02-Distributed Office of the Adjutant General	-9,190,000
(5) 35-Military Support to Civil Authority	7,483,000
(6) 40-Military Retirement	3,190,000
(7) 50-California Cadet Corps	434,000
(8) 55-California State Military Reserve.....	256,000
(9) 65-California National Guard Youth Programs	13,181,000
(10) 97.20.001-Unallocated Reduction.	-494,000
(11) Reimbursements	-8,453,000
(12) Amount payable from the Armory Discretionary Improvement Account (Item 8940-001-0485).....	-150,000
(13) Amount payable from the Federal Trust Fund (Item 8940-001-0890)	-59,993,000
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.	
8940-001-0485—For support of Military Department, for payment to Item 8940-001-0001, payable from the Armory Discretionary Improvement Account.....	150,000

Item	Amount
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.	
8940-001-0604—For support of Military Department, payable from the Armory Fund	5,200,000
Schedule:	
(1) 10-Army National Guard.....	5,200,000
Provisions:	
1. The amount appropriated in this item shall be available for encumbrance during the 2005–06 and 2006–07 fiscal years.	
8940-001-0890—For support of Military Department, for payment to Item 8940-001-0001, payable from the Federal Trust Fund	59,993,000
8940-002-0001—For transfer by the Controller to the Armory Fund	3,000,000
8940-101-0001—For local assistance of Military Department.....	190,000
Schedule:	
(1) 30.01-Office of the Adjutant General.....	190,000
Provisions:	
1. Funds appropriated in this item are for benefit payments related to the California National Guard Surviving Spouses and Children Relief Act of 2004 pursuant to Section 850 of the Military and Veterans Code.	
8940-101-8022—For local assistance of Military Department, payable from the California Military Family Relief Fund	250,000
Schedule:	
(1) 30.01-Office of the Adjutant General.....	250,000
Provisions:	
1. Funds appropriated in this item are for benefit payments related to the California Military Family Relief Fund pursuant to Article 1.5 (commencing with Section 18705) of Chapter 3 of Part 10.2 of Division 2 of the Revenue and Taxation Code.	
8940-301-0001—For capital outlay, Military Department.....	3,484,000

Item	Amount
Schedule:	
(1) 70.85.010-Roseville: Armory Additions and Renovations—Construction	3,052,000
(2) 70.90.004-Minor Projects	432,000
8940-301-0890—For capital outlay, Military Department, payable from the Federal Trust Fund	4,220,000
Schedule:	
(1) 70.68.015-Camp San Luis Obispo: Organizational Maintenance Shop—Working drawings.....	189,000
(2) 70.68.035-Camp San Luis Obispo: Consolidated Dining Hall—Working drawings.....	233,000
(3) 70.85.010-Roseville: Armory Additions and Renovations—Construction	2,941,000
(4) 70.90.004-Minor Projects	857,000
8955-001-0001—For support of Department of Veterans Affairs	6,295,000
Schedule:	
(1) 10-Farm and Home Loans to Veterans	1,886,000
(2) 20-Veterans Claims and Rights	2,458,000
(3) 30-Care of Sick and Disabled Veterans.....	4,362,000
(4) 50.01-General Administration	5,938,000
(5) 50.02-Distributed General Administration	-5,938,000
(6) Reimbursements.....	-417,000
(7) Amount payable from the Veterans Service Office Fund (Item 8955-001-0083).....	-44,000
(8) Amount payable from the Veterans' Farm and Home Building Fund of 1943 (Item 8955-001-0592).....	-1,886,000
(9) Amount payable from the Federal Trust Fund (Item 8955-001-0890).	-64,000
8955-001-0083—For support of Department of Veterans Affairs, for payment to Item 8955-001-0001, payable from the Veterans Service Office Fund	44,000
8955-001-0238—For support of Department of Veterans Affairs, Veterans Cemetery Perpetual Maintenance Fund	51,000
Schedule:	
(1) 20-Veterans Claims and Rights	51,000

Item	Amount
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.....	1,886,000
8955-001-0701—For support of Department of Veterans Affairs, payable from the Veterans’ Home Fund	178,000
8955-001-0890—For support of Veterans Home of California-Barstow, for payment to Item 8955-001-0001, payable from the Federal Trust Fund.....	64,000
8955-101-0001—For local assistance, Department of Veterans Affairs, for contribution to counties toward compensation and expenses of county veterans 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	554,000
8960-001-0001—For support of Veterans Home of California—Yountville	38,926,000
Schedule:	
(1) 30-Care of Sick and Disabled Veterans.....	71,186,000
(2) Reimbursements.....	-17,872,000
(3) Amount payable from the Federal Trust Fund (Item 8960-001-0890).-	14,388,000
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) 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 chair-	

Item	Amount
<p>person 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.</p> <p>2. At the end of the six-month term of the loan, the Department of Finance 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.</p> <p>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.</p>	
8960-001-0890—For support of Veterans Home of California—Yountville, for payment to Item 8960-001-0001, payable from the Federal Trust Fund.....	14,388,000
8960-301-0001—For capital outlay, Department of Veterans Affairs, Veterans Home of Yountville	862,000
Schedule:	
(1) 80.20.045-Minor Projects	862,000
8965-001-0001—For support of the Veterans Home of California at Barstow.....	7,227,000
Schedule:	
(1) 30-Care of Sick and Disabled Veterans.....	10,533,000
(2) Reimbursements.....	-1,468,000
(3) Amount payable from the Federal Trust Fund (Item 8965-001-0890).	-1,838,000
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	

Item	Amount
<p>Schedule (2) to the Veterans Home of California, provided that the following conditions are met:</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 for a short term, to 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) Approval by the Director of Finance shall be 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 determine.</p> <p>2. At the end of the six-month term of the loan, the Department of Finance 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.</p>	
8965-001-0890—For support of the Veterans Home of California at Barstow, for payments to Item 8965-001-0001, payable from the Federal Trust Fund.....	1,838,000
8965-003-0001—For support of the Veterans Home of California at Barstow for rental payments on lease revenue bonds	1,174,000
Schedule:	
(1) Base Rental and Fees	1,208,000
(2) Insurance	146,000
(3) Reimbursements	-180,000
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
8966-001-0001—For support of the Veterans Home of California-Chula Vista	11,164,000
Schedule:	
(1) 30-Care of Sick and Disabled Veterans.....	23,077,000
(2) Reimbursements.....	-6,329,000
(3) Amount payable from the Federal Trust Fund (Item 8966-001-0890).	-5,584,000
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), to the Veterans Home of California, provided that all of the following conditions are satisfied:	
(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, unless the chairperson of the joint committee or his or her designee permits a lesser time.	
2. At the end of the six-month term of the loan, the Department of Finance shall notify the Chairperson of the Joint Legislative Budget Committee whether the Veterans Home of California has repaid the loan made pursuant to 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 at Chula Vista, for payment to Item 8966-001-0001, payable from the Federal Trust Fund.....	5,584,000

Item	Amount
8966-003-0001—For support of the Veterans Home of California at Chula Vista for rental payments on lease-revenue bonds.....	0
Schedule:	
(1) Base Rental and Fees	1,389,000
(2) Insurance	29,000
(3) Reimbursements	-1,418,000
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.....	675,415,000
Schedule:	
(.5) 10-Senior Citizens' Property Tax Assistance.....	40,555,000
(1) 20-Senior Citizens' Property Tax Deferral Program	11,900,000
(2) 30-Senior Citizen Renters' Tax Assistance.....	143,299,000
(3) 50-Homeowners' Property Tax Relief	440,000,000
(4) 60-Subventions for Open Space.....	39,661,000
Provisions:	
1. Schedule (1) 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.	
2. Schedule (2) 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 (2) may be used to make payments to senior citizen homeowner claimants under Schedule (5).	
3. Schedule (3) is for reimbursement to local taxing authorities for revenue lost by reason of the homeowners' property tax exemption granted	

Item

Amount

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. Schedule (4) 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 Section 16140) of Part 1 of Division 4 of Title 2 of the Government Code. The appropriation made by this schedule shall be in lieu of the appropriation for the same purpose contained in Section 16100 or 16140 of the Government Code.
- 5. Notwithstanding any other provision of law, the Director of Finance may authorize expenditures for Schedules (.5), (1), (2), (3), and (4) 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.
- 6. Schedule (.5) is for property tax assistance to homeowner claimants in accordance with the Senior Citizens Property Tax Assistance and Postponement Law (Part 10.5 (commencing with Section 20501) of Division 2 of the Revenue and Taxation Code). Any unexpended balance in Schedule (.5) may be used to make payments to senior citizen renter claimants under Schedule (2).

9210-101-0001—For local assistance, Local Government Financing 200,000,000
 Provisions:

- 1. For allocation by the Controller to local jurisdictions for public safety 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.

Item	Amount
2. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2007. These funds shall be used to supplement and not supplant existing services.	
9210-105-0001—For local assistance, Local Government Financing, Property Tax Administration Grant Program	60,000,000
Provisions:	
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.	
9210-106-0001—For transfer by the Controller, upon order of the Director of Finance, to the Gap Repayment Fund	25,000,000
Provisions:	
1. Funds appropriated in this item may be allocated by the Director of Finance to the State Controller as follows: (a) for transfer to the Gap Repayment Fund in accordance with Section 10754.11 of the Revenue and Taxation Code, for advance payment of the Vehicle License Fee gap loan amounts owed to cities, counties, and cities and counties, pursuant to that section, and (b) subventions to cities and special districts for reimbursement of fees paid to counties pursuant to Section 29550 of the Government Code. Allocation shall be based on the director’s determination that a particular financial hardship exists in the local government entity, necessitating early repayment of the Vehicle License Fee gap loan, reimbursement for costs of booking fees, or both. The director shall notify the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the Legislature within 30 days of approval of any allocations under this item.	
9612-001-0001—For allocation by the Department of Finance to the trustee of the Golden State Tobacco Securitization Corporation, for payment of debt service on the Enhanced Tobacco Settlement Asset-Backed Bonds and operating expenses of the Golden State Tobacco Securitization Corporation in accordance with Section 63049.1 of the Government Code.....	1,000

Item	Amount
Provisions:	
1. Notwithstanding any other provision of law, upon certification by the Golden State Tobacco Securitization 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 on the Enhanced Tobacco Settlement Asset-Backed Bonds and the payment of operating expenses of the Golden State Tobacco Securitization Corporation in the event tobacco settlement revenues and certain other available amounts are insufficient to pay the costs of debt service and operating costs for the 12 months following such certification. 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 such 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 Legislative Budget Committee of the amounts necessary or not sooner than such lesser time as the Chairperson of the Joint Legislative Budget Committee may determine.	

Item	Amount
<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 amounts 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 2005–06 fiscal year from loans made previously</p>	9,817,000
<p>Provisions:</p> <ol style="list-style-type: none"> 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. 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>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> <ol style="list-style-type: none"> 1. Expenditures from the funds appropriated by this item shall be made by the Controller, subject to the approval of the Department of Finance, and shall be charged to the fiscal year in which the disbursement is issued. 2. In the event that expenditures for interest payments to the federal government arising from the federal Cash Management Improvement Act of 1990 exceed the amount appropriated by this item, the Director of Finance may allocate an additional amount not to exceed \$10,000,000 over the amount appropriated by this item. This allo- 	

Item	Amount
<p>cation 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>	500,000
<p>1. Provision 1 of Item 9625-001-0001 also applies to this item.</p>	
<p>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.</p>	
<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>	1,000
<p>1. Provision 1 of Item 9625-001-0001 and Provision 2 of Item 9625-001-0042 also apply to this item.</p>	
<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>	1,000
<p>1. Provision 1 of Item 9625-001-0001 and Provision 2 of Item 9625-001-0042 also apply to this item.</p>	
<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 22820, 22879, 22881, 22883, and 22953 of the Government Code, which cost is not chargeable to any other appropriation..... Schedule:</p>	895,197,000
<p>(1) Health benefit premiums</p>	836,259,000
<p>(2) Dental care premiums</p>	58,938,000

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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 22844 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 2005–06 fiscal year, shall not be enrolled in a basic health benefits plan during the 2005–06 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 \$362 for a single enrollee, \$679 for an enrollee and one dependent, and \$858 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 arising from activities supported from that fund. No expenditure from any appropriation from a fund other than the General Fund for payment of

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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.....	162,863,000
Schedule:	
(.5) 500000-Unscheduled.....	165,751,000
(23) 97.20.001-Unallocated Reduction.	-2,888,000

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.....	118,843,000
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.....	7,085,000

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 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.	
9840-001-0001—For Augmentation for Contingencies or Emergencies	49,236,000
Schedule:	
(1) Unscheduled	50,000,000
(2) 555000-Unallocated Reduction	-764,000
Provisions:	
1. Subject to the conditions set forth in this item, amounts appropriated by this item shall be transferred, upon approval by the Director of Finance, to augment any other General Fund item of appropriation that is made under this act to an agency, department, board, commission, or other state entity. Such a transfer may be made to fund unanticipated expenses to be incurred for the 2005–06 fiscal year under an existing program that is funded by that item of appropriation, but only in a case of actual necessity as determined by the Director of Finance. For purposes of this item, an “existing program” is one that is authorized by law.	
2. The Director of Finance may not approve a transfer under this item, nor may any funds appropriated in augmentation of this item be allocated, to fund any of the following: (a) capital outlay, (b) any expense attributable to a prior fiscal year, (c) any expense related to legislation enacted without an appropriation, (d) startup costs of programs not yet authorized by the Legislature, (e) costs that the	

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- administration had knowledge of in time to include in the May Revision, (f) costs that the administration has the discretion to incur or not incur, (g) any cost associated with a statewide special election, or (h) any costs associated with the June 6, 2006, statewide primary election if funds from Schedule (3) of Item 0890-001-0001 are used to support a statewide special election.
3. A transfer of funds approved by the Director of Finance under this item shall become effective no sooner than 30 days after the director files written notification thereof with the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the Senate and Assembly fiscal committees, or no sooner than any 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 expense as defined in Provision 5.
 4. Each notification shall include all of the following: (a) the date the recipient state entity reported to the Department of Finance the need to increase its appropriation, (b) the reason for the expense, (c) the transfer amount approved by the Director of Finance, and (d) the basis of the director's determination that the expense is actually needed. Each notification shall also include a determination by the director as to whether the expense was considered in a legislative budget committee and formal action was taken not to approve the expense for the 2005-06 fiscal year. Any increase in a department's appropriation to fund unanticipated expenses shall be approved by the Director of Finance.
 5. The Director of Finance may approve a transfer under this item for an emergency expense only if the approval is set forth in a written notification that is filed with the Chairperson of the Joint Legislative Budget Committee, and the chairpersons of the Senate and Assembly fiscal committees, no later than 10 days after the effective date of the approval. Each notification for an emergency expense shall state the reason for the expense, the transfer amount approved by the director, and the basis of the director's determination that the expense is an emergency expense. For the purposes of this item, "emergency expense" means an ex-

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- pense incurred in response to conditions of disaster or extreme peril that threaten the immediate health or safety of persons or property in this state.
6. Within 15 days of receipt, the Department of Finance shall provide, to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the Senate and Assembly fiscal committees, copies of all requests, including any supporting documentation, from any agency, department, board, commission, or other state entity for a transfer under this item. The submission to the Legislature of a copy of such a request does not constitute approval of the request by the Director of Finance. Within 15 days of receipt, the director shall also provide copies to these chairpersons of all other requests received by the Department of Finance from any state agency, department, board, commission, or other state entity to fund a contingency or emergency through a supplemental appropriations bill augmenting this item.
 7. For any transfer of funds pursuant to this item, the augmentation of a General Fund item of appropriation shall not exceed the following during any fiscal year:
 - (a) 30 percent of the amount scheduled on that line for those appropriations made by this act that are \$4,000,000 or less.
 - (b) 20 percent of the amount scheduled on that line for those appropriations made by this act that are more than \$4,000,000.
 8. The Director of Finance may withhold authorization for the expenditure of funds transferred pursuant to this item until such time as, and to the extent that, preliminary estimates of potential unanticipated expenses are verified.
 9. The Director of Finance shall submit any requests for supplemental appropriations in augmentation of this item to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the Legislature. Requests shall include the information and determinations required by Provision 4 excluding subdivision (c), and a determination that requests meet the requirements of Provision 2.

Item	Amount
9840-001-0494—For Augmentation for Contingencies or Emergencies, payable from unallocated special funds.....	15,000,000
Provisions:	
1. Provisions 1, 2, 3, 4, 5, 6, 7, 8, and 9 of Item 9840-001-0001 also apply to this item, except references to General Fund appropriations shall instead refer to special fund appropriations.	
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.	
9840-001-0988—For Augmentation for Contingencies or Emergencies, payable from unallocated nongovernmental cost funds	15,000,000
Provisions:	
1. Provisions 1, 2, 3, 4, 5, 6, 7, 8, and 9 of Item 9840-001-0001 also apply to this item, except references to General Fund appropriations shall instead refer to nongovernmental cost fund appropriations.	
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.	
9850-011-0001—For Augmentation for Contingencies or Emergencies (Loans)	(2,500,000)
Provisions:	
1. This appropriation is for loans that may be made to state agencies which derive their support from the General Fund or from sources other than the General Fund, upon terms and conditions for repayment as may be prescribed by the Department of Finance. Any sum so loaned shall, if ordered by the Department of Finance, be transferred by the State Controller to the fund from which the support of the agency is derived.	
2. No loan shall be made which requires repayment from a future legislative appropriation.	
3. Authorizations for loans shall become effective no sooner than 30 days after notification in writing to the Joint Legislative Budget Committee, or	

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no sooner than a lesser time which the committee, or its designee, may in each instance determine, except that this limit shall not apply if the Director of Finance states in writing to the Chairperson of the Joint Legislative Budget Committee the necessity and urgency for the loan which, in the judgment of the director, makes prior approval impractical.	
4. Within 10 days after approval, the Director of Finance shall file with the Joint Legislative Budget Committee copies of all executive orders for loans stating the reasons for, and the amount of, all of these authorizations.	
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 2006–07 or 2007–08 Governor’s Budget or 2007–08 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, 2005, 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 shall 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 2005-06," submitted by the Governor to the Legislature at the 2005 portion of the 2005-06 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 an appropriation is made in this act for support or other expenses for an institution, department, board, bureau, commission, officer, employee, or other agency, the following 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 22871, 22881 and 22883(b) 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 22871, 22881 and 22883(b) 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, 22871, 22881 and 22883(b) 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, 22871, 22881 and 22883(b) 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 2005–06 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 California Public Employees' Retirement System (CalPERS) 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	15.942%
Miscellaneous, Second Tier.....	15.890%
State Industrial	17.147%
State Safety	19.026%
Highway Patrol	26.396%
Peace Officer/Firefighter	23.563%

The Director 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 2005–06 fiscal year retirement benefits to achieve the percentages specified in this subdivision.

(b) Notwithstanding any other provision of law, the Director 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. 4.01. (a) Notwithstanding any other provision of law, the Director of Finance shall reduce items of appropriation in this act to reflect savings achieved pursuant to the Alternate Retirement Program (Chapter 214, Statutes of 2004). These reductions shall not apply to the University of California, California State University, the Legislature or the judicial branch.

(b) Notwithstanding any other provision of law, the Director of Finance shall reduce items of appropriation in this act to reflect savings achieved through reforms in employee compensation, subject to memoranda of understanding negotiated with bargaining units and ratified by the Legislature. These reductions shall apply to all agencies and departments whose employees are subject to collective bargaining agreements negotiated by the Department of Personnel Administration or are excluded employees as defined in Government Code Section 3527.

(c) The Director of Finance shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the committees of each house that consider appropriations not more than 30 days after the reductions are made pursuant to this section. The report shall list reductions by department and agency.

(d) Nothing within this section shall be interpreted to confer any authority upon the Director of Finance to modify or eliminate any other provision of existing law.

SEC. 4.10. No later than December 10, 2005, the Director of Finance shall report to the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees of each house the reductions made pursuant to the unallocated reductions included in this act. The report shall include the following: each specific reduction by department, agency, and program; whether the reduction is one-time or ongoing; its programmatic effects; the number and description of positions affected; and any other description necessary to fully disclose the reduction's impact.

SEC. 4.11. All new positions approved in this act shall be established effective July 1, 2005, unless otherwise approved by the Department of Finance. Before the end of each month, the State Controller's office shall provide to the Department of Finance a listing of each new position approved by this act that will be abolished pursuant to Government Code Section 12439 as a result of the position being vacant for six consecutive pay periods at the end of the immediately preceding month. The report provided by the State Controller's office shall include the department, division, position classification, position number and the date the position was established.

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 22885 of the Government Code, shall be 0.300 percent of the gross health insurance premiums paid by the employer and employee for administrative expenses. The Director

of Finance may, not sooner than 30 days after notification to the Joint Legislative Budget Committee, adjust the rate to ensure a three-month reserve in the Public Employees' Contingency Reserve Fund.

SEC. 4.30. (a) Notwithstanding any other provision of law, the Director 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 the costs for the 2005–06 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) Within 30 days of making any adjustment pursuant to this section, the Department of Finance shall report the adjustment in writing to the Joint Legislative Budget Committee.

SEC. 4.80. (a) 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.

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's fees specified in paragraphs (1) and (2) 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.

(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 Director of Finance, and shall be charged to the fiscal year in which the disbursement is issued.

(c) A payment shall not 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 Commit-

tee on Budget and Fiscal Review, and the Chairperson of the Assembly Budget Committee pursuant to Items 9840-001-0001, 9840-001-0494, and 9840-001-0988 of Section 2.00 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
- (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 environmental impact statement/environmental impact report 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 California Bay-Delta Authority, 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 chairpersons of the fiscal committees in each house of the Legislature and the Chairpersons of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chair-

persons 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. 5.45. (a) The Department of Finance shall provide information to the Legislature on resources bond funds for the CALFED program contained in the base budget at the time the Governor's Budget is submitted to the Legislature. Information provided should include the amount of bond funds, the source of bond funds, and the activities and positions supported by the funds.

(b) The Department of Finance shall annually submit budget change proposals to the Legislature for CALFED-related local assistance and capital outlay expenditures supported by resources bond funds.

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. Any approved critical project costing more than \$100,000 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. No project described by this section may cost more than \$400,000.

SEC. 8.00. (a) Notwithstanding Section 28.00 of this act, any amounts received from the federal government for the purposes of funding antiterrorism costs in the state that exceed the current appropriation of federal funds for that purpose, are hereby appropriated. These federal funds 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 antiterrorism incurred in the 2004–05 fiscal year and ongoing or new costs for the 2005–06 fiscal year.

(b) 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.

(c) 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. 8.50. (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 gov-

ernment 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 2005–06 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. 8.52. (a) The Director of Finance may reduce items of appropriation upon receipt or expenditure of federal trust funds in lieu of the amount appropriated for the same purpose and may make allocations for the purpose of offsetting expenditures. Allocations made for the purpose of offsetting existing expenditures shall be applied as a negative expenditure to the appropriation where the expenditure was charged.

(b) The director shall notify in writing the Chairperson of the Joint Legislative Budget Committee and the chairpersons of the fiscal committees in each house of the Legislature not less than 30 days prior to the effective date of any adjustments to items of appropriations made pursuant to this section 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 notification shall include, but not be limited to, the basis for the proposed appropriations adjustments, a description of the fiscal assumptions used in making the appropriation adjustments, and any necessary background information regarding the programs to be adjusted. Any expenditure of federal funds for purposes other than offsetting other fund appropriations shall continue to be subject to the provisions of Section 28.00.

SEC. 8.53. It is the intent of the Legislature that reductions to federal funds appropriated in the Budget Bill enacted for each fiscal year, resulting from federal audits, be communicated to the Legislature in a timely manner. Therefore, notwithstanding any other provision of law, an agency, department, or other state entity receiving a final federal au-

dit or deferral letter shall provide a copy of it to the Chairperson of the Joint Legislative Budget Committee within 30 days.

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 (Part 11 (commencing with Section 15850) of Division 3 of Title 2 of the Government Code) shall be limited to the amount specified for those costs in the Supplemental Report of the Budget Act of 2005. 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 would have insufficient funding by such a charge, funding augmentations must follow the regular budget processes.

SEC. 9.45. (a) Any state agency, department, board, or commission shall provide notification to the Department of Finance and the Joint Legislative Budget Committee not less than 30 days prior to committing funding from Proposition 40 or 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.

(c) For purchases and grants meeting the criteria set forth in subdivision (a), the state agency, department, board, or commission may take public actions and hold public meetings prior to 30 days following no-

tification only if such actions are expressly approved pending the completion of the 30-day review by the Department of Finance and 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 seller or grantee must be explicitly notified in writing of this condition 10 days prior to any action taken.

SEC. 9.50. For minor capital outlay projects for which, pursuant to Sections 10108 and 10108.5 of the Public Contract Code, the services of the Department of General Services are not required and a state agency or department is authorized to carry out its own project, the amount of the unencumbered balance of the project shall be determined in accordance with Section 14959 of the Government Code. Upon receipt of bids for the project, an estimate of any amount necessary for the completion of the project, including supervision, engineering, and other items, if any, shall be deemed a valid encumbrance and shall be included with any other valid encumbrance in determining the amount of an unencumbered balance.

SEC. 11.00. (a) A state agency to which state funds are appropriated by one or more statutes, including this act, for an information technology project may not enter into, or agree to any contract or any contract amendment, in the 2005–06 fiscal year that results, 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 Director 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. 11.05. (a) Whenever an appropriation is made in this act for an information technology project which exceeds the appropriation provided by the Budget Act of 2004 (Ch. 208, Stats. 2004) for that project or for new projects and the Department of Finance has not approved the project or its modifications prior July 1, 2005, the increased appropriation is authorized not sooner than 30 days after the Department of Finance notifies in writing the chairperson of the budget committee in each house of the Legislature and the Chairperson of the Joint Legislative Budget Committee that it has been approved, or within a lesser time that the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. The notification shall include, but is not limited to, the following: (1) a description of the information technology project; (2) the approved project costs for the 2005–06 fiscal year and future fiscal years; and (3) the project’s start and implementation dates.

(b) Consistent with state policy, departments are required to provide the information technology project documents to the Legislative Analyst’s Office.

(c) Information technology projects are exempted from this section if the Department of Finance, prior to June 1, 2005, directed the department responsible for managing the project to provide information technology project documents after the completion of specific project events.

(d) If the amount approved by the Department of Finance is less than the amount appropriated in this act, the department responsible for managing the project may spend only up to the amount approved by the Department of Finance. Any remaining funds shall revert to the fund of appropriation at the time of project approval.

(e) It is the intent of the Legislature that departments follow state policy for requesting and approving new or modified information technology projects. It is the intent of the Legislature that this section not substitute for the submission of funding requests for information technology projects through the annual budget process. This section shall apply only one year. For the Budget Act of 2006, it is the intent of the Legislature to not approve additional funding for new or modified information technology projects that have not been approved or delegated by the Department of Finance prior to or upon budget submission to the Legislature.

SEC. 11.10. (a) Before a department may enter into or amend a statewide software license agreement not previously approved by the Legislature that obligates state funds in the current year or future years, the Director of Finance shall notify the Legislature whether or not the obligation will result in a net expenditure or savings. A department

shall prepare and submit to the Department of Finance a business proposal containing 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. A statewide software license agreement may not be entered into or amended unless the approval of the Director 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 unauthorized access. The Department of Personnel Administration shall advise all departments, boards, offices, and other agencies and entities of state government of the requirements contained in this section.

SEC. 11.52. Notwithstanding any other provision of law, the State Controller shall transfer to the General Fund the unencumbered balance, as of June 30, 2005, 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-eight billion eight hundred ninety million dollars (\$68,890,000,000) for the 2005–06 fiscal year.

Any judicial action or proceeding to attack, review, set aside, void, or annul the “appropriations limit” for the 2005–06 fiscal year shall be commenced within 45 days of the effective date of this act.

SEC. 12.30. There is hereby appropriated from the General Fund for transfer to the Special Fund for Economic Uncertainties by the Controller, upon order of the Director of Finance, an amount necessary to bring the balance of this special fund up to the amount stated in the 2005–06 Final Change Book for the 2005–06 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 2005–06 fiscal year are \$36,590,833,000 or 44.5 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for school districts are \$33,070,754,000 or 40.2 percent of total General Fund revenues and transfers subject to the state appropriations limit. General Fund revenues appropriated for community college districts are \$3,413,274,000 or 4.2 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 \$106,805,000 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 6110-230-0001 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 2005–06 fiscal year. Notwithstanding any other provision of law, for the 2005–06 fis-

cal 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.

(b) The education programs that are eligible for the flexibility provided in subdivision (a) included the following items: Items 6110-111-0001, 6110-119-0001, 6110-122-0001, 6110-124-0001, 6110-128-0001, 6110-151-0001, 6110-167-0001, 6110-181-0001, 6110-193-0001, 6110-203-0001, 6110-209-0001, and 6110-224-0001 of this act.

(c) As a condition of receiving the funds provided for the programs identified in subdivision (b), local education agencies shall report to the State Department of Education by October 15, 2006, 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, 2007.

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 Legislative 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, 6110-190-0001, 6110-195-0001, 6110-198-0001, 6110-211-0001, 6110-232-0001, and 6110-234-0001.

SEC. 12.75. The Superintendent of Public Instruction shall reduce by \$1,126,000 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 that goes into effect on or before January 1, 2006.

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, 2006, of the appropriations made by Items 0160-001-0001 and 8840-001-0001 of the Budget Act of 2005 are re-appropriated and shall be available for encumbrance until June 30, 2007, 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 2005–06 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 2005–06 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 2005–06 fiscal year from the recipient fund.

(2) For purposes of this subdivision, the “clearing account” in the Consumer Affairs Fund is the account established in that fund, consisting of moneys advanced from the various special funds within the department, from which the Department of Consumer Affairs pays operating and other expenses of each special fund in an amount ordinarily not exceeding the amount advanced from that special fund.

(c) The Director of the Department of Consumer Affairs shall provide a report by March 1, 2006, 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 2005 includes \$67,968,000 (\$15,899,000 from the General Fund, \$47,434,000 from federal funds, \$1,088,000 from special funds, and \$3,547,000 from reimbursements) for applicant state agencies, departments, boards, commissions, or other entities of state government in support of federal Health Insur-

ance Portability and Accountability Act (HIPAA) of 1996 activities. These funds are allocated to the following entities:

California Health and Human Services Agency	
General Fund.....	2,992,000
Reimbursements	616,000
Public Employees' Retirement System	
Special Funds	223,000
Office of Statewide Health Planning and Development	
Special Funds	102,000
Department of Aging	
General Fund.....	12,000
Reimbursements	12,000
Department of Alcohol and Drug Programs	
General Fund.....	831,000
Reimbursements	960,000
Department of Health Services	
General Fund.....	9,871,000
Special Funds	508,000
Federal Funds.....	47,388,000
Managed Risk Medical Insurance Board	
General Fund.....	25,000
Special Funds	30,000
Federal Funds.....	46,000
Department of Developmental Services	
General Fund.....	968,000
Reimbursements	882,000
Department of Mental Health	
General Fund.....	1,075,000
Reimbursements	1,077,000
Department of Personnel Administration	
Special Funds	225,000
Department of Veterans Affairs	
General Fund.....	125,000

SEC. 24.00. For the 2005–06 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 2005–06 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; 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 2005–06 fiscal year pursuant to Section 17089 of the Education Code, in an amount determined by the Department of Finance, from the State School Building Aid Fund to the General Fund.

SEC. 24.50. An amount equal to the amount finally appropriated in Item 6110-191-0001 of Section 2.00 is hereby appropriated from the Proposition 98 Reversion Account to the Chancellor of the California Community Colleges for local assistance for Career and Technical Education Programs pursuant to legislation which is enacted during the 2005–06 Regular Session and which is effective on or before January 1, 2006.

SEC. 24.60. Each state entity receiving lottery funds shall annually report to the Governor and the Legislature on or before May 15 the amount of lottery funds that the entity received and the purposes for which those funds were expended in the prior fiscal year, including administrative costs. The State Department of Education shall report on behalf of K–12 entities. If applicable, the entity shall also report 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.

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. 25.25. Notwithstanding any other provision of law, a sum not to exceed \$7,887,000 is appropriated from various special and non-governmental cost funds to the State Controller for payment of costs to support the replacement of the existing automated human resource/payroll systems known as the 21st Century Project. The Controller shall assess these funds in sufficient amounts to pay for the authorized 21st Century Project costs that are attributable to such funds pursuant to Government Code Section 12432. Assessments in support of the expenditures for the 21st Century Project shall be made quarterly and the total amount assessed from these funds in the 2005–06 fiscal year shall not exceed the total expenditures incurred by the State Controller for the 21st Century Project that are attributable to those funds in the 2005–06 fiscal year.

SEC. 25.50. Notwithstanding any other provision of law, an amount not to exceed one million six hundred eighty-five thousand dollars (\$1,685,000) is hereby appropriated from various funds to the State Controller as specified below for reimbursement of costs for the procurement, development, and implementation of a new Apportionment Payment System:

0046	Public Transportation Account	\$ 17,000
0062	Highway Users Tax Account	525,000
0064	Motor Vehicle License Fee Account	34,000
0330	Local Revenue Fund	417,000
0877	DMV Local Agency Collection Fund	6,000
0932	Trial Court Trust Fund	288,000
0965	Timber Tax Fund	2,000
0969	Public Safety Account	396,000
	Total, All Funds	\$1,685,000

The Controller shall assess these funds for the costs of the new Apportionment Payment System because apportionment payments in excess of ten million dollars (\$10,000,000) are made annually from these funds. Assessments in support of the expenditures for the Apportionment Payment System shall be made monthly, and the total amount assessed from these funds may not exceed the total expenditures incurred by the State Controller for the Apportionment Payment System for the 2005–06 fiscal year.

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 2005–06 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. 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 does not 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 of any appropriation in this act or any additional program, project, or function equal to the amount of any additional, unanticipated funds that he or she estimates will be received by the state during the 2005–06 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 2005–06 fiscal year.

(c) The Director of Finance also may reduce any program, project, or function whenever he or she determines that funds to be received will be less than the amount taken into consideration in the schedule.

(d) Any augmentation or reduction that exceeds either (1) two hundred thousand dollars (\$200,000) or (2) 10 percent of the amount available for expenditure in the affected program, project, or function may be authorized not sooner than 30 days after notification in writing of the necessity 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 that considers the State Budget, and the Chairperson of the Joint Legislative Budget Committee, or not sooner than whatever lesser time the Chairperson of the Joint Legislative Budget Committee, or his or her designee, may in each instance determine. With regard to any proposed augmentation, the notification shall state the basis for the determination by the Director of Finance that the augmentation meets each of the requirements set forth in subdivision (b). This notification requirement does not apply to federal funds related to caseload increases in Medi-Cal, California Work Opportunity and Responsibility to Kids (CalWORKs), and Supplemental Security Income/State Supplementary Program (SSI/SSP).

(e) Any personnel action that is dependent on funds subject to this section shall not be effective until after the provisions of this section have been complied with. Any authorization made pursuant to this section shall remain in effect for the period the director may determine in each instance, but in no event after June 30, 2006.

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 2005–06 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 2005–06 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, 2006, 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, 2006.

(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 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 three hundred thirty-four dollars (\$6,334) as of July 1, 2005. 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 2005–06 fiscal year shall terminate on June 30, 2006,

except for those positions that have been (a) included in the Governor's Budget for the 2006–07 fiscal year as proposed new positions, or (b) approved by the Department of Finance and reported to the Legislature after the 2006–07 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 2006–07 fiscal year, provided these positions are shown in the Governor's Budget for the 2007–08 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 2006–07 fiscal year.

(e) No money in any 2005–06 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 2006–07 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. (a) 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. 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 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.

(b) Subdivision (a) does not apply to the expenditure of moneys to fund continuous appropriations, including appropriations made in the California Constitution, and federal laws mandating the expenditure of funds.

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. 33.50. Notwithstanding any other provision of law, the Department of Finance is authorized to periodically reduce amounts in items of appropriation in this act for the 2005–06 fiscal year to reflect savings resulting from California’s Procurement Initiative for the 21st Century. The Director of Finance shall notify the Chairperson of the Joint Legislative Budget Committee at least 30 days prior to reducing any item of appropriation. The notice shall include, but is not limited to: (a) identifying which department received the savings; (b) identifying when and how the savings were achieved; (c) identifying the types of goods and services as to which savings were achieved; and (d) describing the methodology used to calculate the savings.

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. 35.50. (a) For purposes of paragraph (1) of subdivision (f) of Section 10, and subdivision (f) of Section 12, of Article IV of the California Constitution, “General Fund revenues” means the total resources available to the General Fund for a fiscal year.

(b) For purposes of subdivision (f) of Section 12 of Article IV of the California Constitution, the estimate of General Fund revenues for the 2005–06 fiscal year pursuant to this act, as passed by the Legislature, is \$91,178,000,000.

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 2005–06 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, 2005. It is therefore necessary that this act go into immediate effect.

INDEX BY BUDGET TITLE

SEC. 99.00. The following provides an index to the appropriations and related provisions of this act, by organization in alphabetical order, with the code number of the affected organization. The organization code is the first four numbers of any item number in this act. For ease of reference, the appropriation items in this act are organized in numerical order, and all of the appropriation items for any one organization are adjacent to one another.

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CHAPTER 39

An act to amend Items 0250-001-0001, 0250-101-0932, 0250-490, 0520-001-0001, 0520-001-0044, 0690-102-0001, 1920-011-0001, 3540-301-0001, 3540-301-0660, 3600-001-0001, 3600-001-0200, 3790-492, 3860-001-0001, 3940-001-0001, 3940-001-0193, 5180-111-0001, 6110-485, 6110-495, 6440-001-0001, 6610-001-0001, 6610-493, 6870-101-0001, 9210-101-0001, and 9210-106-0001 of, and to repeal Item 9210-105-0001 of, Section 2.00 of, and to amend Section 35.50 of, and to add Items 0250-491, 0250-498, 0540-492, and 9650-495 to Section 2.00 of, and to add Sections 4.05, 4.85, 29.50, and 35.50 to, the Budget Act of 2005, relating to the state budget, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 2005. Filed with
Secretary of State July 11, 2005.]

I object to the following appropriations contained in Senate Bill 80.

Item 0250-101-0932—For local assistance, Judicial Branch. I revise this item from \$2,513,466,000 to \$2,488,916,000 by reducing:

(1) 45.10-Support for operation of the Trial Courts from \$2,183,763,000 to \$2,159,213,000, and deleting Provision 8.

I am reducing this item by \$24,550,000. The Legislature adopted Uniform Civil Filing Fees trailer bill language that would result in increased revenue of \$14,750,000 in 2005-06 and \$29,500,000 beginning in 2006-07 to the Trial Court Trust Fund. The Legislature also increased appropriation authority in this item by \$29,500,000 beginning in 2005-06. I am vetoing \$14,750,000 to reduce the appropriation authority consistent with the increased level of revenue in 2005-06. In addition, a related veto in Item 0250-111-0001 is reducing the General Fund transfer to the Trial Court Trust Fund by \$9,800,000. Therefore, I am also vetoing \$9,800,000 in this item to conform to that action. The remaining \$4,950,000 will be available as additional expenditure authority to the Trial Court Trust Fund for the facilities program.

I am deleting Provision 8 which would specify the method of allocating additional funds received through a statutorily required adjustment based on the percentage change in the State Appropriations Limit. As a separate and co-equal branch of state government, the Judicial Branch should have the flexibility to allocate these funds based on the operational needs of the trial courts and not according to a methodology imposed by the Legislature.

Item 0520-001-0001—For support of Secretary for Business, Transportation and Housing. I reduce this item from \$8,828,000 to \$8,678,000.

I am deleting the \$150,000 legislative augmentation which provides funding for the Small Business Advocate within the Business, Transportation and Housing Agency. I am a strong proponent of keeping California's business climate positive and helping business development, and believe that small businesses would be best served with this interagency coordinating

function remaining at the Governor's Office of Planning and Research. The Office of Planning and Research should perform this function within existing resources.

Item 0520-001-0044—For support of Secretary for Business, Transportation and Housing. I revise this item by reducing:

(2) 25-Infrastructure Finance and Economic Development Program from \$15,700,000 to \$13,550,000;

(5) Amount payable from the General Fund (Item 0520-001-0001) from -\$8,828,000 to -\$8,678,000; and by deleting:

(9) Amount payable from the Chrome Plating Pollution Prevention Account (Item 0520-001-9329) (-\$2,000,000).

I am reducing this item to conform to the actions I have taken in Items 0520-001-0001 of this bill and 0520-001-9329 of the Budget Act.

Item 3600-001-0001—For support of Department of Fish and Game. I reduce this item from \$44,431,000 to \$38,431,000 by reducing:

(1) 20-Biodiversity Conservation Program from \$132,172,000 to \$128,172,000;

(2) 25-Hunting, Fishing and Public Use from \$48,920,000 to \$44,920,000;

(4) 40-Conservation Education and Enforcement from \$55,643,000 to \$50,643,000;

(12) Amount payable from the Fish and Game Preservation Fund (Item 3600-001-0200) from-\$98,919,000 to -\$95,919,000;

(18.5) Amount payable from the Salmon and Steelhead Trout Restoration Account (Item 3600-001-0384) from -\$8,000,000 to -\$4,000,000; and by deleting Provisions 3 and 4 to conform to this action.

I am deleting the \$5,000,000 legislative augmentation to create 40 new game warden positions. The Department has 352 warden positions available to enforce California's Fish and Game laws. While I am supportive of enforcing California's Fish and Game Code, I am unable to concur in this specific augmentation because of the need to ensure a prudent reserve for economic uncertainties. I am deleting Provision 3 to conform to this action.

I am deleting the \$1,000,000 legislative augmentation to create 7.0 positions for the Wild and Heritage Trout Program. I am deleting Provision 4 to conform to this action.

I am also revising this item to conform to the action I have taken in Item 3600-001-0200 and Item 3600-001-0384.

These reductions are necessary to provide for a prudent General Fund reserve in light of the states current fiscal condition. With these reductions, \$272,209,000 still remains to support these programs.

Item 3600-001-0200—For support of Department of Fish and Game. I reduce this item from \$98,919,000 to \$95,919,000.

I am deleting the \$3,000,000 legislative augmentation which would increase funding for fish hatchery operations to conform to the action I have taken in Items 3640-401 and 3600-001-0001.

Item 6440-001-0001—For support of University of California. I reduce this item from \$2,618,386,000 to \$2,614,585,000 by reducing:

(1) Support from \$2,534,890,000 to \$2,531,089,000, and by revising Provisions 12 and 13 and by deleting Provision 25.

I am deleting the \$3,800,000 legislative augmentation for the Labor Institute.

The Legislature's action restores funding that was provided on a one-time basis in the 2004 Budget Act and these reductions are needed to help bring ongoing expenditures in line with existing resources.

I am deleting Provision 25 to conform to this action.

I am also reducing this item by \$1,000 and revising Provision 12 to eliminate the Legislature's requirement that the California State Summer School for Math and Science (COSMOS) be evaluated consistent with the accountability framework for outreach programs that was developed by the University in April 2005. This program is not an outreach program focused on increasing the academic performance of disadvantaged students; therefore, an evaluation on that basis would not be productive. The \$1,000 reduction reflects savings by revising Provision 12, as follows, to eliminate the unproductive effort required by the Provision:

"12. It is the intent of the Legislature that the University of California report by April 1, 2006, on the outcomes and effectiveness of COSMOS, ~~consistent with the accountability framework developed by the University of California for student academic preparation and education programs in April 2005.~~"

I am revising Provision 13 to eliminate the Legislature's requirement that the Welfare Policy Research Project be located at the University of California at Berkeley campus. This is an internal issue to the University, and as such, both usurps the autonomy of the University and the authority of the Executive Branch to operate programs. I am revising Provision 13 to conform to this action as follows:

"13. The amount appropriated in Schedule (1) includes funding for the University of California at Berkeley, ~~Institute for Governmental Studies~~, to support 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."

Finally, I am sustaining the \$17.3 million legislative augmentation for Student Academic Preparation and Education Programs on a one-time basis, with the understanding that the University will work with the Administration to fully evaluate the cost-effectiveness of each program and eliminate those that cannot demonstrate an adequate return on investment.

Item 6610-001-0001—For support of the California State University. I reduce this item from \$2,554,085,250 to \$2,550,645,250 by reducing:

(1) Support from \$3,978,663,250 to \$3,975,223,250, and by revising Provision 11.

I am reducing the legislative augmentation for a specific entry-level master's degree program in nursing from \$4,000,000 to \$560,000 because the level of funding provided exceeds the programmatic need in the budget year. However, I believe very strongly in increasing the number of nurses in California. Therefore, in order to ensure that all these dollars are not left unspent, and actually are used to address our nursing shortage, I am setting aside the vetoed amount, to address this critical need through different approaches, pursuant to subsequent legislation. For instance, I would consider signing legislation that would appropriate the remainder of the \$4,000,000 to the California State University, the University of California, or both, to work with some of California's independent colleges and universities to increase capacity for nursing programs with the objective to further increase the number of nursing faculty available in our state. The availability of increased nursing faculty will allow schools

to offer more nursing classes and increase the State's capacity to train an even greater number of nurses.

I am revising Provision 11 to conform to this action as follows:

"11. Of the amount appropriated in Schedule (1), ~~\$4,000,000~~ \$560,000 is to support the development of entry-level master's degree programs in nursing, pursuant to Article 8 (commencing with Section 89270) of Chapter 2 of Part 55 of Title 3 of the Education Code."

Finally, I am sustaining the \$7 million legislative augmentation for student academic preparation and student support services programs on a one-time basis, with the understanding that the University will work with the Administration to fully evaluate the cost-effectiveness of each program and eliminate those that cannot demonstrate an adequate return on investment.

Item 6870-101-0001—For local assistance, Board of Governors of the California Community Colleges. I am deleting Provision 6.6 of this item to conform to my action on that same Provision and Control Section 24.50 in the main budget bill, SB 77:

As stated in the veto message for SB 77, I am deleting Provision 6.6 which states legislative intent to fund Career Technical Education pursuant to the Legislature's new added Control Section 24.50. Control Section 24.50 would require that \$20,000,000 for Career Technical Education be linked to providing an identical amount of funding for supplemental instructional materials for English learners. These two programs do not share any legal or programmatic relationship; thus, the Control Section creates an inappropriate funding link between these distinct programs. Further, this action is unconstitutional and attempts to usurp the Governor's veto authority.

I have a strong commitment to career technical education reform in order to ensure that all students have the opportunity to prepare for high paying careers in the high-demand job sectors of our economy. Therefore, I am setting aside \$20,000,000 from my veto of Control Section 24.50 to provide support for Career Technical Education in separate legislation.

Item SEC. 29.50—Employee Compensation Savings. I delete this control section.

I am deleting Control Section 29.50 because this language is unnecessary and infringes on the Administration's prerogatives regarding collective bargaining. This section requires the Administration to notify the Legislature 10 days prior to any reductions in appropriations based on the results of collective bargaining. Control Section 4.01 provides the same authority to reduce appropriations but provides for legislative notification within 30 days of the reductions. Notification prior to reductions would place the Legislature in the position of approving or disapproving specific employee compensation reforms that arise from collective bargaining negotiations, rather than ratifying memoranda of understanding that require expenditures of funding as provided for in Government Code Sections 3517.6 and 3517.61. This constitutes an infringement on the Governor's responsibilities under the Dills Act.

With the above deletions, revisions, and reductions, I hereby approve Senate Bill 80.

ARNOLD SCHWARZENEGGER, Governor

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

SECTION 1. Item 0250-001-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

0250-001-0001—For support of Judicial Branch..... 307,933,000

Schedule:

(1) 10-Supreme Court.....	40,743,000
(2) 20-Courts of Appeal.....	177,276,000
(3) 30-Judicial Council.....	101,049,000
(4) 35-Judicial Branch Facility Program.....	2,087,000
(5) 50-Habeas Corpus Resource Center.....	11,425,000
(6) Reimbursements.....	-17,189,000
(7) Amount payable from the Motor Vehicle Account, State Transportation Fund (Item 0250-001-0044).....	-160,000
(8) Amount payable from the Court Interpreters' Fund (Item 0250-001-0327).....	-142,000
(9) Amount payable from the Federal Trust Fund (Item 0250-001-0890).....	-2,560,000
(10) Amount payable from the Appellate Court Trust Fund (Item 0250-001-3060).....	-4,596,000

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 prelitigation 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.

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 (5) 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, 2005, and April 1, 2006, 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.

SEC. 2. Item 0250-101-0932 of Section 2.00 of the Budget Act of 2005 is amended to read:

0250-101-0932—For local assistance, Judicial Branch, payable from the Trial Court Trust Fund.....	2,513,466,000
Schedule:	
(1) 45.10-Support for operation of the Trial Courts.....	2,183,763,000
(2) 45.25-Compensation of Superior Court Judges.....	233,530,000
(3) 45.35-Assigned Judges.....	20,254,000
(4) 45.45-Court Interpreters.....	72,233,000

(5) 45.55.060-Court Appointed Special Advocate (CASA) Program.....	2,052,000
(6) 45.55.065-Model Self-Help Program.....	887,000
(7) 45.55.095-Family Law Information Centers.....	321,000
(8) 45.55.100-Civil Case Coordination.....	426,000

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 funds appropriated in Schedule (2) shall be made available for costs of the workers' compensation program for trial court judges.
3. 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.
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 the 58th classes. 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. Upon order of the Director of Finance, the amount available for expenditure in this item may be augmented by the amount of any additional resources available in the Trial Court Trust Fund, which is in addition to the amount appropriated in this item.
6. 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 0250-115-0932 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 Section 68114.10 of the Government Code.
7. Of the funds appropriated in Schedule (1), which will be transferred to the Trial Court Improvement Fund in accordance with subdivision (b) of Section 77209 of the Government Code, up to \$5,000,000 shall be available for support of services for self-represented litigants.
8. The funds in Schedule (1) for the operation of the trial courts, except funds relating to security, shall be allocated to the Judicial Council in a manner consistent with the calculations specified in the Supplemental Report of the 2005 Budget Act so that a portion of the funds are allocated on a pro rata basis for the general operation of the trial courts and a portion of the funds are allocated in order to address the differential growth needs of the trial courts.

SEC. 3. Item 0250-490 of Section 2.00 of the Budget Act of 2005 is amended to read:

0250-490—Reappropriation, Judicial Branch. The balance of the appropriation provided for in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation:

0660—Public Buildings Construction Fund

- (1) Item 0250-301-0660, Budget Act of 2002 (Ch. 379, Stats. 2002), as reappropriated by Item 0250-490, Budget Act of 2003 (Ch. 379, Stats. 2003)

- (2) 90.20.501-Court of Appeal, Fifth Appellate District Fresno: New Courthouse—Construction

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 projects authorized by this item.
2. The State Public Works Board may authorize the augmentation of the cost of design and 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 the 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.

SEC. 4. Item 0250-491 is added to Section 2.00 of the Budget Act of 2005 to read:

0250-491—Reappropriation, Judicial Branch. \$75,000 of the balance of the appropriation provided for in the following citation is reappropriated for the purposes and subject to the limitations, unless otherwise specified, provided for in the appropriation:

0001—General Fund

- (1) Item 0250-301-0001, Budget Act of 2000 (Ch. 52, Stats. 2000), as partially reappropriated by Item 0250-490, Budget Act of 2003 (Ch. 157, Stats. 2003)
 - (1) 90.20.401-Court of Appeal, Fourth Appellate District, Orange County: New Courthouse—Acquisition, provided that the funds shall be available for expenditure until June 30, 2006.

SEC. 5. Item 0250-498 is added to Section 2.00 of the Budget Act of 2005 to read:

0250-498—Reversion, Judicial Branch. As of June 30, 2005, the specified balance of the following appropriation shall revert to the fund balance from which the appropriation was made:

0001—General Fund

- (1) Item 0250-301-0001, Budget Act of 2000 (Ch. 52, Stats. 2000), as partially reappropriated by Item 0250-490, Budget Act of 2003 (Ch. 157, Stats. 2003)
- (1) 90.20.401-Court of Appeal, Fourth Appellate District, Orange County: New Court-house—Acquisition..... 2,178,000

SEC. 6. Item 0520-001-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

0520-001-0001—For support of Secretary for Business, Transportation and Housing, for payment to Item 0520-001-0044 payable from the General Fund..... 8,828,000

Provisions:

- 1. Of the amount appropriated in this item, \$7,300,000 shall be available for use by the California Travel and Tourism Commission for use in promoting California tourism to potential visitors.

SEC. 7. Item 0520-001-0044 of Section 2.00 of the Budget Act of 2005 is amended to read:

0520-001-0044—For support of Secretary for Business, Transportation and Housing, payable from the Motor Vehicle Account, State Transportation Fund..... 1,133,000

Schedule:

- (1) 10-Administration of Business, Transportation and Housing Agency..... 3,009,000
- (2) 25-Infrastructure Finance and Economic Development Program..... 15,700,000

(3) 97.20.001-Unallocated Reduction....	-22,000
(4) Reimbursements.....	-2,987,000
(5) Amount payable from the General Fund (Item 0520-001-0001).....	-8,828,000
(6) Amount payable from the California Infrastructure and Economic Development Bank Fund (Item 0520-001-0649).....	-3,248,000
(7) Amount payable from the Small Business Expansion Fund (Item 0520-001-0918).....	-435,000
(8) Amount payable from the Welcome Center Fund (Item 0520-001-3083).....	-56,000
(9) Amount payable from the Chrome Plating Pollution Prevention Account (Item 0520-001-9329).....	-2,000,000

SEC. 8. Item 0540-492 is added to Section 2.00 of the Budget Act of 2005, to read:

0540-492—Reappropriation, Secretary for Resources. 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 or expenditure until June 30, 2006:

6015—River Protection Subaccount

- (1) Item 0540-101-6015, Budget Act of 2000 (Ch. 52, Stats. 2000)
- (b) San Gabriel River

SEC. 9. Item 0690-102-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

0690-102-0001—For local assistance, Office of Emergency Services.....	27,849,000
Schedule:	
(1) 50.20.102-Victims' Legal Resource Center.....	41,000
(2) 50.20.151-Domestic Violence Program.....	2,730,000
(3) 50.20.152-Family Violence Prevention.....	50,000

(4) 50.20.301-Rape Crisis Program.....	50,000
(5) 50.20.302-Rape Prevention.....	5,571,000
(6) 50.20.351-Homeless Youth Project.....	396,000
(7) 50.20.352-Youth Emergency Telephone Referral.....	127,000
(8) 50.20.354-Child Sexual Abuse Prevention and Training.....	302,000
(9) 50.30.502-War on Methamphetamine.....	9,500,000
(10) 50.30.503-Vertical Prosecution Block Grants.....	8,176,000
(11) 50.30.522-Evidentiary Medical Training.....	648,000
(12) 50.30.541-Public Prosecutors and Public Defenders.....	8,000
(13) 50.30.661-California Gang Violence Suppression Program.....	2,790,000
(14) 50.30.662-CALGANG.....	300,000
(15) 50.30.672-Multi-Agency Gang Enforcement Consortium.....	93,000
(16) 50.30.815-Rural Crime Prevention Program.....	3,643,000
(17) Reimbursements.....	-6,576,000

Provisions:

1. Notwithstanding any other provision of law, the Office of Emergency Services 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 Emergency Services.
2. To maximize the use of program funds and demonstrate the commitment of the grantees to program objectives, the Office of Emergency Services shall require all grantees of 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 Emergency Services.

- 3. Of the amount appropriated in Schedule (16), \$300,000 shall be provided to Monterey County for a planning grant consistent with the Central Coast Rural Crime Prevention Program as established in Chapter 18 of the Statutes of 2003.

SEC. 10. Item 1920-011-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

1920-011-0001—For transfer by the Controller to the State

Teachers' Retirement Fund..... (1,081,064,000)

Schedule:

- (1) Supplemental Benefit Maintenance

Account (SBMA)..... (581,367,000)

- (2) Benefits Funding..... (499,697,000)

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 subdivisions (a) and (b) of Section 22955 of the Education Code

SEC. 11. Item 3540-301-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

3540-301-0001—For capital outlay, Department of Forestry and Fire Protection.....

14,851,000

Schedule:

- (.5) 30.30.175-Owens Valley Conservation Camp: Construct Utility Upgrades—Construction..... 1,511,000

- (2) 30.40.110-Hollister Air Attack Base: Relocate Facility—Preliminary plans..... 269,000

- (3) 30.60.050-Statewide: Construct Communications Facilities—Preliminary plans and working drawings..... 2,660,000

- (3.3) 30.30.060-Hemet-Ryan Air Attack
 Base: Replace Facility—Acquisition
 and construction..... 8,296,000
- (4) 30.80-Minor capital outlay..... 2,115,000

Provisions:

1. The funds appropriated by Schedules (3) and (4) 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, 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 by the State Public Works Board.

SEC. 12. Item 3540-301-0660 of Section 2.00 of the Budget Act of 2005 is amended to read:

3540-301-0660—For capital outlay, Department of Forestry and Fire Protection, payable from the Public Buildings Construction Fund..... 129,236,000

Schedule:

- (0.5) 30.10.005-Alma Helitack Base:
 Replace Facility—Preliminary
 plans, working drawings, and con-
 struction..... 6,469,000
- (0.7) 30.10.035-Stevens Creek Forest
 Fire Station: Replace Facility—Ac-
 quisition, working drawings, and
 construction..... 2,902,000
- (1) 30.10.055-Ukiah Air Attack Base:
 Relocate Facility—Acquisition,
 preliminary plans, working draw-
 ings, and construction..... 9,956,000
- (1.4) 30.10.090-Pacheco Forest Fire
 Station: Replace Facility—Acquisi-
 tion and construction..... 2,445,000
- (1.6) 30.10.110-Elk Camp Forest Fire
 Station: Relocate Facility—Working
 drawings and construction..... 2,833,000

(1.8) 30.10.125-Mendocino Ranger Unit Headquarters: Replace Automotive Shop—Working drawings and con- struction	3,258,000
(2) 30.10.065-Sweetwater Forest Fire Station: Replace Facility—Prelimi- nary plans, working drawings, and construction.....	3,117,000
(3) 30.10.130-Santa Clara Ranger Unit Headquarters: Construct Facili- ty—Working drawings and construc- tion.....	2,721,000
(3.1) 30.20.030-Harts Mill Forest Fire Station: Relocate Facility—Construc- tion.....	2,392,000
(3.15) 30.40.105-Vallecito Conserva- tion Camp: Replace Apparatus Buildings and Utilities—Working drawings and construction	3,483,000
(3.2) 30.30.015-Independence Forest Fire Station: Relocate Facili- ty—Working drawings and construc- tion.....	2,758,000
(3.25) 30.30.020-San Luis Obispo Ranger Unit Headquarters: Replace Facility—Construction.....	10,303,000
(3.35) 30.30.065-San Marcos Forest Fire Station: Relocate Facility—Pre- liminary plans, working drawings, and construction.....	2,933,000
(3.4) 30.30.075-Warner Springs Forest Fire Station: Replace Facility—Ac- quisition, preliminary plans, work- ing drawings, and construction.....	3,600,000
(3.45) 30.30.115-Ventura Youth Con- servation Camp: Construct Appara- tus Buildings, Shop, and Ware- house—Working drawings and construction.....	2,657,000
(3.5) 30.30.150-Nipomo Forest Fire Station: Replace Facility—Acquisi- tion and construction.....	2,936,000

(3.55)	30.40.050-Rancheria Forest Fire Station: Replace Facility—Working drawings and construction.....	3,272,000
(3.6)	30.40.075-Usona Forest Fire Station: Replace Facility—Working drawings and construction.....	2,325,000
(3.65)	30.40.090-Antelope Forest Fire Station: Replace Barracks and Messhall Building—Construction....	236,000
(3.7)	30.40.120-Dew Drop Forest Fire Station: Replace Facility—Acquisition and construction.....	2,457,000
(3.75)	30.40.125-Twain Harte Forest Fire Station: Relocate Facility--Preliminary plans, working drawings, and construction.....	3,826,000
(3.8)	30.40.130-Springville Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction.....	3,697,000
(3.85)	30.40.135-Raymond Forest Fire Station: Relocate Facility—Preliminary plans, working drawings, and construction.....	3,444,000
(3.9)	30.40.145-Bautista Conservation Camp: Replace Modular Buildings--Preliminary plans, working drawings, and construction.....	4,758,000
(3.95)	34.40.195-Altaville Forest Fire Station: Replace Facility—Working drawings and construction.....	3,754,000
(4)	30.60.045-Statewide: Construct Forest Fire Stations—Preliminary plans, working drawings, and construction.....	36,704,000

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 costs of acquisition, design, and 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. Notwithstanding any other provision of law, the funds appropriated by Schedules (1) and (4) of this item shall be available for expenditure during the 2005-06 fiscal year, except appropriations for working drawings which shall be available for expenditure until June 30, 2007, and appropriations for construction which shall be available for expenditure until June 30, 2010. In addition, the balance of funds appropriated for construction by Schedules (1) and (4) that have not been allocated, through fund transfer or approval to bid, by the Department of Finance on or before June 30, 2008, 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. Notwithstanding any other provision of law, the funds appropriated by Schedule (1) of this item may be used to acquire fee acquisition through a purchase option or less than fee acquisition, through a long-term lease or prepaid long-term lease, subject to approval by the Department of Finance.
8. The funds appropriated in Schedule (4) 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.

SEC. 13. Item 3600-001-0001 of Section 2.00 of the Budget Act of 2005, is amended to read:

3600-001-0001—For support of Department of Fish and Game.....	44,431,000
Schedule:	
(1) 20-Biodiversity Conservation Program.....	132,172,000
(2) 25-Hunting, Fishing and Public Use.....	48,920,000
(3) 30-Management of Department Lands and Facilities.....	43,374,000
(4) 40-Conservation Education and Enforcement.....	55,643,000
(5) 50-Spill Prevention and Response....	29,737,000

(6) 70.01-Administration.....	33,756,000
(7) 70.02-Distributed Administration.....	-33,756,000
(8) 97.20.001-Unallocated Reduction....	-569,000
(9) Reimbursements.....	-38,819,000
(10) Amount payable from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund (Item 3600-001- 0005).....	-1,537,000
(11) Amount payable from the Califor- nia Environmental License Plate Fund (Item 3600-001-0140).....	-15,802,000
(12) Amount payable from the Fish and Game Preservation Fund (Item 3600-001-0200).....	-98,919,000
(13) Amount payable from the Fish and Wildlife Pollution Account (Item 3600-001-0207).....	-2,577,000
(14) Amount payable from the Califor- nia Waterfowl Habitat Preservation Account, Fish and Game Preserva- tion Fund (Item 3600-001-0211).....	-220,000
(15) Amount payable from the Exotic Species Control Fund (Item 3600- 001-0212).....	-1,199,000
(16) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3600-001-0235).....	-2,542,000
(17) Amount payable from the Oil Spill Prevention and Administration Fund (Item 3600-001-0320).....	-21,503,000
(18) Amount payable from the Environ- mental Enhancement Fund (Item 3600-001-0322).....	-381,000
(18.5) Amount payable from the Salmon and Steelhead Trout Restoration Account (Item 3600-001-0384).....	-8,000,000
(19) Amount payable from the Central Valley Project Improvement Subac- count (Item 3600-001-0404).....	-54,000
(20) Amount payable from the Federal Trust Fund (Item 3600-001-0890)....	-66,656,000

(22) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3600-001-6031),.....	-4,245,000
(23) Amount payable from the Salton Sea Restoration Fund (Item 3600-001-8018),.....	-2,392,000

Provisions:

1. The funds appropriated in this item may be increased with the approval of, and under the conditions set by, the Department of Finance to meet current obligations proposed to be funded in Schedules (9) and (20). The funds appropriated in 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 (9) and (20) shall be used in repayment of any funds used to meet current obligations pursuant to this provision.
2. Of the amount appropriated in Schedule (3), \$95,000 from the Safe Neighborhood Parks, Clean Water, Clean Air, and Coastal Protection Bond Fund and \$622,000 in reimbursements shall be available for fire prevention projects until June 30, 2007.
3. It is the intent of the Legislature that, of the funds appropriated in this item, \$5,000,000 be provided for the hiring of additional game wardens in order to ensure that California's natural environment is protected through tough enforcement of existing laws.
4. It is the intent of the Legislature that, of the funds provided in this item, \$1,000,000 be provided for the purposes of protecting and preserving California's wild and heritage trout populations.
5. It is the intent of the Legislature that, of the funds appropriated in this item, \$1,700,000 be provided for the hiring of Fish and Game staff to review timber harvest plans in order to ensure that California's natural environment is protected through tough enforcement of existing laws.
6. Funds provided to rebuild the Wild/Heritage Trout Program may be used to match federal funds. Any

matching federal funds received may be expended by the Department of Fish and Game to hire a seasonal team in each region to augment the work of the department's biologists. The notification requirements of Section 28.00 do not apply to federal funds received for this purpose.

SEC. 14. Item 3600-001-0200 of Section 2.00 of the Budget Act of 2005 is amended to read:

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..... 98,919,000

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.
- 4. Of the funds appropriated in this item, \$3,000,000 shall be available to continue operations of state fish hatcheries located in various regions of the state.

SEC. 15. Item 3790-492 is added to Section 2.00 of the Budget Act of 2005, to read as follows:

3790-492—Reappropriation, Department of Parks and Recreation. Notwithstanding any other provision of law, the period to liquidate encumbrances of the following citation is extended to June 30, 2006:

0001—General Fund

- (1) Item 3790-101-0001, Budget Act of 2001 (Ch.106, Stats. 2001)
 - (b) Local Projects
 - (119) City of Stockton: Pixie Woods Children's Park
 - (120) City of Stockton: development of youth soccer fields
 - (124) San Francisco Organizing Project: Facade improvements
- (2) Item 3790-101-0001, Budget Act of 2000 (Ch. 52, Stats. 2000)
 - (a) Grants
 - (130) City of Glendale: Deukmejian Wilderness Park

- (248) City of Huntington Park: Bonneli Regional Youth Center
 - (3) Item 3790-102-0005, Budget Act of 2000 (Ch. 52, Stats. 2000)
 - (a) 80.25-Recreational Grants
 - (5) Murray-Hayden Grants
 - (i) City of Huntington Park: Regional Youth Center
 - (qx) City of Huntington Park: Bonneli Regional Youth Center
 - (4) Item 3790-101-0001, Budget Act of 1999 (Ch. 50, Stats. 1999), as reappropriated by Chapter 1127 of the Statutes of 2002
 - (a) Recreational Grants
 - (152) City of San Jacinto: Regional Aquatic Center Swimming Pool
- 0262—Habitat Conservation Fund
- (1) Item 3790-101-0262, Budget Act of 1999 (Ch. 50, Stats. 1999), as reappropriated by Item 3790-493, Budget Act of 2004 (Ch. 208, Stats. 2004)
 - (1) 80.25.0001-Local Grants--Habitat Conservation Fund Program

Provisions:

- 1. The reappropriation is limited to the \$325,000 grant to the Mid-Peninsula Regional Open Space District.

SEC. 16. Item 3860-001-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

3860-001-0001—For support of Department of Water Resources.....	73,440,000
Schedule:	
(1) 10-Continuing Formulation of the California Water Plan.....	108,447,000
(2) 20-Implementation of the State Water Resources Development System.....	5,220,000
(3) 30-Public Safety and Prevention of Damage.....	92,690,000
(4) 40-Services.....	7,205,000
(5) 45-California Energy Resources Scheduling (CERS).....	32,343,603

(6) 50.01-Management and Administration.....	63,700,000
(7) 50.02-Distributed Management and Administration.....	-63,700,000
(8) 97.20.001-Unallocated Reduction....	-576,000
(9) Reimbursements.....	-25,944,000
(10) Amount payable from the California Environmental License Plate Fund (Item 3860-001-0140).....	-238,000
(11) Amount payable from the Central Valley Project Improvement Subaccount (Item 3860-001-0404).....	-1,575,000
(12) Amount payable from the Feasibility Projects Subaccount (Item 3860-001-0445).....	-482,000
(13) Amount payable from the Water Conservation and Groundwater Recharge Subaccount (Item 3860-001-0446).....	-125,000
(14) Amount payable from the Energy Resources Programs Account (Item 3860-001-0465).....	-1,792,000
(15) Amount payable from the Local Projects Subaccount (Item 3860-001-0543).....	-101,000
(17) Amount payable from the 1986 Water Conservation and Water Quality Bond Fund (Item 3860-001-0744).....	-195,000
(18) Amount payable from the Federal Trust Fund (Item 3860-001-0890)....	-12,700,000
(19) Amount payable from the Dam Safety Fund (Item 3860-001-3057).....	-7,827,000
(20) Amount payable from the Electric Power Fund (Item 3860-001-3100).....	-32,343,603
(21) Amount payable from the Safe Drinking Water, Clean Water, Watershed Protection, and Flood Protection Bond Fund (Item 3860-001-6001).....	-988,000

(22) Amount payable from Floodplain Mapping Subaccount (Item 3860-001-6003).....	-254,000
(23) Amount payable from the Flood Protection Corridor Subaccount (Item 3860-001-6005).....	-866,000
(24) Amount payable from the Urban Stream Restoration Subaccount (Item 3860-001-6007).....	-701,000
(25) Amount payable from the Yuba Feather Flood Protection Subaccount (Item 3860-001-6010).....	-703,000
(26) Amount payable from the Water Conservation Account (Item 3860-001-6023).....	-789,000
(27) Amount payable from the Conjunctive Use Subaccount (Item 3860-001-6025).....	-1,316,000
(28) Amount payable from the Bay-Delta Multipurpose Water Management Subaccount (Item 3860-001-6026).....	-3,604,000
(29) Amount payable from the Interim Water Supply and Water Quality Infrastructure and Management Subaccount (Item 3860-001-6027).....	-433,000
(19) Amount payable from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Item 3860-001-6031).....	-78,913,000

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.
2. Notwithstanding any other provision of law, the fees supporting the Watermaster program shall not be increased in the 2005–06 fiscal year.

SEC. 17. Item 3940-001-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

3940-001-0001—For support of State Water Resources Control	
Board.....	29,236,000
Schedule:	
(1) 10-Water Quality.....	427,309,000
(2) 20-Water Rights.....	11,085,000
(3) 30.01-Administration.....	17,805,000
(4) 30.02-Distributed Administration....	-17,805,000
(5) 97.20.001-Unallocated Reduction....	-454,000
(6) Reimbursements	-9,815,000
(7) Amount payable from the Unified Program Account (Item 3940-001- 0028).....	-525,000
(8) Amount payable from the Waste Discharge Permit Fund (Item 3940- 001-0193).....	-57,818,000
(9) Amount payable from the Marine Invasive Species Control Fund (Item 3940-001-0212).....	-77,000
(10) Amount payable from the Public Resources Account, Cigarette and Tobacco Products Surtax Fund (Item 3940-001-0235)	-3,666,000
(11) Amount payable from the Integrated Waste Management Account, Inte- grated Waste Management Fund (Item 3940-001-0387).....	-5,547,000
(12) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-0417)	-538,000
(13) Amount payable from the Water Recycling Subaccount (Item 3940- 001-0419).....	-153,000
(14) Amount payable from the Drainage Management Subaccount (Item 3940-001-0422).....	-515,000
(16) Amount payable from the Seawater Intrusion Control Subaccount (Item 3940-001-0424).....	-39,000

(17) Amount payable from the Under-ground Storage Tank Tester Account (Item 3940-001-0436).....	-63,000
(18) Amount payable from the Under-ground Storage Tank Cleanup Fund (Item 3940-001-0439).....	-275,556,000
(19) Amount payable from the Surface Impoundment Assessment Account (Item 3940-001-0482).....	-198,000
(20) Amount payable from the 1984 State Clean Water Bond Fund (Item 3940-001-0740).....	-321,000
(21) Amount payable from the Federal Trust Fund (Item 3940-001-0890)....	-34,670,000
(22) Amount payable from the Water Rights Fund (Item 3940-001-3058).....	-9,227,000
(23) Amount payable from the Watershed Protection Subaccount (Item 3940-001-6013).....	-1,069,000
(24) Amount payable from the Santa Ana River Watershed Subaccount (Item 3940-001-6016).....	-1,062,000
(25) Amount payable from the Lake Elsinore and San Jacinto Watershed Subaccount (Item 3940-001-6017).....	-47,000
(26) Amount payable from the Non-point Source Pollution Control Sub-account (Item 3940-001-6019).....	-1,238,000
(27) Amount payable from the State Revolving Fund Loan Subaccount (Item 3940-001-6020).....	-81,000
(28) Amount payable from the Wastewater Construction Grant Subaccount (Item 3940-001-6021).....	-23,000
(29) Amount payable from the Coastal Nonpoint Source Control Sub-account (Item 3940-001-6022).....	-1,076,000
(30) Amount payable from the Water Security, Clean Drinking Water,	-4,820,000

Coastal and Beach Protection Fund of 2002 (Item 3940-001-6031).....	
(31) Amount payable from the Petroleum Underground Storage Tank Financing Account (Item 3940-001-8026).....	-560,000

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 for cash purposes from special funds that otherwise provide support for the board. Any such loans are to be repaid with interest at the rate earned in the Pooled Money Investment Account.

SEC. 18. Item 3940-001-0193 of Section 2.00 of the Budget Act of 2005 is amended to read:

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.....	57,818,000
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SEC. 19. Item 5180-111-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

5180-111-0001—For local assistance, Department of Social Services.....	4,759,353,000
Schedule:	
(1) 16.70-SSI/SSP.....	3,524,955,000
(2) 25.15-IHSS.....	3,762,122,000
(3) Reimbursements.....	-2,527,724,000

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 \$195,000,000 shall be made available from the General Fund from funds not otherwise appropriated, to cover the federal share or reimbursable share, or both, of costs of a program(s) when the federal funds or reimbursements (from the Health Care Deposit Fund or counties) have not been received by this state prior to the usual time

for transmitting payments for the federal or reimbursable share of costs for this state. That loan from the General Fund shall be repaid when the federal share of costs for the program(s) becomes available, or in the case of reimbursements, subject to Section 16351 of the Government Code. County reimbursements also shall be subject to Section 16314 of the Government Code, which specifies the rate of interest. The department may offset a county's share of cost of the In-Home Supportive Services (IHSS) program against local assistance payments made to the county if the county fails to reimburse its share of cost of the IHSS program to the state.

3. The State Department of Social Services shall provide technical assistance to counties to ensure that they maximize the receipt of federal funds for the IHSS program, without compromising the quality of the services provided to IHSS recipients.
4. Funds appropriated in this item for the management, including, as needed, procurement, design, development, testing, implementation, and oversight of the Case Management Information and Payrolling System (CMIPS) project shall be transferred to Item 0530-001-9732 upon order of the Department of Finance.

SEC. 20. Item 6110-485 of Section 2.00 of the Budget Act of 2005 is amended to read:

6110-485—Reappropriation (Proposition 98), Department of Education. The sum of \$306,741,000 is hereby reappropriated from the Proposition 98 Reversion Account, for the following purposes:

0001—General Fund

- (1) \$183,508,000 to the School Facilities Program for the purpose of funding the School Facilities Emergency Repair Account as required by Chapter 899 of the Statutes of 2004.
- (2) \$10,000,000 to the State Department of Education for the purpose of funding CalWORKs Stage 3 child care.
- (3) \$6,385,000 to the State Department of Education, for payment of Sunnyvale Desegregation claims and interest owed through the 1991-92 fiscal year. The

funding shall not be provided for payment of claims and interest and shall be reverted to the General Fund if an appropriation is included in a claims bill for this purpose during the 2005-06 Regular Session.

- (4) \$1,050,000 on a one-time basis to the State Department of Education for the purpose of funding a pilot program to provide training for School Business Officers.
- (5) \$354,000 to the State Department of Education, for transfer by the Controller to Section A of the State School Fund, for payment of prior year child nutrition claims of \$335,000 in 2003-04, \$17,000 in 2000-01, and \$2,000 in 1999-00 fiscal years.
- (6) \$2,227,000, on a one-time basis, to the State Department of Education to cover start-up costs associated with the new California English Language Development Test contract.
- (7) \$9,000,000 to the State Department of Education, on a one-time basis, for the Charter School Facility Grant Program.
- (8) \$53,757,000 to the Controller to pay for prior year state obligations for K-12 mandate claims and interest.
- (9) \$18,200,000 on a one-time basis to the State Department of Education for providing fruits and vegetables to schools pursuant to legislation enacted during the 2005–06 Regular Session.
- (10) Up to \$49,500,000 to the Superintendent of Public Instruction for purposes of the allocations specified pursuant to Provision 3.

Provisions:

1. The funds specified in Schedule (7) 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. No charter school receiving funds under this program shall receive funding in excess of 75 percent of annual lease costs through this program or any other source of funding provided in this or any other act.
2. The funds specified in Schedule (8) shall go to the Controller, who shall use the funds to pay for the oldest claims of those no longer subject to audit

- pursuant to subdivision (a) of Section 17558.5 of the Government Code, including accrued interest. No payments shall be made from the funds on any claims for the Standardized Testing and Reporting (STAR) Program, schoolsite councils, Brown Act reform, School Bus Safety II, or the removal of chemicals.
3. The governing board of a school district that has a school or schools that are ranked in deciles 1 to 3, inclusive, of the 2004 base Academic Performance Index, as defined in Section 52052 of the Education Code, may apply for funding specified in Schedule (10) for one or more such qualifying schools.
 - (a) As a condition of receipt of funds, the district governing board shall adopt a plan for use of the funds within the qualifying schools. The plan must be discussed and adopted at a regularly scheduled governing board meeting.
 - (b) Each applicant district shall receive fifty dollars (\$50) per pupil based upon the number of pupils in qualifying schools within the district.
 - (c) The funds shall be used for the purposes of improving the educational culture and environment at those schools, which may include, but are not limited to, the following specific purposes:
 - (1) Assuring a safe, clean school environment for teaching and learning.
 - (2) Providing support services for students, and teachers.
 - (3) Activities, including differential compensation, focused on the recruitment and retention at those schools of teachers who meet the definition of a highly qualified teacher under the No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).
 - (4) Activities, including differential compensation, focused on the recruitment and retention at those schools of highly skilled principals.
 - (5) Small group instruction.
 - (6) Providing time for teachers and principals to collaborate regarding improving academic outcomes for students.

- (d) To the extent that funding is insufficient to fund all eligible applicants, the amount provided shall be prorated to conform to available funds.
- (e) Of the funds specified in Schedule (10), \$3,000,000 shall be available for allocation to a County Office of Education on a competitive basis for the purpose of contracting, on a competitive basis, with an outside entity for the purpose of recruiting highly qualified teachers to qualifying schools in deciles 1 to 3, inclusive, based on the 2004 Academic Performance Index.

SEC. 21. Item 6110-495 of Section 2.00 of the Budget Act of 2005 is amended to read:

6110-495—Reversion, Department of Education, Proposition 98. The following amounts shall be reverted to the Proposition 98 Reversion Account by the State Controller within 60 days of enactment of this act:

0001—General Fund

- (1) \$1,111,000 or whatever greater or lesser amount reflects the unexpended funds from Item 6110-123-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (2) \$1,812,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-126-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (3) \$21,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-156-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (4) \$211,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-166-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (5) \$50,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-177-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (6) \$66,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-191-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (7) \$127,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-191-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).

- (8) \$545,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-195-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (9) \$24,396,000 or whatever the greater or lesser amount reflects the unencumbered balance of the amount appropriated for child care and development programs in Item 6110-196-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (10) \$78,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-197-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (11) \$1,030,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-203-0001, Budget Act of 2004 (Ch. 208, Stats. 2004).
- (12) \$27,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-209-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (13) \$451,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-211-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (14) \$110,000 or whatever greater or lesser amount reflects the unexpended funds from Schedule (4) of Item 6110-485, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (15) \$22,000 from the appropriation made by paragraph (9) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (16) \$4,600,000 or whatever greater or lesser amount reflects unexpended funds from Item 6110-134-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (17) \$1,013,000 or whatever greater or lesser amount reflects unexpended funds from Item 6110-229-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (18) \$8,000,000 or whatever greater or lesser amount reflects unexpended funds from paragraph (1) of subdivision (a) of Section 1 of Chapter 101 of the Statutes of 2002.
- (19) \$119,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-201-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (20) \$701,000 or whatever lesser or greater amount reflects unexpended funds from paragraph (4) of sub-

division (a) of Section 50 of Chapter 1167 of the Statutes of 2002.

- (21) \$3,000,000 or whatever greater or lesser amount reflects unexpended funds from Section 11 of Chapter 10 of the Statutes of 2003, First Extraordinary Session.
- (22) \$702,000 or whatever lesser or greater amount reflects unexpended funds from Item 6110-235-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (23) \$1,481,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-166-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (24) \$194,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-122-0001, Budget Act of 2002 (Ch. 379, Stats. 2002).
- (25) \$398,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-122-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (26) \$10,000,000 of the balance in the Child Care Facilities Revolving Fund established pursuant to Section 8278.3 of the Education Code.
- (27) \$1,981,000 or whatever lesser or greater amount reflects the unexpended funds from Item 6110-166-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (28) \$1,300,000 from Item 6110-144-0001, Budget Act of 2003 (Ch. 157, Stats. 2003).
- (29) \$8,726,000 or whatever lesser or greater amount reflects the unexpended funds from paragraph (3) of subdivision (a) of Section 50 of Chapter 1167 of the Statutes of 2002.
- (30) \$61,568 or whatever greater or lesser amount reflects unexpended funds from Schedule (42) of Item 6110-485 of the Budget Act of 2001 (Ch. 106, Stats. 2001), as added by Section 48 of Chapter 1 of the Statutes of 2002, Third Extraordinary Session.
- (31) \$650,874 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-111-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (32) \$156,788 or whatever greater or lesser amount reflects unexpended funds from Item 6110-112-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

- (33) \$243,780 or whatever greater or lesser amount reflects unexpended funds from Schedule (5) of Item 6110-113-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (34) \$542,174 or whatever greater or lesser amount reflects unexpended funds from Schedule (6) of Item 6110-113-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (35) \$292,458 or whatever greater or lesser amount reflects unexpended funds from Item 6110-120-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (36) \$77,120 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-123-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (37) \$56,005 or whatever greater or lesser amount reflects unexpended funds from Item 6110-126-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (38) \$513,842 or whatever greater or lesser amount reflects unexpended funds from Item 6110-127-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (39) \$13,250 or whatever greater or lesser amount reflects unexpended funds from Item 6110-137-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (40) \$507 or whatever greater or lesser amount reflects unexpended funds from Item 6110-140-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (41) \$2,581 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-156-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (42) \$929,199 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-161-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (43) \$47,985 or whatever greater or lesser amount reflects unexpended funds from Schedule (2) of Item 6110-161-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (44) \$10,826 or whatever greater or lesser amount reflects unexpended funds from Item 6110-163-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

- (45) \$24,873 or whatever greater or lesser amount reflects unexpended funds from Item 6110-167-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (46) \$5,317 or whatever greater or lesser amount reflects unexpended funds from Item 6110-189-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (47) \$499 or whatever greater or lesser amount reflects unexpended funds from Item 6110-191-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (48) \$9,438 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-193-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (49) \$14,244 or whatever greater or lesser amount reflects unexpended funds from Schedule (2) of Item 6110-193-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (50) \$1,335,625 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-198-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (51) \$2,266,669 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-198-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (52) \$4,352,385 or whatever greater or lesser amount reflects unexpended funds from Schedule (2) of Item 6110-198-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (53) \$9,298 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-226-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (54) \$472 or whatever greater or lesser amount reflects unexpended funds from Item 6110-229-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (55) \$75,570 or whatever greater or lesser amount reflects unexpended funds from Item 6110-240-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (56) \$601 or whatever greater or lesser amount reflects unexpended funds from Schedule (6) of Item 6110-485 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

- (57) \$10,284 or whatever greater or lesser amount reflects unexpended funds from Schedule (5) of Item 6110-485 of the Budget Act of 2002 (Ch. 379, Stats. 2002).
- (58) \$18,060 or whatever greater or lesser amount reflects unexpended funds from subdivision (b) of Section 72 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (59) \$9,386 or whatever greater or lesser amount reflects unexpended funds from paragraph (3) of subdivision (a) of Section 1 of Chapter 101 of the Statutes of 2002.
- (60) \$1,292,454 or whatever greater or lesser amount reflects unexpended funds from paragraph (4) of subdivision (a) of Section 1 of Chapter 101 of the Statutes of 2002.
- (61) \$35,220 or whatever greater or lesser amount reflects unexpended funds from Chapter 704 of the Statutes of 2000.
- (62) \$9,332 or whatever greater or lesser amount reflects unexpended funds from appropriations for the 2003–04 fiscal year from Proposition 227 as approved by the voters at the November 3, 1998, statewide general election.
- (63) \$169,776 or whatever greater or lesser amount reflects unexpended funds from Item 6110-120-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (64) \$25,904,057 or whatever lesser amount reflects unexpended funds from Schedule (1) of Item 6110-161-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (65) \$2,695,943 or whatever greater or lesser amount reflects unexpended funds from Schedule (2) of Item 6110-161-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (66) \$2,855 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-193-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (67) \$51,984 or whatever greater or lesser amount reflects unexpended funds from Schedule (1) of Item 6110-240-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).

- (68) \$90,111 or whatever greater or lesser amount reflects unexpended funds from Item 6110-243-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (69) \$328,112 or whatever greater or lesser amount reflects unexpended funds from Schedule (4) of Item 6110-485 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (70) \$222 or whatever greater or lesser amount reflects unexpended funds from Schedule (6) of Item 6110-485 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (71) \$223,023 or whatever greater or lesser amount reflects unexpended funds from paragraph (9) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (72) \$11,636,352 or whatever greater or lesser amount reflects unexpended funds from paragraph (5) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (73) \$2,079,182 or whatever greater or lesser amount reflects unexpended funds from paragraph (5) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (74) \$1,535 or whatever greater or lesser amount reflects unexpended funds from paragraph (1) of subdivision (a) of Section 83 of Chapter 4 of the Statutes of 2003, First Extraordinary Session.
- (75) \$5,000,000 or whatever greater or lesser amount reflects unexpended funds from Item 6110-144-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (76) \$1,000,000 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-228-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (77) \$400 or whatever greater or lesser amount reflects unexpended funds from Schedule (9) of Item 6110-485 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (78) \$3,000,990 or whatever greater or lesser amount reflects unexpended funds from Schedule (17) of Item 6110-485 of the Budget Act of 2004 (Ch. 208, Stats. 2004).
- (79) \$31,000,000 or whatever lesser amount reflects unexpended funds from Item 6110-234-0001 of the Budget Act of 2004 (Ch. 208, Stats. 2004).

- (80) \$22,652,000 or whatever greater or lesser amount reflects unexpended funds from Section 37 of Chapter 71 of the Statutes of 2000.
- (81) \$22,690,000 or whatever greater or lesser amount reflects unexpended funds from Schedule (3) of Item 6110-196-0001 of the Budget Act of 2002 (Ch. 379, Stats. 2002).

SEC. 22. Item 6440-001-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

6440-001-0001—For support of University of California..... 2,618,386,000
Schedule:

- (1) Support..... 2,534,890,000
- (2) Charles R. Drew Medical Program..... 8,738,000
- (3) Acquired Immune Deficiency Syndrome (AIDS) Research..... 9,214,000
- (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

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.
4. 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.
 5. 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.
 6. 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.
 7. 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.
 8. 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.
 12. It is the intent of the Legislature that the University of California report by April 1, 2006, on the outcomes and effectiveness of COSMOS, consistent with the accountability framework developed by the University of California for student academic preparation and education programs in April 2005.
 13. The amount appropriated in Schedule (1) includes funding for the University of California at Berkeley, Institute for Governmental Studies, to support 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.
 17. 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.

18. The funds appropriated in Schedule (7) are for support of the Subject Matter Projects.
21. Of the amount appropriated in Schedule (1), \$17,300,000 is appropriated for student academic preparation and education programs (SAPEP) matched with \$12,000,000 from existing university resources for a total of \$29,300,000 for these programs. The University of California will provide a plan to the Department of Finance and the fiscal committees of the Legislature for expenditure of both state and university funds for SAPEP by September 1, 2005. It is the intent of the Legislature that the university report on the use of state and university funds provided for these programs, including detailed information on the outcomes and effectiveness of academic preparation programs consistent with the accountability framework developed by the University of California in April 2005. The report should be submitted to the fiscal committee of each house of the Legislature by no later than April 1, 2006.
22. Of the amount provided in Schedule (1), \$750,000 is appropriated for math and science resource centers to improve the quality and supply of science and mathematics teachers.
23. The amount appropriated in Schedule (1) includes funding for the University of California to enroll 205,976 full-time equivalent (FTE) students (excluding students in nonstate supported summer instruction programs). The Legislature expects the University of California to enroll this number of FTE students during the 2005–06 academic year. The University of California shall report to the Legislature by March 15, 2006, on whether it has met the 2005–06 enrollment goal. This report shall exclude FTE students in nonstate supported summer instruction programs. If the University of California does not meet its enrollment goal, the Director of Finance shall revert to the General Fund by April 1, 2006, the total amount of

enrollment funding associated with the share of the enrollment goal that was not met.

- 24. Of the amount appropriated in Schedule (1), \$300,000 shall be used to support 20 full-time equivalent students in the Program in Medical Education for the Latino Community (PRIME-LC). The primary purpose of this program is to train physicians specifically to serve in underrepresented communities. The University of California shall report to the Legislature by March 15, 2006, on (a) its progress in implementing the PRIME-LC program and (b) the use of the total funds provided for this program from both state and nonstate resources.
- 25. Of the funds appropriated in Schedule (1), \$31,664,000 shall be expended for the purposes identified in Provisions 12 to 21, inclusive, of Item 6440-001-0001 of Section 2.00 of the Budget Act of 2003 (Ch. 157, Stats. 2003), and shall be allocated in proportion to the amounts designated in those provisions.

SEC. 23. Item 6610-001-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

6610-001-0001—For support of the California State University.....	2,554,085,250
Schedule:	
(1) Support.....	3,978,663,250
(3) Reimbursements.....	-186,032,000
(4) Amount payable from the Higher Education Fees and Income, CSU Fund (Item 6610-001-0498).....	-1,212,546,000
(5) Amount payable from the 2004 Higher Education Capital Outlay Bond Fund (Item 6610-001-6041).....	-26,000,000

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 Revolv-

ing 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 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, \$33,785,000 is provided for student financial aid grants. These financial aid funds shall be provided to needy students according to the nationally accepted needs analysis methodology.
8. Of the amount appropriated in Schedule (1), \$52,000,000 is provided for student academic preparation and student support services programs. The university will provide \$45,000,000 and the state will provide \$7,000,000 to support the Early Academic Assessment Program, Campus-Based Outreach Programs and the Educational Opportunity Program. It is the intent of the Legislature that the university report on the outcomes and effectiveness of the Early Academic Assessment Program to the fiscal committees of each house of the Legislature no later than March 15, 2006.
9. Of the amount provided in Schedule (1), \$250,000 is appropriated to enable the California State University (CSU) to work with the University of California (UC) to coordinate the development of curriculum and services for four-year blended credential programs for math and science majors at CSU campuses to

complement UC's effort to improve the number and quality of math and science teachers.

10. The amount appropriated in Schedule (1) includes funding for the California State University to enroll 332,223 full-time equivalent (FTE) students (excluding students in nonstate supported summer instruction programs). The Legislature expects the university to enroll this number of FTE students during the 2005–06 academic year. The university shall provide a preliminary report to the Legislature by March 15, 2006, and a final report by May 1, 2006, on whether it has met the 2005–06 enrollment goal. These reports shall exclude FTE students in nonstate supported summer instruction programs. If the university does not meet its enrollment goal, the Director of Finance shall revert to the General Fund by May 15, 2006, the total amount of enrollment funding associated with the share of the enrollment goal that was not met.
11. Of the amount appropriated in Schedule (1), \$4,000,000 is to support the development of entry-level master's degree programs in nursing, pursuant to Article 8 (commencing with Section 89270) of Chapter 2 of Part 55 of Title 3 of the Education Code.

SEC. 24. Item 6610-493 of Section 2.00 of the Budget Act of 2005 is amended to read:

6610-493—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, in those appropriations:

6028—Higher Education Capital Outlay Bond Fund of 2002

- (1) Item 6610-301-6028, Budget Act of 2002 (Ch. 379, Stats. 2002)

Humboldt Campus:

- (5.5) 06.67.087.202-Humboldt: Behavioral and Social Sciences Phase I—Construction

6028—2004 Higher Education Capital Outlay Bond Fund

- (1) Item 6610-301-6041, Budget Act of 2004 (Ch. 208, Stats. 2004)

- (1.7) 06.54.081-Dominguez Hills: Educational Resource Center Addition—Preliminary plans and working drawings
- (3) 06.74.007-Monterey Bay: Infrastructure Improvements—Preliminary plans, working drawings and construction

SEC. 25. Item 6870-101-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

6870-101-0001—For local assistance, Board of Governors of the California Community Colleges (Proposition 98).....	3,153,227,000
Schedule:	
(1) 10.10.010-Appportionments.....	2,462,948,000
(2) 10.10.020-Basic Skills and Apprenticeship.....	43,453,000
(3) 10.10.030-Growth for Appportionments.....	136,709,000
(4) 20.10.005-Student Financial Aid Administration.....	51,600,000
(5) 20.10.020-Disabled Students.....	91,191,000
(6) 20.10.045-Special Services for Cal-WORKs Recipients.....	34,603,000
(7) 20.10.060-Foster Care Education Program.....	4,754,000
(8) 20.10.070-Matriculation.....	66,332,000
(9) 20.20.020-Academic Senate for the Community Colleges.....	467,000
(10) 20.20.041-Equal Employment Opportunity pursuant to Ch. 1169, Statutes of 2002.....	1,747,000
(11) 20.20.050-Part-time Faculty Health Insurance.....	1,000,000
(12) 20.20.051-Part-time Faculty Compensation.....	50,828,000
(13) 20.20.055-Part-time Faculty Office Hours.....	7,172,000
(14) 20.30.011-Telecommunications and Technology Services.....	24,397,000
(15) 20.30.050-Economic Development.....	35,790,000

(16) 20.30.070-Transfer Education and Articulation.....	1,974,000
(17) 20.40.026-Physical Plant and Instructional Support.....	27,345,000
(18) 20.10.010-Extended Opportunity Programs and Services and Special Services.....	104,759,000
(19) 20.30.045-Fund for Student Success.....	6,158,000

Provisions:

1. The funds appropriated in Schedules (1), (2), (3), (4), (5), (6), (7), (8), (10), (11), (12), (13), \$22,050,000 in Schedule (14), (15), (17), and (18) are for transfer by the Controller during the 2005-06 fiscal year to Section B of the State School Fund.
2. The amount appropriated in Schedule (1) reflects the intent of the Legislature to defer \$200,000,000 for apportionments to the 2006-07 fiscal year, pursuant to separate legislation enacted for the 2005-06 fiscal year.
3. 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 full-time-equivalent students (FTES), consistent with K-12 declining 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.
- 4.7. The amount appropriated in Schedule (1) includes a restored amount of \$31,409,000 to encourage district-level accountability efforts. The Chancellor of the California Community Colleges shall allocate these funds to community college districts in the same amounts that were reduced from each district pursuant to budget reductions related to Partnership for Excellence funds in the 2004-05 fiscal year. The allocation of these funds shall be contingent on the enactment of legislation during the 2005-06 Regular Session that establishes a program for district-specific reporting and evaluation of educational outcomes in response to Chapter 581 of the Statutes of 2004. It is intended that the first report for the district-specific accountability system be provided by March 31, 2007, reflecting outcomes from the 2005-06 fiscal year in context as specified in the enacted legislation. In addition, the chancellor shall provide preliminary data to the Department of Finance and the Legislative Analyst's Office by January 31, 2007.
5. 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) Notwithstanding any other provision of law or regulation, the Chancellor of the California Community Colleges shall not reduce district workload obligations for a lack of a funded cost-of-living adjustment.
- 5.5. Of the amount appropriated in Schedule (1), \$10,000,000 shall be used to provide additional support for nursing program enrollment and equipment needs.
- (a) The Board of Governors of the California Community Colleges shall develop a Request for Applications (RFA) to allocate the funds appropriated in this subdivision to community college districts. Criteria for assessing the RFA shall include, but not be limited to, all of the following:
 - (1) The degree to which the funds provided would be used to increase student enrollments in nursing programs, beyond the level of full-time equivalent students (FTES) served in 2004-05.
 - (2) An agreement by the community college district to have either adopted, or initiated a validation study and plan to adopt, the model prerequisites described in the community colleges Registered Nurse and Licensed Vocational Nurse model prerequisites validation studies.
 - (3) The degree to which funds provided would be used to support infrastructure or equipment needs with the intent of building capacity and increasing the number of nursing students served.
 - (b) On or before March 1, 2006, the Chancellor of the California Community Colleges shall provide the Legislature and the Department of Finance with a report on the allocation of funding. For each district receiving funding under this item, the report shall indicate (1) the amount of funding received, (2) the number of nursing FTES served in 2004-05, and the additional number of nursing FTES to be served with funding provided by this item, (3) the status of the district's efforts to adopt merit-based admissions criteria, and (4) any equipment or infrastructure-related items acquired with the funds appropriated in this item.

6. Notwithstanding any other provision of law, \$30,724,000 of the funds appropriated in Schedule (2) is for allocation to community college districts in the 2005-06 fiscal year for the purposes of funding full-time-equivalent students (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 2005-06 fiscal year exceeds the level of total FTES funded for that district in the 2005-06 fiscal year. The Chancellor of the California Community Colleges shall develop criteria for allocating these funds.
- 6.5. Of the funds appropriated in Schedule (1), \$30,000,000 is for equalization pursuant to this provision, and shall be allocated according to the formula specified in Chapter 216 of the Statutes of 2004. These funds shall not be considered to be Program Improvement funds pursuant to Title 5 regulations.
- 6.6. It is the intent of the Legislature to provide funding to community colleges for career technical education programs through legislation to be enacted during the 2005-06 Regular Session which is effective on or before January 1, 2006, pursuant to Section 24.50.
7. Of the funds appropriated in Schedule (2), the funds not required for the 2005-06 fiscal year to meet the demand for the program funded under that schedule 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, 2006.
8. (a) Of the amount appropriated in Schedule (2), up to \$12,729,000 shall be available as necessary upon certification by the Chancellor of the California Community Colleges for the purpose of funding community college-related and supplemental instruction pursuant to Section 3074 of the Labor Code as provided in Section 8152 of the Education Code. No community college district shall use funds available under this provision to offer any new apprenticeship training program or the expansion of any existing program unless the new program or expansion has been approved by the chancellor.
- (b) Notwithstanding Section 8152 of the Education Code, each 60-minute hour of teaching time devoted to each indentured apprentice enrolled in and attending classes of related and supplemental instruction as provided under Section 3074 of the Labor Code shall be reimbursed at the rate of four dollars and eighty-six cents (\$4.86) per hour. For purposes of this provision, each hour of teaching time may include up to 10 minutes for passing time and breaks.

9. Notwithstanding any other provision of law, 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, dance, 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 implement the criteria required by Provision 5(a) of Item 6870-101-0001 of the Budget Act of 2003 for the allocation of funds appropriated in Schedules (1) and (3), 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.
- 10.5. (a) Of the funds appropriated in Schedule (4), not less than \$9,291,000 is available to provide \$0.91/unit reimbursement to community college districts for the provision of Board of Governors (BOG) fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
- (b) Of the funds appropriated in Schedule (4), not less than \$5,309,000 is available to provide reimbursement of 2 percent of total waiver value to community college districts for the provision of BOG fee waiver awards pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
- (c) (1) Of the amount appropriated in Schedule (4), \$2,800,000 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 and tax credits are available to cover enrollment fees and help with books and other costs; and (3) the active 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.

- (2) Of the amount appropriated in Schedule (4), not more than \$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, to the extent that funds are provided in this section, that all 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 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.
- (3) 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.
- (4) 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, 2006, on the use of the funds allocated pursuant to Provision 10(b), 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.
- (5) It is the intent of the Legislature that the Chancellor of the California Community Colleges report by September 1, 2005, pursuant to Provision 10(b)(5) of Item 6870-101-0001 of the Budget Act of 2004, on the impact of fee increases and outreach efforts on student headcount and FTES enrollment for the 2003 and 2004 academic years.
11. Of the funds appropriated in Schedule (18), \$91,287,000 is for Extended Opportunity Programs and Services (EOPS) 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 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. \$13,495,000 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 of the California Community Colleges shall allocate funds on a priority basis and to local programs on the basis of need for student services.
 12. Of the funds appropriated in Schedule (19), \$6,158,000 is for additional targeted student services, to be expended as follows:
 - (1) \$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.
 - (2) Up to \$2,459,000 is for the Mathematics, Engineering and Science Achievement (MESA) Program. For each dollar allocated, the recipient district shall provide one dollar in matching funds.
 - (3) No less than \$1,778,000 is for the Middle College High School Program. With the exception of fully compliant special part-time students at the community colleges pursuant to Sections 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. Further, no community college state apportionment shall be made available

- for physical education classes, noncredit classes, nor other courses specified in Provision 9.
13. (a) The funds appropriated in Schedule (5) are for assisting districts in 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, as mandated by federal law.
 - (b) Of the amount appropriated in Schedule (5), \$3,945,000 shall be used to address deficiencies identified by the federal Office of Civil Rights (OCR), as determined by the Chancellor's Office of the California Community Colleges.
 - (c) Of the amount appropriated in Schedule (5) 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 (5) of this item, \$1,702,000 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 2005-06 fiscal year, the associated funds shall, upon order of the Department of Finance, after 30 days' notice to the Chairperson of the Joint Legislative Budget Committee, be transferred to the State Department of Developmental Services (DDS). For any transfer of funds to DDS during the 2005-06 fiscal year, the Proposition 98 base funding levels for community colleges and DDS shall be adjusted accordingly.
14. The funds appropriated in Schedule (6), 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 Schedule (6) shall be for current CalWORKs recipients or prior CalWORKs recipients who are in transition off of cash assistance for no more than two years. Current cash assistance recipients may utilize these services

until their initial educational objectives are met. Former recipients in transition off of cash assistance may utilize these services for a period of up to two years after 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 of the California Community Colleges 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 (6) 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 2005-06 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 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 noncredit classes for CalWORKs students if a district has committed all of its funded full-time-equivalent students (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 submit applications to the chancellor's office by October 15 of each year. If the chancellor approves the use of funds for direct instructional workload, the chancellor's office shall submit a report to the Department of Finance and the Joint Legislative Budget Committee by November 15, 2005, 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 (6), by the fourth week following the end of the semester or quarter term commencing in January 2006, 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 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.

First priority for expenditures of any funds appropriated in Schedule (6) 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 activ-

ities 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, 2005, 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.

15. Funds appropriated in Schedule (6) 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 (P.L. 104-193) and may not be expended in any way that would cause their disqualification as a federally allowable maintenance-of-effort expenditure.
- 16.5. (a) Funds provided in Schedule (7) shall be allocated to provide foster and relative/kinship care education and training. Districts shall ensure that education and training required by Sections 1529.1 and 1529.2 of the Health and Safety Code and Section 16003 of the Welfare and Institutions Code receive priority. Districts may use any remaining funds for additional parenting skills and training.
- (b) Funds provided in Schedule (7) shall be used for foster parent and relative/kinship care provider education training services consistent with the following criteria:
 - (1) The Chancellor of the California Community Colleges shall use these funds exclusively for foster parent and relative/kinship care provider education and training, as specified by the chancellor in consultation with an advisory committee that includes foster parents, representatives of statewide foster parent organizations, parent and relative/kinship care providers, and representatives from the State Department of Social Services.

- (2) Acceptance of funds under this program shall constitute agreement by the district to comply with such reporting requirements, guidelines, and other conditions for receipt of funding as the chancellor may establish.
 - (3) Each college plan for foster and relative/kinship care education programs shall include the provision of training to facilitate the development of foster family homes, small family homes, and relative/kinship homes to care for no more than six children who have special mental, emotional, developmental, or physical needs.
 - (4) The California Department of Social Services shall facilitate the participation of county welfare departments in the foster and relative/kinship care education program.
17. (a) Funds appropriated in Schedule (8) are for the purpose of student matriculation pursuant to Article 1 (commencing with Section 78210) of Chapter 2 of Part 48 of the Education Code.
 - (b) Of the amount appropriated in Schedule (8), an amount equal to \$14,842,670 shall be allocated to community college districts on a one-to-one matching funds basis to provide matriculation services, including, but not 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.
- 17.5. The funds in Schedule (12) 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 of the California Community Colleges. These funds are to be used to assist 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.
18. (a) \$9,550,000 of the funds provided in Schedule (14) 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 of the California Community Colleges, 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.
 - (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.
- (b) \$12,500,000 of the funds provided in Schedule (14) shall be available for allocations to districts. It is the intent of the Legislature that these funds be used by colleges to maintain the technology capabilities specified in Provision 21(a) of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003). These funds shall not supplant existing funds used for those purposes, and colleges shall match maintenance and ongoing costs with other funds as provided by Provision 21(a) of Item 6870-101-0001 of the Budget Act of 2003 (Ch. 157, Stats. 2003).
- (c) Of the funds provided in Schedule (14), \$1,347,000 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 pro-

gram, 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 for Education, and the Department of Finance no later than November 1, 2005, for review and comment.

- (d) Of the funds provided in Schedule (14), \$1,000,000 is for ongoing support and expansion of the California Partnership for Achieving Student Success Program (Cal-PASS).
19. Of the funds provided in Schedule (15) for the Economic and Workforce Development Program:
- (a) \$19,829,170 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 of the California Community Colleges, for the continued operation of Mexican International Trade Centers.
 - (b) \$5,862,138 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.
 - (c) \$2,705,000 is allocated for statewide network leadership, organizational development, coordination, information and support services, or other program purposes.
 - (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.
 - (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) to (j), inclusive, 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 community college districts on a one-time basis for equipment start-up matching costs associated with nursing program expansion funded through reimbursements from WIA. The chancellor shall initiate a competitive Request for Funding Proposals process for the allocation of these funds to local districts.
 - (g) Funds allocated by the Board of Governors of the California Community Colleges 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 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. As part of the annual report on the performance of the Economic Development program, the chancellor shall provide disaggregated data detailing the funding 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 each center and collaborative.
20. (a) Of the funds appropriated in Schedule (16), \$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 2005-06.

- (b) Funding provided to community college districts from Schedule (16) is provided to directly offset any mandated costs claimed by community college districts pursuant to Chapter 737 of the Statutes of 2004.
 - (c) The Chancellor of the California Community Colleges may redirect funding between the program referenced in subdivision (a) not sooner than 30 days from the date of notification to the Joint Legislative Budget Committee of approval by the Department of Finance.
21. The funds appropriated in Schedule (17) are available for the following purposes:
- (a) Scheduled maintenance and special repairs of facilities, replacement of instructional equipment, and replacement of library materials. The Chancellor of the California Community Colleges 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 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 \$1 a district expends from this appropriation for scheduled maintenance and special repairs, the recipient district shall provide \$1 in matching funds. 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.
 - (b) Hazardous substances, abatement, cleanup, and repairs.
 - (c) 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 Schedule (17) of this item shall be available for expenditure until June 30, 2007.

- 22. Pursuant to Sections 69648.5, 78216, and 84850, and subdivision (b) of Section 87108, of the Education Code, the Board of Governors of the California Community Colleges may allocate funds appropriated in Schedules (5), (8), (10), and (18) 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.

SEC. 26. Item 9210-101-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

9210-101-0001—For local assistance, Local Government Financing..... 126,100,000
 Provisions:

- 1. For allocation by the Controller to local jurisdictions for public safety 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.
- 2. Notwithstanding any other provision of law, the funds appropriated in this item shall be available for expenditure until June 30, 2007. These funds shall be used to supplement and not supplant existing services.
- 3. Notwithstanding Section 30061 of the Government Code, of the amount appropriated in this item, \$26,100,000 shall be available for allocation beginning April 1, 2006, pursuant to the requirements of the Juvenile Justice Crime Prevention Act, as enacted by the Schiff-Cardenas Crime Prevention Act of 2000 (Ch. 353, Stats. 2000). This amount reflects a one-time adjustment to the annual allocation for these grants based on the actual 2005–06 cash needs of an April 1, 2006, to March 31, 2007, grant cycle.

SEC. 27. Item 9210-105-0001 of Section 2.00 of the Budget Act of 2005 is repealed.

SEC. 28. Item 9210-106-0001 of Section 2.00 of the Budget Act of 2005 is amended to read:

9210-106-0001—For transfer by the Controller to the Gap Repayment Fund..... 1,186,830,000
 Provisions:

- 2. For transfer by the State Controller to the Gap Repayment Fund in accordance with Section 10754.11 of the Revenue and Taxation Code, for repayment of the Vehicle License Fee gap loan amounts owed to cities, counties, and cities and counties.

SEC. 29. Item 9650-495 is added to Section 2.00 of the Budget Act of 2005, to read:

9650-495—Reversion, Health and Dental Benefits for Annuitants. As of June 30, 2005, the unencumbered balance of the appropriation in Item 9650-001-0001, Budget Act of 2003 (Ch. 157, Stats. 2003), shall revert to the fund balance from which the appropriation was made.

SEC. 30. Section 4.05 is added to the Budget Act of 2005, to read:

SEC. 4.05. (a) The Director of Finance, in consultation with agency secretaries and other cabinet members, shall reduce General Fund items of appropriations in this act by a total of \$100,000,000. Each agency secretary shall recommend to the Director of Finance amounts to be reduced from the appropriations to departments within the agency. The Director of Finance may provide the agency secretaries with target reduction amounts, in which case the agency secretaries shall provide the Director of Finance with a list of recommended reductions that is no less than the target amount for that agency. For departments not reporting to an agency secretary, the Director of Finance shall determine the amount of the reductions. It is the intent of the Legislature the impact of this section will result in a total of \$200 million increase to the General Fund reserve by the end of 2006-07.

(b) The Director of Finance shall not reduce, pursuant to subdivision (a), the amounts appropriated for the following: higher education; the judicial branch; the Legislature; the Legislative Counsel Bureau; Constitutional Officers; debt service, including, but not limited to, tobacco settlement revenue shortfall, payment of interest on General Fund loans, and interest payments to the federal government; health and dental benefits for annuitants; equity claims before the California Victim Compensation and Government Claims Board; or augmentations for contingencies or emergencies, unless these entities identify savings for this specific purpose.

(c) General Fund savings from appropriations other than those in this Act may be credited towards the overall savings in subdivision (a). Savings from funds other than the General Fund that would otherwise revert to the General Fund in the 2005–06 or 2006–07 fiscal year may also be credited towards the total savings specified in subdivision (a).

(d) Nothing within this section shall be construed to confer any authority upon the Director of Finance to modify or eliminate any other provision of existing law.

(e) The Director of Finance shall report to the Chairperson of the Joint Legislative Budget Committee and the chairperson of the committees of each house of the Legislature that consider appropriations not more than 30 days after the reductions are made pursuant to this section. The report shall list the specific reductions, by department, agency, and program, and state the programmatic effects and impacts of each reduction.

SEC. 31. Section 4.85 is added to the Budget Act of 2005, to read:

SEC. 4.85. The Controller shall transfer the amount remaining in the State Public Works Board, 1991A and 1995B Energy Efficiency Bonds, Public Building Construction Fund, to the General Fund.

SEC. 32. Section 29.50 is added to the Budget Act of 2005, to read:

SEC. 29.50. Notwithstanding any other provision of law, the Director of Finance may reduce any appropriation in this act to the extent of any savings in the amount of the expenditures required under that appropriation that are achieved through the collective bargaining process with state employees. The Director shall notify the Joint Legislative Budget Committee and the committees that consider appropriations of the planned reductions at least 10 days prior to making any reduction.

SEC. 33. Section 35.50 of the Budget Act of 2005 is amended to read:

SEC. 35.50. (a) For purposes of paragraph (1) of subdivision (f) of Section 10, and subdivision (f) of Section 12, of Article IV of the California Constitution, “General Fund revenues” means the total resources available to the General Fund for a fiscal year.

(b) For purposes of subdivision (f) of Section 12 of Article IV of the California Constitution, the estimate of General Fund revenues for the 2005–06 fiscal year pursuant to this act, as passed by the Legislature, is \$91,971,000,000.

SEC. 34. This act shall become operative only if the Budget Act of 2005, Senate Bill 77, as proposed to be amended by Conference Report No. 1 on June 13, 2005, is enacted and becomes effective on or before January 1, 2006.

SEC. 35. 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 for the support of the government of the State of California and for several public purposes for the 2005–06 fiscal year. It is imperative that these appropriations be made effective not later than July 1, 2005. It is therefore necessary that this act go into immediate effect.

CHAPTER 40

An act to add and repeal Title 8 (commencing with Section 945.6) of Part 2 of Division 2 of the Civil Code, relating to construction defects, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 2005. Filed with
Secretary of State July 11, 2005.]

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

SECTION 1. The Legislature finds and declares all of the following:

- (a) California has a statewide housing crisis.
- (b) Nationally, nine of the 10 least affordable housing markets are in California.
- (c) Evidence indicates that there is increasing difficulty to obtain adequate insurance for the construction of single-family homes, as well as for multiple-family housing units.
- (d) In October of 2003, Southern California experienced the most devastating wild land/urban interface fire disaster in history.
- (e) According to the California Department of Forestry and Fire Protection, 3,631 homes were destroyed and many of these were situated in the County of San Diego.
- (f) Many of these property owners who lost residential homes in the County of San Diego do not have, or are otherwise unable to obtain, adequate insurance to rebuild their lost homes.
- (g) This urgency legislation would provide a reasonable litigation procedure pertaining to construction defect litigation that would encourage insurers and licensed contractors to rebuild homes for the families victimized by the Cedar Fire of October of 2003.

SEC. 2. Title 8 (commencing with Section 945.6) is added to Part 2 of Division 2 of the Civil Code, to read:

TITLE 8. RECONSTRUCTION OF HOMES LOST IN CEDAR
FIRE, OCTOBER 2003

945.6. (a) Nothing in Title 7 (commencing with Section 895) shall be construed to prohibit an individual from voluntarily agreeing with a contractor to incorporate the rights and remedies of Title 7 (commencing with Section 895), or any provision of Title 7 (commencing with Section 895), in a contract for reconstruction of a dwelling unit or common area of a residence lost during the October 2003, Cedar Fire in the County of San Diego.

(b) For purposes of this title, "contractor" means any subcontractor, design professional, or general contractor who, after the effective date of this act and on or before January 1, 2008, provides his or her services without compensation.

(c) This title 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. 3. Due to the unique circumstances facing the County of San Diego relating to the destructive Cedar Fire of October 2003, 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 2 of this act is necessarily applicable only to the County of San Diego.

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:

This urgency legislation would provide a reasonable litigation procedure pertaining to construction defect litigation that would encourage insurers and licensed contractors to rebuild homes for the families victimized by the Cedar Fire of October of 2003.

CHAPTER 41

An act to amend Section 4406 of the Commercial Code, relating to commercial law.

[Approved by Governor July 11, 2005. Filed with
Secretary of State July 11, 2005.]

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

SECTION 1. Section 4406 of the Commercial Code, as amended by Section 1 of Chapter 131 of the Statutes of 2004, is amended to read:

4406. (a) A bank that sends or makes available to a customer a statement of account showing payment of items for the account shall either return or make available to the customer the items paid or provide information in the statement of account sufficient to allow the customer reasonably to identify the items paid. The statement of account provides sufficient information if the item is described by item number, amount, and date of payment. If the bank does not return the items, it shall provide in the statement of account the telephone number that the customer may call to request an item, a substitute check, or a legible copy thereof pursuant to subdivision (b).

(b) If the items are not returned to the customer, the person retaining the items shall either retain the items or, if the items are destroyed, maintain the capacity to furnish legible copies of the items until the expiration of seven years after receipt of the items. A customer may request an item from the bank that paid the item, and that bank shall provide in a reasonable time either the item or, if the item has been destroyed or is not otherwise obtainable, a legible copy of the item. If the paid item requested by a customer was presented as a substitute check, the bank shall provide, in a reasonable time, either the substitute check or, if the substitute check has been destroyed or is not otherwise obtainable, a legible copy of the substitute check. A bank shall provide, upon request, and without charge to the customer, at least two items, substitute checks, or legible copies thereof, with respect to each statement of account sent to the customer.

(c) If a bank sends or makes available a statement of account or items pursuant to subdivision (a), the customer shall exercise reasonable promptness in examining the statement or the items to determine whether any payment was not authorized because of an alteration of an item or because a purported signature by or on behalf of the customer was not authorized. If, based on the statement or items provided, the customer should reasonably have discovered the unauthorized payment, the customer shall promptly notify the bank of the relevant facts.

(d) If the bank proves that the customer failed, with respect to an item, to comply with the duties imposed on the customer by subdivision (c), the customer is precluded from asserting any of the following against the bank:

(1) The customer's unauthorized signature or any alteration on the item if the bank also proves that it suffered a loss by reason of the failure.

(2) The customer's unauthorized signature or alteration by the same wrongdoer on any other item paid in good faith by the bank if the payment was made before the bank received notice from the customer of the unauthorized signature or alteration and after the customer had been afforded a reasonable period of time, not exceeding 30 days, in which to examine the item or statement of account and notify the bank.

(e) If subdivision (d) applies and the customer proves that the bank failed to exercise ordinary care in paying the item and that the failure contributed to loss, the loss is allocated between the customer precluded and the bank asserting the preclusion according to the extent to which the failure of the customer to comply with subdivision (c) and the failure of the bank to exercise ordinary care contributed to the loss. If the customer proves that the bank did not pay the item in good faith, the preclusion under subdivision (d) does not apply.

(f) Without regard to care or lack of care of either the customer or the bank, a customer who does not within one year after the statement or items are made available to the customer (subdivision (a)) discover and report the customer's unauthorized signature on or any alteration on the item is precluded from asserting against the bank the unauthorized signature or alteration. If there is a preclusion under this subdivision, the payer bank may not recover for breach of warranty under Section 4208 with respect to the unauthorized signature or alteration to which the preclusion applies.

(g) As used in this section, "substitute check" shall have the same meaning as used in Section 229.2 of Title 12 of the Code of Federal Regulations.

(h) This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, which is enacted before January 1, 2010, deletes or extends that date.

SEC. 2. Section 4406 of the Commercial Code, as amended by Section 2 of Chapter 131 of the Statutes of 2004, is amended to read:

4406. (a) A bank that sends or makes available to a customer a statement of account showing payment of items for the account shall either return or make available to the customer the items paid or provide information in the statement of account sufficient to allow the customer to identify the items paid. If the bank does not return the items, it shall provide in the statement of account the telephone number that the customer may call to request an item, a substitute check, or a legible copy thereof pursuant to subdivision (b).

(b) If the items are not returned to the customer, the person retaining the items shall either retain the items or, if the items are destroyed, maintain the capacity to furnish legible copies of the items until the expiration of seven years after receipt of the items. A customer may

request an item from the bank that paid the item, and that bank shall provide in a reasonable time either the item or, if the item has been destroyed or is not otherwise obtainable, a legible copy of the item. If the paid item requested by a customer was presented as a substitute check, the bank shall provide, in a reasonable time, either the substitute check or, if the substitute check has been destroyed or is not otherwise obtainable, a legible copy of the substitute check. A bank shall provide, upon request, and without charge to the customer, at least two items, substitute checks, or legible copies thereof, with respect to each statement of account sent to the customer.

(c) If a bank sends or makes available a statement of account or items pursuant to subdivision (a), the customer shall exercise reasonable promptness in examining the statement or the items to determine whether any payment was not authorized because of an alteration of an item or because a purported signature by or on behalf of the customer was not authorized. If, based on the statement or items provided, the customer should reasonably have discovered the unauthorized payment, the customer shall promptly notify the bank of the relevant facts.

(d) If the bank proves that the customer failed, with respect to an item, to comply with the duties imposed on the customer by subdivision (c), the customer is precluded from asserting any of the following against the bank:

(1) The customer's unauthorized signature or any alteration on the item if the bank also proves that it suffered a loss by reason of the failure.

(2) The customer's unauthorized signature or alteration by the same wrongdoer on any other item paid in good faith by the bank if the payment was made before the bank received notice from the customer of the unauthorized signature or alteration and after the customer had been afforded a reasonable period of time, not exceeding 30 days, in which to examine the item or statement of account and notify the bank.

(e) If subdivision (d) applies and the customer proves that the bank failed to exercise ordinary care in paying the item and that the failure contributed to loss, the loss is allocated between the customer precluded and the bank asserting the preclusion according to the extent to which the failure of the customer to comply with subdivision (c) and the failure of the bank to exercise ordinary care contributed to the loss. If the customer proves that the bank did not pay the item in good faith, the preclusion under subdivision (d) does not apply.

(f) Without regard to care or lack of care of either the customer or the bank, a customer who does not within one year after the statement or items are made available to the customer (subdivision (a)) discover and report the customer's unauthorized signature on or any alteration on the item is precluded from asserting against the bank the unauthorized

signature or alteration. If there is a preclusion under this subdivision, the payer bank may not recover for breach of warranty under Section 4208 with respect to the unauthorized signature or alteration to which the preclusion applies.

(g) As used in this section, “substitute check” shall have the same meaning as used in Section 229.2 of Title 12 of the Code of Federal Regulations.

(h) This section shall become operative on January 1, 2010.

CHAPTER 42

An act to amend Section 11166 of the Penal Code, relating to mandatory child abuse reporting.

[Approved by Governor July 11, 2005. Filed with
Secretary of State July 11, 2005.]

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

SECTION 1. Section 11166 of the Penal Code is amended to read:

11166. (a) Except as provided in subdivision (c), a mandated reporter shall make a report to an agency specified in Section 11165.9 whenever the mandated reporter, in his or her professional capacity or within the scope of his or her employment, has knowledge of or observes a child whom the mandated reporter knows or reasonably suspects has been the victim of child abuse or neglect. The mandated reporter shall make a report to the agency immediately or as soon as is practicably possible by telephone and the mandated reporter shall prepare and send, fax, or electronically transmit a written report thereof within 36 hours of receiving the information concerning the incident. The mandated reporter may include with the report any nonprivileged documentary evidence the mandated reporter possesses relating to the incident.

(1) For the purposes of this article, “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 child abuse or neglect. For the purpose of this article, the pregnancy of a minor does not, in and of itself, constitute a basis for a reasonable suspicion of sexual abuse.

(2) The agency shall be notified and a report shall be prepared and sent, faxed, or electronically transmitted even if the child has expired, regardless of whether or not the possible abuse was a factor contributing

to the death, and even if suspected child abuse was discovered during an autopsy.

(3) A report made by a mandated reporter pursuant to this section shall be known as a mandated report.

(b) Any mandated reporter who fails to report an incident of known or reasonably suspected child abuse or neglect as required by this section is guilty of a misdemeanor punishable by up to six months confinement in a county jail or by a fine of one thousand dollars (\$1,000) or by both that imprisonment and fine. If a mandated reporter intentionally conceals his or her failure to report an incident known by the mandated reporter to be abuse or severe neglect under this section, the failure to report is a continuing offense until an agency specified in Section 11165.9 discovers the offense.

(c) (1) A clergy member who acquires knowledge or a reasonable suspicion of child abuse or neglect during a penitential communication is not subject to subdivision (a). For the purposes of this subdivision, "penitential communication" means a communication, intended to be in confidence, including, but not limited to, a sacramental confession, made to a clergy member who, in the course of the discipline or practice of his or her church, denomination, or organization, is authorized or accustomed to hear those communications, and under the discipline, tenets, customs, or practices of his or her church, denomination, or organization, has a duty to keep those communications secret.

(2) Nothing in this subdivision shall be construed to modify or limit a clergy member's duty to report known or suspected child abuse or neglect when the clergy member is acting in some other capacity that would otherwise make the clergy member a mandated reporter.

(3) (A) On or before January 1, 2004, a clergy member or any custodian of records for the clergy member may report to an agency specified in Section 11165.9 that the clergy member or any custodian of records for the clergy member, prior to January 1, 1997, in his or her professional capacity or within the scope of his or her employment, other than during a penitential communication, acquired knowledge or had a reasonable suspicion that a child had been the victim of sexual abuse that the clergy member or any custodian of records for the clergy member did not previously report the abuse to an agency specified in Section 11165.9. The provisions of Section 11172 shall apply to all reports made pursuant to this paragraph.

(B) This paragraph shall apply even if the victim of the known or suspected abuse has reached the age of majority by the time the required report is made.

(C) The local law enforcement agency shall have jurisdiction to investigate any report of child abuse made pursuant to this paragraph even if the report is made after the victim has reached the age of majority.

(d) Any commercial film and photographic print processor who has knowledge of or observes, within the scope of his or her professional capacity or employment, any film, photograph, videotape, negative, or slide depicting a child under the age of 16 years engaged in an act of sexual conduct, shall report the instance of suspected child abuse to the law enforcement agency having jurisdiction over the case immediately, or as soon as practicably possible, by telephone and shall prepare and send, fax, or electronically submit a written report of it with a copy of the film, photograph, videotape, negative, or slide attached within 36 hours of receiving the information concerning the incident. As used in this subdivision, "sexual conduct" means any of the following:

(1) Sexual intercourse, including genital-genital, oral-genital, anal-genital, or oral-anal, whether between persons of the same or opposite sex or between humans and animals.

(2) Penetration of the vagina or rectum by any object.

(3) Masturbation for the purpose of sexual stimulation of the viewer.

(4) Sadomasochistic abuse for the purpose of sexual stimulation of the viewer.

(5) Exhibition of the genitals, pubic, or rectal areas of any person for the purpose of sexual stimulation of the viewer.

(e) Any mandated reporter who knows or reasonably suspects that the home or institution in which a child resides is unsuitable for the child because of abuse or neglect of the child shall bring the condition to the attention of the agency to which, and at the same time as, he or she makes a report of the abuse or neglect pursuant to subdivision (a).

(f) Any other person who has knowledge of or observes a child whom he or she knows or reasonably suspects has been a victim of child abuse or neglect may report the known or suspected instance of child abuse or neglect to an agency specified in Section 11165.9.

(g) When two or more persons, who are required to report, jointly have knowledge of a known or suspected instance of child abuse or neglect, and when there is agreement among them, the telephone report may be made by a member of the team selected by mutual agreement and a single report may be made and signed by the selected member of the reporting team. Any member who has knowledge that the member designated to report has failed to do so shall thereafter make the report.

(h) (1) The reporting duties under this section are individual, and no supervisor or administrator may impede or inhibit the reporting duties, and no person making a report shall be subject to any sanction for making the report. However, internal procedures to facilitate reporting and apprise

supervisors and administrators of reports may be established provided that they are not inconsistent with this article.

(2) The internal procedures shall not require any employee required to make reports pursuant to this article to disclose his or her identity to the employer.

(3) Reporting the information regarding a case of possible child abuse or neglect to an employer, supervisor, school principal, school counselor, coworker, or other person shall not be a substitute for making a mandated report to an agency specified in Section 11165.9.

(i) A county probation or welfare department shall immediately, or as soon as practicably possible, report by telephone, fax, or electronic transmission to the law enforcement agency having jurisdiction over the case, to the agency given the responsibility for investigation of cases under Section 300 of the Welfare and Institutions Code, and to the district attorney's office every known or suspected instance of child abuse or neglect, as defined in Section 11165.6, except acts or omissions coming within subdivision (b) of Section 11165.2, or reports made pursuant to Section 11165.13 based on risk to a child which relates solely to the inability of the parent to provide the child with regular care due to the parent's substance abuse, which shall be reported only to the county welfare or probation department. A county probation or welfare department also shall send, fax, or electronically transmit a written report thereof within 36 hours of receiving the information concerning the incident to any agency to which it makes a telephone report under this subdivision.

(j) A law enforcement agency shall immediately, or as soon as practicably possible, report by telephone, fax, or electronic transmission to the agency given responsibility for investigation of cases under Section 300 of the Welfare and Institutions Code and to the district attorney's office every known or suspected instance of child abuse or neglect reported to it, except acts or omissions coming within subdivision (b) of Section 11165.2, which shall be reported only to the county welfare or probation department. A law enforcement agency shall report to the county welfare or probation department every known or suspected instance of child abuse or neglect reported to it which is alleged to have occurred as a result of the action of a person responsible for the child's welfare, or as the result of the failure of a person responsible for the child's welfare to adequately protect the minor from abuse when the person responsible for the child's welfare knew or reasonably should have known that the minor was in danger of abuse. A law enforcement agency also shall send, fax, or electronically transmit a written report thereof within 36 hours of receiving the information concerning the

incident to any agency to which it makes a telephone report under this subdivision.

CHAPTER 43

An act to amend Section 3440.1 of the Civil Code, relating to fraudulent transfers.

[Approved by Governor July 11, 2005. Filed with
Secretary of State July 11, 2005.]

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

SECTION 1. Section 3440.1 of the Civil Code is amended to read:
3440.1. This chapter does not apply to any of the following:

- (a) Things in action.
- (b) Ships or cargoes if either are at sea or in a foreign port.
- (c) The sale of accounts, chattel paper, payment intangibles, or promissory notes governed by the Uniform Commercial Code, security interests, and contracts of bottomry or respondentia.
- (d) Wines or brandies in the wineries, distilleries, or wine cellars of the makers or owners of the wines or brandies, or other persons having possession, care, and control of the wines or brandies, and the pipes, casks, and tanks in which the wines or brandies are contained, if the transfers are made in writing and executed and acknowledged, and if the transfers are recorded in the book of official records in the office of the county recorder of the county in which the wines, brandies, pipes, casks, and tanks are situated.
- (e) A transfer or assignment made for the benefit of creditors generally or by any assignee acting under an assignment for the benefit of creditors generally.
- (f) Property exempt from enforcement of a money judgment.
- (g) Standing timber.
- (h) Subject to the limitations in Section 3440.3, a transfer of personal property if all of the following conditions are satisfied:
 - (1) Prior to the date of the intended transfer, the transferor or the transferee files a financing statement, with respect to the property transferred, signed by the transferor. The financing statement shall be filed in the office of the Secretary of State in accordance with Chapter 5 (commencing with Section 9501) of Division 9 of the Commercial Code, but may use the terms “transferor” in lieu of “debtor” and “transferee” in lieu of “secured party.” The provisions of Chapter 5

(commencing with Section 9501) of Division 9 of the Commercial Code shall apply as appropriate to the financing statement.

(2) The transferor or the transferee publishes a notice of the intended transfer one time in a newspaper of general circulation published in the judicial district in which the personal property is located, if there is one, and if there is none in the judicial district, then in a newspaper of general circulation in the county embracing the judicial district. The publication shall be completed not less than 10 days before the date the transfer occurs. The notice shall contain the name and address of the transferor and transferee and a general statement of the character of the personal property intended to be transferred, and shall indicate the place where the personal property is located and a date on or after which the transfer is to be made.

(i) Personal property not located within this state at the time of the transfer or attachment of the lien if the provisions of this subdivision are not used for the purpose of evading this chapter.

(j) A transfer of property that (1) is subject to a statute or treaty of the United States or a statute of this state that provides for the registration of transfers of title or issuance of certificates of title and (2) is so far perfected under that statute or treaty that a bona fide purchaser cannot acquire an interest in the property transferred that is superior to the interest of the transferee.

(k) A transfer of personal property in connection with a transaction in which the property is immediately thereafter leased by the transferor from the transferee provided the transferee purchased the property for value and in good faith (subdivision (c) of Section 10308 of the Commercial Code).

(l) Transition property, as defined in Section 840 of the Public Utilities Code, or recovery property, as defined in Section 848 of the Public Utilities Code.

(m) A transfer of property by any governmental entity.

CHAPTER 44

An act relating to state employees, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 11, 2005. Filed with
Secretary of State July 11, 2005.]

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

SECTION 1. The Legislature finds and declares that the purpose of this act is to approve those provisions of an agreement pursuant to Section 3517 of the Government Code entered into by the state employer and State Bargaining Unit 18 that require the expenditure of funds.

SEC. 2. The provisions of the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Unit 18 and that require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code.

SEC. 3. The provisions of the memorandum of understanding approved by Section 2 of this act that are scheduled to take effect immediately, and that require the expenditure of funds, shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. If funds for these provisions are not specifically appropriated by the Legislature, the state employer and the affected employee organization shall meet and confer to renegotiate the affected provisions, or by mutual agreement of the parties, all or a portion of the memorandum of understanding.

SEC. 4. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order for the provisions of this act to be applicable as soon as possible in the 2005–06 fiscal year, and thereby facilitate the orderly administration of state government at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 45

An act to amend Section 1369 of the Health and Safety Code, relating to health care service plans.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 1369 of the Health and Safety Code is amended to read:

1369. Every plan shall establish procedures to permit subscribers and enrollees to participate in establishing the public policy of the plan. For purposes of this section, public policy means acts performed by a plan or its employees and staff to assure the comfort, dignity, and convenience of patients who rely on the plan's facilities to provide health care services to them, their families, and the public.

CHAPTER 46

An act to amend Section 1700.15 of the Labor Code, relating to talent agencies.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 1700.15 of the Labor Code is amended to read:
1700.15. A talent agency shall also deposit with the Labor Commissioner, prior to the issuance or renewal of a license, a surety bond in the penal sum of fifty thousand dollars (\$50,000).

CHAPTER 47

An act to amend Section 66907.7 of the Government Code, relating to the California Tahoe Conservancy.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 66907.7 of the Government Code is amended to read:

66907.7. (a) The conservancy may award grants to local public agencies, state agencies, federal agencies, federally recognized Indian tribes, the Tahoe transportation district established under Section 66801, and nonprofit organizations, for the purposes of this title.

(b) Grants to nonprofit organizations for the acquisition of real property or interests therein shall be subject to all of the following conditions:

(1) The purchase price of any interest in land acquired by the nonprofit organization may not exceed fair market value as established by an appraisal approved by the conservancy.

(2) The conservancy approves the terms under which the interest in land is acquired.

(3) The interest in land acquired pursuant to a grant from the conservancy may not be used as security for any debt to be incurred by the nonprofit organization unless the conservancy approves the transaction.

(4) The transfer of land acquired pursuant to a grant shall be subject to the approval of the conservancy and the execution of an agreement between the conservancy and the transferee sufficient to protect the interest of the people of California.

(5) The state shall have a right of entry and power of termination in and over all interests in real property acquired with state funds, which may be exercised if any essential term or condition of the grant is violated.

(6) If the existence of the nonprofit organization is terminated for any reason, title to all interest in real property acquired with state funds shall immediately vest in the state, except that, prior to that termination, another public agency or nonprofit organization may receive title to all or a portion of that interest in real property, by recording its acceptance of title, together with the conservancy's approval, in writing.

(c) Any deed or other instrument of conveyance whereby real property is being acquired by a nonprofit organization pursuant to this section shall be recorded and shall set forth the executory interest or right of entry on the part of the state.

(d) A public agency is eligible to receive soil erosion grant funds for up to two-thirds of the costs of relocating water or sewer-related infrastructure owned by a publicly owned utility, if all of the following conditions are met:

(1) The conservancy finds that the relocation is necessary to complete an erosion control project.

(2) The utility is not otherwise required to relocate the infrastructure at its own cost under the terms of a permit or franchise agreement.

(3) The relocation cost is not eligible for funding from any other public funds.

CHAPTER 48

An act to amend Sections 5641.4, 6714, 7018.5, 7159.4, 7159.5, 7159.6, 7159.10, 7159.11, 7159.12, 7159.13, and 7159.14 of, to amend and repeal Sections 7030, 7159, and 7159.3 of, and to amend, repeal, and add Sections 7164 and 7167 of, the Business and Professions Code, and to amend Section 1689.15 of, and to amend and repeal Sections 1689.5, 1689.6, 1689.7, and 1689.13 of, the Civil Code, and to repeal Section 21 of Chapter 566 of the Statutes of 2004, relating to professions and vocations, and declaring the urgency thereof, to take effect immediately.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 5641.4 of the Business and Professions Code is amended to read:

5641.4. A landscape contractor licensed under the statutes of this state, insofar as he or she works within the classification for which the license is issued, may design systems and facilities for work to be performed and supervised by that landscape contractor and is exempt from the provisions of this chapter, except that a landscape contractor may not use the title "landscape architect" unless he or she holds a license as required under this chapter.

SEC. 2. Section 6714 of the Business and Professions Code is amended to read:

6714. The board shall appoint an executive officer at a salary to be fixed and determined by the board with the approval of the Director of Finance.

This section shall become inoperative on July 1, 2006, and, as of January 1, 2007, is repealed, unless a later enacted statute, that becomes effective on or before January 1, 2007, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 7018.5 of the Business and Professions Code is amended to read:

7018.5. (a) The board shall prescribe a form entitled "Notice to Owner" which shall state:

"Under the California Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier, or other person or entity who helps to improve your property, but is not paid for his or her work or supplies, has a right to place a lien on your home, land, or property where the work was performed and to sue you in court to obtain payment.

This means that after a court hearing, your home, land, and property could be sold by a court officer and the proceeds of the sale used to satisfy what you owe. This can happen even if you have paid your contractor in full if the contractor's subcontractors, laborers, or suppliers remain unpaid.

To preserve their rights to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are each required to provide you with a document called a "Preliminary Notice." Contractors and laborers who contract with owners directly do not have to provide such notice since you are aware of their existence as an owner. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons or entities that may have a right to file a lien against your property if they are not paid. In order to perfect their lien rights, a contractor, subcontractor, supplier, or laborer must file a mechanics' lien with the county recorder which then becomes a recorded lien against your property. Generally, the maximum time allowed for filing a mechanics' lien against your property is 90 days after substantial completion of your project.

TO INSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

(1) Require that your contractor supply you with a payment and performance bond (not a license bond), which provides that the bonding company will either complete the project or pay damages up to the amount of the bond. This payment and performance bond as well as a copy of the construction contract should be filed with the county recorder for your further protection. The payment and performance bond will usually cost from 1 to 5 percent of the contract amount depending on the contractor's bonding ability. If a contractor cannot obtain such bonding, it may indicate his or her financial incapacity.

(2) Require that payments be made directly to subcontractors and material suppliers through a joint control. Funding services may be available, for a fee, in your area which will establish voucher or other means of payment to your contractor. These services may also provide you with lien waivers and other forms of protection. Any joint control agreement should include the addendum approved by the registrar.

(3) Issue joint checks for payment, made out to both your contractor and subcontractors or material suppliers involved in the project. The joint checks should be made payable to the persons or entities which send preliminary notices to you. Those persons or entities have indicated that they may have lien rights on your property, therefore you need to protect yourself. This will help to insure that all persons due payment are actually paid.

(4) Upon making payment on any completed phase of the project, and before making any further payments, require your contractor to provide you with unconditional “Waiver and Release” forms signed by each material supplier, subcontractor, and laborer involved in that portion of the work for which payment was made. The statutory lien releases are set forth in exact language in Section 3262 of the Civil Code. Most stationery stores will sell the “Waiver and Release” forms if your contractor does not have them. The material suppliers, subcontractors, and laborers that you obtain releases from are those persons or entities who have filed preliminary notices with you. If you are not certain of the material suppliers, subcontractors, and laborers working on your project, you may obtain a list from your contractor. On projects involving improvements to a single-family residence or a duplex owned by individuals, the persons signing these releases lose the right to file a mechanics’ lien claim against your property. In other types of construction, this protection may still be important, but may not be as complete.

To protect yourself under this option, you must be certain that all material suppliers, subcontractors, and laborers have signed the “Waiver and Release” form. If a mechanics’ lien has been filed against your property, it can only be voluntarily released by a recorded “Release of Mechanics’ Lien” signed by the person or entity that filed the mechanics’ lien against your property unless the lawsuit to enforce the lien was not timely filed. You should not make any final payments until any and all such liens are removed. You should consult an attorney if a lien is filed against your property.”

(b) Each contractor licensed under this chapter, prior to entering into a contract with an owner for work specified as home improvement or swimming pool construction pursuant to Section 7159, shall give a copy of this “Notice to Owner” to the owner, the owner’s agent, or the payer. The failure to provide this notice as required shall constitute grounds for disciplinary action.

(c) This section shall be repealed on January 1, 2006.

SEC. 4. Section 7030 of the Business and Professions Code, as amended by Section 2 of Chapter 633 of the Statutes of 1998, is amended to read:

7030. (a) Every person licensed pursuant to this chapter shall include the following statement in at least 10-point type on all written contracts with respect to which the person is a prime contractor:

“Contractors are required by law to be licensed and regulated by the Contractors’ State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation.

A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826."

(b) At the time of making a bid or prior to entering into a contract to perform work on residential property with four or fewer units, whichever occurs first, a contractor shall provide the following notice in capital letters in at least 10-point roman boldface type or in contrasting red print in at least 8-point roman boldface type:

“STATE LAW REQUIRES ANYONE WHO CONTRACTS TO DO CONSTRUCTION WORK TO BE LICENSED BY THE CONTRACTORS’ STATE LICENSE BOARD IN THE LICENSE CATEGORY IN WHICH THE CONTRACTOR IS GOING TO BE WORKING—IF THE TOTAL PRICE OF THE JOB IS \$500 OR MORE (INCLUDING LABOR AND MATERIALS).

LICENSED CONTRACTORS ARE REGULATED BY LAWS DESIGNED TO PROTECT THE PUBLIC. IF YOU CONTRACT WITH SOMEONE WHO DOES NOT HAVE A LICENSE, THE CONTRACTORS’ STATE LICENSE BOARD MAY BE UNABLE TO ASSIST YOU WITH A COMPLAINT. YOUR ONLY REMEDY AGAINST AN UNLICENSED CONTRACTOR MAY BE IN CIVIL COURT, AND YOU MAY BE LIABLE FOR DAMAGES ARISING OUT OF ANY INJURIES TO THE CONTRACTOR OR HIS OR HER EMPLOYEES.

YOU MAY CONTACT THE CONTRACTORS’ STATE LICENSE BOARD TO FIND OUT IF THIS CONTRACTOR HAS A VALID LICENSE. THE BOARD HAS COMPLETE INFORMATION ON THE HISTORY OF LICENSED CONTRACTORS, INCLUDING ANY POSSIBLE SUSPENSIONS, REVOCATIONS, JUDGMENTS, AND CITATIONS. THE BOARD HAS OFFICES THROUGHOUT CALIFORNIA. PLEASE CHECK THE GOVERNMENT PAGES OF THE WHITE PAGES FOR THE OFFICE NEAREST YOU OR CALL 1-800-321-CSLB FOR MORE INFORMATION.”

(c) Failure to comply with the notice requirements set forth in subdivision (a) or (b) of this section is cause for disciplinary action.

(d) This section shall be repealed on January 1, 2006.

SEC. 5. Section 7030 of the Business and Professions Code, as amended by Section 2 of Chapter 566 of the Statutes of 2004, is amended to read:

7030. (a) Except for contractors writing home improvement contracts pursuant to Section 7151.2 and contractors writing service and repair contracts pursuant to Section 7159.10, every person licensed pursuant to this chapter shall include the following statement in at least 10-point type on all written contracts with respect to which the person is a prime contractor:

“Contractors are required by law to be licensed and regulated by the Contractors’ State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors’ State License Board, P.O. Box 26000, Sacramento, CA 95826.”

(b) Every person licensed pursuant to this chapter shall include the following statement in at least 12-point type in all home improvement contracts written pursuant to Section 7151.2 and service and repair contracts written pursuant to Section 7159.10:

“Information about the Contractors’ State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor’s employees.

For more information:

Visit CSLB’s Web site at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826.”

(c) Failure to comply with the notice requirements set forth in subdivision (a) or (b) of this section is cause for disciplinary action.

(d) This section shall become operative on January 1, 2006.

SEC. 6. Section 7159 of the Business and Professions Code, as amended by Section 4 of Chapter 982 of the Statutes of 1999, is amended to read:

7159. This section applies only to home improvement contracts, as defined in Section 7151.2, between a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction and who contracts with an owner or tenant for work upon a residential building or structure, or upon land adjacent thereto, for proposed repairing, remodeling, altering, converting, modernizing, or adding to the residential building or structure or land adjacent thereto, and where the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor, exceeds five hundred dollars (\$500).

Every home improvement contract and every contract, the primary purpose of which is the construction of a swimming pool, is subject to this section. Every contract and any changes in the contract subject to this section shall be evidenced by a writing and shall be signed by all the parties to the contract. The writing shall contain all of the following:

(a) The name, address, and license number of the contractor, and the name and registration number of any salesperson who solicited or negotiated the contract.

(b) The approximate dates when the work will begin and on which all construction is to be completed.

(c) A plan and scale drawing showing the shape, size, dimensions, and construction and equipment specifications for a swimming pool and for other home improvements, a description of the work to be done and description of the materials to be used and the equipment to be used or installed, and the agreed consideration for the work.

(d) If the payment schedule contained in the contract provides for a downpayment to be paid to the contractor by the owner or the tenant before the commencement of work, the downpayment may not exceed two hundred dollars (\$200) or 2 percent of the contract price for swimming pools, or one thousand dollars (\$1,000) or 10 percent of the contract price for other home improvements, excluding finance charges, whichever is less.

(e) A schedule of payments showing the amount of each payment as a sum in dollars and cents. In no event may the payment schedule provide for the contractor to receive, nor may the contractor actually receive, payments in excess of 100 percent of the value of the work performed on the project at any time, excluding finance charges, except that the contractor may receive an initial downpayment authorized by subdivision (d). With respect to a swimming pool contract, the final payment may be made at the completion of the final plastering phase of construction, provided that any installation or construction of equipment, decking, or fencing required by the contract is also completed. A failure by the

contractor without lawful excuse to substantially commence work within 20 days of the approximate date specified in the contract when work will begin shall postpone the next succeeding payment to the contractor for that period of time equivalent to the time between when substantial commencement was to have occurred and when it did occur. The schedule of payments shall be stated in dollars and cents, and shall be specifically referenced to the amount of work or services to be performed and to any materials and equipment to be supplied. With respect to a contract that provides for a schedule of monthly payments to be made by the owner or tenant and for a schedule of payments to be disbursed to the contractor by a person or entity to whom the contractor intends to assign the right to receive the owner's or tenant's monthly payments, the payments referred to in this subdivision mean the payments to be disbursed by the assignee and not those payments to be made by the owner or tenant.

(f) A statement that, upon satisfactory payment being made for any portion of the work performed, the contractor shall, prior to any further payment being made, furnish to the person contracting for the home improvement or swimming pool a full and unconditional release from any claim or mechanic's lien pursuant to Section 3114 of the Civil Code for that portion of the work for which payment has been made.

(g) The requirements set forth in subdivisions (d), (e), and (f) do not apply when the contract provides for the contractor to furnish a performance and payment bond, lien and completion bond, bond equivalent, or joint control approved by the registrar covering full performance and completion of the contract and the bonds or joint control is or are furnished by the contractor, or when the parties agree for full payment to be made upon or for a schedule of payments to commence after satisfactory completion of the project. The contract shall contain, in close proximity to the signatures of the owner and contractor, a notice in at least 10-point type stating that the owner or tenant has the right to require the contractor to have a performance and payment bond.

(h) No extra or change-order work may be required to be performed without prior written authorization of the person contracting for the construction of the home improvement or swimming pool. No change-order is enforceable against the person contracting for home improvement work or swimming pool construction unless it clearly sets forth the scope of work encompassed by the change-order and the price to be charged for the changes. Any change-order forms for changes or extra work shall be incorporated in, and become a part of, the contract. Failure to comply with the requirements of this subdivision does not preclude the recovery of compensation for work performed based upon quasi-contract, quantum meruit, restitution, or other similar legal or equitable remedies designed to prevent unjust enrichment.

(i) If the contract provides for a payment of a salesperson's commission out of the contract price, that payment shall be made on a pro rata basis in proportion to the schedule of payments made to the contractor by the disbursing party in accordance with subdivision (e).

(j) The language of the notice required pursuant to Section 7018.5.

(k) What constitutes substantial commencement of work pursuant to the contract.

(l) A notice that failure by the contractor without lawful excuse to substantially commence work within 20 days from the approximate date specified in the contract when work will begin is a violation of the Contractors' State License Law.

(m) If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

A failure by the contractor without lawful excuse to substantially commence work within 20 days from the approximate date specified in the contract when work will begin is a violation of this section.

This section does not prohibit the parties to a home improvement contract from agreeing to a contract or account subject to Chapter 1 (commencing with Section 1801) of Title 2 of Part 4 of Division 3 of the Civil Code.

The writing may also contain other matters agreed to by the parties to the contract.

The writing shall be legible and shall be in a form that clearly describes any other document that is to be incorporated into the contract. Before any work is done, the owner shall be furnished a copy of the written agreement, signed by the contractor.

For purposes of this section, the board shall, by regulation, determine what constitutes "without lawful excuse."

The provisions of this section are not exclusive and do not relieve the contractor or any contract subject to it from compliance with all other applicable provisions of law.

A violation of this section by a licensee, or a person subject to be licensed, under this chapter, or by his or her agent or salesperson, is a misdemeanor punishable by a fine of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000), or by imprisonment in the county jail not exceeding one year, or by both that fine and imprisonment.

(n) Any person who violates this section as part of a plan or scheme to defraud an owner of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the

victim based on the person's ability to pay, as defined in subdivision (e) of Section 1203.1b of the Penal Code. In addition to full restitution, and imprisonment authorized by this section, the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to Section 8625 of the Government Code or for which an emergency or major disaster is declared by the President of the United States.

(o) (1) An indictment or information against a person who is not licensed, but who is required to be licensed under this chapter, shall be brought, or a criminal complaint filed, for a violation of this section within four years from the date the buyer signs the contract.

(2) An indictment or information against a person who is licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section within one year from the date the buyer signs the contract.

(3) The limitations on actions in this subdivision shall not apply to any administrative action filed against a licensed contractor.

(p) This section shall be repealed on January 1, 2006.

SEC. 7. Section 7159 of the Business and Professions Code, as added by Section 4 of Chapter 566 of the Statutes of 2004, is amended to read:

7159. This section and Sections 7159.3 to 7159.6, inclusive, apply to all home improvement contracts, as defined in Section 7151.2, between a contractor, whether a general or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction and who contracts with an owner or tenant for home improvement work, where the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor exceeds five hundred dollars (\$500), except that this section and Sections 7159.3 to 7159.6, inclusive, do not apply to service and repair contracts as defined in Section 7159.10.

A violation of this section by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is cause for discipline.

(a) A home improvement contract and any changes to the contract shall be in writing and signed by the parties.

(b) The writing shall be legible.

(c) Any printed form shall be readable. Unless a larger typeface is specified in this article, text in any printed form shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.

(d) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by both the contractor and the buyer. The buyer's receipt of the copy triggers the buyer's rights under the Home Solicitation Act, if the right to cancel is applicable, provided that the contract complies with the Home Solicitation Act.

(e) A change-order form for changes or extra work shall be incorporated into the contract and shall become part of the contract if it is in writing and signed by the parties.

(f) Change orders required by the building department at the jobsite shall be considered incorporated into the contract without being signed by both the parties.

(g) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.

(h) This section shall become operative on January 1, 2006.

SEC. 8. Section 7159.3 of the Business and Professions Code, as added by Section 10 of Chapter 1005 of the Statutes of 2000, is amended to read:

7159.3. (a) A home improvement contract and an estimate for home improvement work shall be accompanied by and include all of the following:

(1) A statement prepared by the board through regulation that emphasizes the value of commercial general liability insurance and encourages the owner or tenant to verify the contractor's insurance coverage and status.

(2) A check box indicating whether or not the contractor carries commercial general liability insurance, and if that is the case, the name and the telephone number of the insurer.

(3) A checklist prepared by the board through regulation setting forth the items that an owner contracting for home improvement should consider when reviewing a proposed home improvement contract.

(b) This section shall become operative three months after the board adopts the regulations referenced in paragraph (1) of subdivision (a).

(c) This section shall be repealed on January 1, 2006.

SEC. 9. Section 7159.3 of the Business and Professions Code, as added by Section 6 of Chapter 566 of the Statutes of 2004, is amended to read:

7159.3. This section applies to all home improvement contracts, as defined in Section 7151.2, between an owner or tenant and a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction. Failure by the licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson, to provide the

following information, notices, and disclosures in the contract is cause for discipline:

(a) The name, business address, and license number of the contractor and the description of the license classification relevant to the project.

(b) The name and registration number of the home improvement salesperson, if any.

(c) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the statement, "A notice concerning commercial general liability insurance is attached to this contract." The notice shall include the heading "Commercial General Liability Insurance (CGL)," followed by whichever of the following statements is both relevant and correct:

(1) "(The name on the license or 'This contractor') does not carry commercial general liability insurance."

(2) "(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call the (insurance company) at _____ to check the contractor's insurance coverage."

(3) "(The name on the license or 'This contractor') is self-insured."

(d) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement "A notice concerning workers' compensation insurance is attached to this contract." The notice shall include the heading "Workers' Compensation Insurance" followed by whichever of the following statements is correct:

(1) "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements."

(2) "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."

(e) This section shall become operative on January 1, 2006.

SEC. 10. Section 7159.4 of the Business and Professions Code is amended to read:

7159.4. This section applies to all home improvement contracts, as defined in Section 7151.2, between an owner or tenant and a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction. Failure by the licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson, to provide the following information, notices, and disclosures in the contract is cause for discipline:

(a) Notice of the type of contract in at least 10-point boldface type: "Home Improvement."

(b) The notice in at least 12-point boldface type: “Notice to the Buyer: You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started.”

(c) The heading: “Contract Price,” followed by the amount of the contract in dollars and cents.

(d) If a finance charge will be charged, the heading: “Finance Charge” followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(e) The heading: “Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed,” followed by a description of the project and a description of the significant materials to be used and equipment to be installed.

(f) For swimming pools, in addition to the project description required under subdivision (e), a plan and scale drawing showing the shape, size, dimensions, and the construction and equipment specifications.

(g) If a downpayment will be charged, the heading: “Downpayment” and a space where the actual downpayment appears followed by the text in at least 12-point boldface type: “THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS.”

(h) If any payment, besides the downpayment, is to be made before the project is completed, the contract shall include a schedule with a heading labeled “Schedule of Progress Payments,” stated in dollars and cents and specifically referencing the amount of work or services to be performed and any materials and equipment to be supplied, and the following statement in at least 12-point boldface type:

“The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment. IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A DOWNPAYMENT.”

(i) The heading: “Approximate Start Date” and “Approximate Completion Date,” each followed by the approximate dates for start and completion.

(j) If applicable, the heading, “List of Documents to be Incorporated into the Contract,” followed by the list of documents incorporated into the contract.

(k) The heading: “Note about Extra Work and Change Orders” followed by the following statement:

“Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties. The order must describe the scope of the extra or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments. Change orders required by the building department at the jobsite shall be considered incorporated into the contract without being signed by both parties.”

(l) (1) Except when the contract is negotiated at the contractor’s place of business, the statement found in paragraph (4) of subdivision (a) of Section 1689.7 of the Civil Code for the three-day right to cancel or the statement found in paragraph (2) of subdivision (e) of Section 1689.7 for the seven-day right to cancel, whichever is relevant. A statement that complies with Section 1689.7 may be attached to the contract if the contract includes a checkbox and whichever statement is relevant in at least 12-point boldface type:

(A) “The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a ‘Notice of the Three-Day Right to Cancel.’ ”

(B) “The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a ‘Notice of the Seven-Day Right to Cancel.’ ”

(2) This subdivision does not apply to home improvement contracts entered into by a person who holds an alarm company operator’s license issued pursuant to Chapter 11.6 (commencing with Section 7590), provided the person complies with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as applicable.

(m) The signatures of the contractor or the contractor’s representative, and the buyer.

(n) The date the contract was signed.

(o) A statement with the heading “Mechanics’ Lien Warning” as follows:

“MECHANICS LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics’ lien on your property. A mechanics’ lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics’ liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-day Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe."

(p) This section shall become operative on January 1, 2006.

SEC. 11. Section 7159.5 of the Business and Professions Code is amended to read:

7159.5. This section applies to all home improvement contracts, as defined in Section 7151.2, between an owner or tenant and a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction.

(a) Failure by the licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson to comply with the following provisions is cause for discipline:

(1) The contract shall include the agreed contract amount in dollars and cents. The contract amount shall include the entire cost of the

contract, including profit, labor, and materials, but excluding finance charges.

(2) If there is a separate finance charge between the contractor and the person contracting for home improvement, the finance charge shall be set out separately from the contract amount.

(3) If a downpayment will be charged, the downpayment may not exceed one thousand dollars (\$1,000) or 10 percent of the contract amount, whichever is less.

(4) If, in addition to a down payment, the contract provides for payments to be made prior to completion of the work, the contract shall include a schedule of payments in dollars and cents specifically referencing the amount of work or services to be performed and any materials and equipment to be supplied.

(5) Except for a downpayment, the contractor may neither request nor accept payment that exceeds the value of the work performed or material delivered.

(6) Upon any payment by the person contracting for home improvement, and prior to any further payment being made, the contractor shall, if requested, obtain and furnish to the person a full and unconditional release from any potential lien claimant claim or mechanic's lien pursuant to Section 3114 of the Civil Code for any portion of the work for which payment has been made. The person contracting for home improvement may withhold all further payments until these releases are furnished.

(7) If the contract provides for a payment of a salesperson's commission out of the contract price, that payment shall be made on a pro rata basis in proportion to the schedule of payments made to the contractor by the disbursing party in accordance with paragraph (4).

(8) A contractor furnishing a performance and payment bond, lien and completion bond, or a bond equivalent or joint control approved by the registrar covering full performance and payment is exempt from paragraphs (3), (4), and (5), and need not include, as part of the contract, the Mechanics' Lien Warning found in subdivision (o) of Section 7159.4. A contractor furnishing these bonds, bond equivalents, or a joint control approved by the registrar may accept payment prior to completion. If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

(b) A violation of paragraph (1), (3), or (5) of subdivision (a) by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is a misdemeanor punishable by a fine of not less than one hundred dollars (\$100) nor more than five thousand

dollars (\$5,000), or by imprisonment in a county jail not exceeding one year, or by both fine and imprisonment.

(1) An indictment or information against a person who is not licensed but who is required to be licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section within four years from the date the buyer signs the contract.

(2) An indictment or information against a person who is licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section within two years from the date the buyer signs the contract.

(3) The limitations on actions in this subdivision shall not apply to any administrative action filed against a licensed contractor.

(c) Any person who violates this section as part of a plan or scheme to defraud an owner or tenant of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in subdivision (e) of Section 1203.1b of the Penal Code. In addition to full restitution, and imprisonment authorized by this section, the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to Section 8625 of the Government Code, or for which an emergency or major disaster is declared by the President of the United States.

(d) This section shall become operative on January 1, 2006.

SEC. 12. Section 7159.6 of the Business and Professions Code is amended to read:

7159.6. (a) An extra work or change order is not enforceable against a buyer unless the change order sets forth all of the following:

- (1) The scope of work encompassed by the order.
- (2) The amount to be added or subtracted from the contract.
- (3) The effect the order will make in the progress payments or the completion date.

(b) The buyer may not require a contractor to perform extra or change-order work without providing written authorization.

(c) Failure to comply with the requirements of this section does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

(d) This section shall become operative on January 1, 2006.

SEC. 13. Section 7159.10 of the Business and Professions Code is amended to read:

7159.10. (a) "Service and repair contract" means an agreement between a contractor or salesperson for a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction, and a homeowner or a tenant, for the performance of a home improvement as defined in Section 7151, that meets the following requirements:

- (1) The contract amount is seven hundred fifty dollars (\$750) or less.
 - (2) The prospective buyer initiated contact with the contractor to request the work.
 - (3) The contractor does not sell the buyer goods or services beyond those reasonably necessary to take care of the particular problem that caused the buyer to contact the contractor.
 - (4) No payment is due until the work is completed.
- (b) A bona fide service repairperson employed by a licensed contractor or subcontractor hired by a licensed contractor may enter into a service and repair contract on behalf of that contractor.
- (c) This section shall become operative on January 1, 2006.

SEC. 14. Section 7159.11 of the Business and Professions Code is amended to read:

7159.11. This section applies to service and repair contracts as defined in Section 7159.10. A violation of this section by a licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is cause for discipline.

- (a) A service and repair contract and any changes to the contract shall be in writing and signed by the parties.
- (b) The writing shall be legible.
- (c) Any printed form shall be readable. Unless a larger typeface is specified in this article, the text shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.
- (d) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by the buyer and the contractor. The buyer's receipt of the copy triggers the buyer's rights under the Home Solicitation Act, if the right to cancel is applicable, provided that the contract complies with the Home Solicitation Act.
- (e) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.
- (f) This section shall become operative on January 1, 2006.

SEC. 15. Section 7159.12 of the Business and Professions Code is amended to read:

7159.12. This section applies to service and repair contracts, as defined in Section 7159.10. Failure by the licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson,

to provide the following information, notices, and disclosures in the contract is cause for discipline:

(a) The name, business address, and license number of the contractor and the description of the license classification relevant to the project.

(b) The name and registration number of the home improvement salesperson, if any.

(c) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the statement, "The notice concerning commercial general liability insurance is attached to this contract." The notice shall include the heading "Commercial General Liability Insurance (CGL)" followed by whichever of the following statements is both relevant and correct:

(1) "(The name on the license or 'This contractor') does not carry commercial general liability insurance."

(2) "(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call the (insurance company) at _____ to check the contractor's insurance coverage."

(3) "(The name on the license or 'This contractor') is self-insured."

(d) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement "A notice concerning workers' compensation insurance is attached to this contract." The notice shall include the heading "Workers' Compensation Insurance" followed by whichever of the following statements is correct:

(1) "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements."

(2) "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."

(e) This section shall become operative on January 1, 2006.

SEC. 16. Section 7159.13 of the Business and Professions Code is amended to read:

7159.13. This section applies to service and repair contracts as defined in Section 7159.10. Failure by the licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson, to provide the following information, notices, and disclosures in the contract is cause for discipline:

(a) Notice of the type of contract in at least 10-point boldface type: "Service and Repair."

(b) A notice in at least 12-point boldface type, signed and dated by the buyer: "Notice to the Buyer: The law requires that service and repair contracts must meet all of the following requirements:

(1) The price must be no more than seven hundred and fifty dollars (\$750).

(2) You, the buyer, must have initiated contact with the contractor to request the work.

(3) The contractor must not sell you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor.

(4) No payment is due until the work is completed.”

(c) The notice in at least 12-point boldface type: “Notice to the Buyer: You are entitled to a completely filled in and signed copy of this agreement before any work may be started.”

(d) Where the contract is a fixed contract amount, the heading: “Contract Price” followed by the amount of the contract in dollars and cents.

(e) If a finance charge will be charged, the heading: “Finance Charge” followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(f) Where the contract is estimated by a time and materials formula, the heading “Estimated Contract Price” followed by the estimated contract amount in dollars and cents. The contract must disclose the set rate and the estimated cost of materials. The contract must also disclose how time will be computed: for example, in increments of quarter hours, half hours, or hours, and the statement: “The actual contract amount of a time and materials contract may not exceed the estimated contract amount without written authorization from the buyer.”

(g) The heading: “Description of the Project and Materials to be Used and Equipment to be Installed” followed by a description of the project and materials to be used and equipment to be installed.

(h) The heading: “The law requires that the contractor offer you any parts that were replaced during the service call. If you do not want the parts, initial the checkbox labeled ‘OK for contractor to take replaced parts.’”

(i) A checkbox labeled “OK for contractor to take replaced parts.”

(j) If a service charge is charged, the heading “Amount of Service Charge” followed by the service charge, and the statement “You may be charged only one service charge, including any trip charge or inspection fee”.

(k) If applicable, the heading “List of documents to be incorporated into the contract,” followed by the list of documents to be incorporated into the contract.

(l) (1) Except when the contract is negotiated at the contractor’s place of business, the statement found in paragraph (5) of subdivision (a) of Section 1689.7 of the Civil Code for the right to cancel or the statement

found in paragraph (2) of subdivision (e) of Section 1689.7 for the right to cancel, whichever is relevant. A statement that complies with Section 1689.7 may be attached to the contract if the contract includes a checkbox and whichever statement is relevant in at least 12-point boldface type:

(A) “The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a ‘Notice of Your Right to Cancel.’”

(B) “The law requires that the contractor give you a notice explaining your right to cancel contracts for the repair or restoration of residential premises damaged by a disaster. Initial the checkbox if the contractor has given you a ‘Notice of Your Right to Cancel.’”

(2) This subdivision does not apply to home improvement contracts entered into by a person who holds an alarm company operator’s license issued pursuant to Chapter 11.6 (commencing with Section 7590), provided the person complies with Sections 1689.5, 1689.6, and 1689.7 of the Civil Code, as applicable.

(m) The signatures of the contractor or the contractor’s representative, and the buyer.

(n) The date the contract was signed.

(o) This section shall become operative on January 1, 2006.

SEC. 17. Section 7159.14 of the Business and Professions Code is amended to read:

7159.14. (a) This section applies to a service and repair contract as defined in Section 7159.10. A violation of this section by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is cause for discipline.

(1) The contract may not exceed seven hundred fifty dollars (\$750).

(2) The contract shall state the agreed contract amount, which may be stated as either a fixed contract amount in dollars and cents or, if a time and materials formula is used, as an estimated contract amount in dollars and cents.

(3) The contract amount shall include the entire cost of the contract including profit, labor and materials but excluding finance charges.

(4) The actual contract amount of a time and materials contract may not exceed the estimated contract amount without written authorization from the buyer.

(5) The prospective buyer must have initiated contact with the contractor to request work.

(6) The contractor may not sell the buyer goods or services beyond those reasonably necessary to take care of the particular problem that caused the buyer to contact the contractor.

(7) No payment may be due before the project is completed.

(8) A service and repair contractor may charge only one service charge. For purposes of this chapter, a service charge includes such charges as a service or trip charge, or an inspection fee.

(9) A service and repair contractor charging a service charge must disclose in all advertisements that there is a service charge and, when the customer initiates the call for service, must disclose the amount of the service charge.

(10) The service and repair contractor must offer to the customer any parts that were replaced.

(11) Upon any payment by the buyer, the contractor shall, if requested, obtain and furnish to the buyer a full and unconditional release from any potential lien claimant claim or mechanics' lien pursuant to Section 3114 of the Civil Code for any portion of the work for which payment has been made.

(b) A violation of paragraph (1), (2), (3), (4), (5), (6), or (8) of subdivision (a) by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is a misdemeanor punishable by a fine of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000) or by imprisonment in a county jail not exceeding one year, or by both fine and imprisonment.

(1) An indictment or information against a person who is not licensed but who is required to be licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section within four years from the date the buyer signs the contract.

(2) An indictment or information against a person who is licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section within two years from the date the buyer signs the contract.

(3) The limitations on actions in this subdivision shall not apply to any administrative action filed against a licensed contractor.

(c) Any person who violates this section as part of a plan or scheme to defraud an owner or tenant of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in subdivision (e) of Section 1203.1b of the Penal Code. In addition to full restitution, and imprisonment authorized by this section, the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to Section

8625 of the Government Code, or for which an emergency or major disaster is declared by the President of the United States.

(d) This section shall become operative on January 1, 2006.

SEC. 18. Section 7164 of the Business and Professions Code is amended to read:

7164. (a) Notwithstanding Section 7044, every contract and any changes in a contract, between an owner and a contractor, for the construction of a single-family dwelling to be retained by the owner for at least one year shall be evidenced in writing signed by both parties.

(b) The writing shall contain the following:

(1) The name, address, and license number of the contractor.

(2) The approximate dates when the work will begin and be substantially completed.

(3) A legal description of the location where the work will be done.

(4) The language of the notice required pursuant to Section 7018.5.

(5) (A) A statement prepared by the board through regulation that emphasizes the value of commercial general liability insurance and encourages the owner to verify the contractor's insurance coverage and status.

(B) A check box indicating whether or not the contractor carries commercial general liability insurance, and if that is the case, the name and the telephone number of the insurer.

(c) The writing may also contain other matters agreed to by the parties to the contract. The writing shall be legible and shall clearly describe any other document which is to be incorporated into the contract. Prior to commencement of any work, the owner shall be furnished a copy of the written agreement, signed by the contractor. The provisions of this section are not exclusive and do not relieve the contractor from compliance with all other applicable provisions of law.

(d) Every contract subject to the provisions of this section shall contain, in close proximity to the signatures of the owner and contractor, a notice in at least 10-point bold type or in all capital letters, stating that the owner has the right to require the contractor to have a performance and payment bond and that the expense of the bond may be borne by the owner.

(e) The requirements in paragraph (5) of subdivision (b) shall become operative three months after the board adopts the regulations referenced in subparagraph (A) of paragraph (5) of subdivision (b).

(f) This section shall be repealed on January 1, 2006.

SEC. 19. Section 7164 is added to the Business and Professions Code, to read:

7164. (a) Notwithstanding Section 7044, every contract and any changes in a contract, between an owner and a contractor, for the

construction of a single-family dwelling to be retained by the owner for at least one year shall be evidenced in writing signed by both parties.

(b) The writing shall contain the following:

- (1) The name, address, and license number of the contractor.
- (2) The approximate dates when the work will begin and be substantially completed.
- (3) A legal description of the location where the work will be done.
- (4) A statement with the heading "Mechanics' Lien Warning" as follows:

"MECHANICS LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-day Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe."

(5) (A) A statement prepared by the board through regulation that emphasizes the value of commercial general liability insurance and encourages the owner to verify the contractor's insurance coverage and status.

(B) A check box indicating whether or not the contractor carries commercial general liability insurance, and if that is the case, the name and the telephone number of the insurer.

(c) The writing may also contain other matters agreed to by the parties to the contract. The writing shall be legible and shall clearly describe any other document which is to be incorporated into the contract. Prior to commencement of any work, the owner shall be furnished a copy of the written agreement, signed by the contractor. The provisions of this section are not exclusive and do not relieve the contractor from compliance with all other applicable provisions of law.

(d) Every contract subject to the provisions of this section shall contain, in close proximity to the signatures of the owner and contractor, a notice in at least 10-point bold type or in all capital letters, stating that the owner has the right to require the contractor to have a performance and payment bond and that the expense of the bond may be borne by the owner.

(e) The requirements in paragraph (5) of subdivision (b) shall become operative three months after the board adopts the regulations referenced in subparagraph (A) of paragraph (5) of subdivision (b).

(f) This section shall become operative on January 1, 2006.

SEC. 20. Section 7167 of the Business and Professions Code is amended to read:

7167. (a) Any contract the primary purpose of which is the construction of a swimming pool which does not substantially comply with the applicable provisions of subdivisions (b), (c), (d), (e), (f), and (h) of Section 7159, shall be void and unenforceable by the contractor as contrary to public policy.

(b) This section shall be repealed on January 1, 2006.

SEC. 21. Section 7167 is added to the Business and Professions Code, to read:

7167. (a) Except as otherwise provided by this section, a contract, the primary purpose of which is the construction of a swimming pool, that does not substantially comply with the provisions of Section 7159.4,

shall be void and unenforceable by the contractor as contrary to public policy.

(b) Failure to comply with subdivision (k) of Section 7159.4 does not preclude the recovery of compensation for work performed based on quasi-contract, quantum meruit, restitution, or other similar legal or equitable remedies designed to prevent unjust enrichment.

(c) This section shall be operative on January 1, 2006.

SEC. 22. Section 1689.5 of the Civil Code, as amended by Section 1 of Chapter 51 of the 1st Extraordinary Session of the Statutes of 1994, is amended to read:

1689.5. As used in Sections 1689.6 to 1689.11, inclusive, and in Section 1689.14:

(a) "Home solicitation contract or offer" means any contract, whether single or multiple, or any offer which is subject to approval, for the sale, lease, or rental of goods or services or both, made at other than appropriate trade premises in an amount of twenty-five dollars (\$25) or more, including any interest or service charges. "Home solicitation contract" does not include any contract under which the buyer has the right to rescind pursuant to Title 1, Chapter 2, Section 125 of the Federal Consumer Credit Protection Act (P.L. 90-321) and the regulations promulgated pursuant thereto, or any contract for repair services with a contractor who is duly licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code, if (1) the contract price is less than one hundred dollars (\$100), (2) the negotiation between the parties was initiated by the prospective buyer, and (3) the contract contains a written and dated statement signed by the prospective buyer stating that the negotiation between the parties was initiated by the prospective buyer.

(b) "Appropriate trade premises," means premises where either the owner or seller normally carries on a business, or where goods are normally offered or exposed for sale in the course of a business carried on at those premises.

(c) "Goods" means tangible chattels bought for use primarily for personal, family, or household purposes, including certificates or coupons exchangeable for these goods, and including goods that, at the time of the sale or subsequently, are to be so affixed to real property as to become a part of the real property whether or not severable therefrom, but does not include any vehicle required to be registered under the Vehicle Code, nor any goods sold with this vehicle if sold under a contract governed by Section 2982, and does not include any mobilehome, as defined in Section 18008 of the Health and Safety Code, nor any goods sold with this mobilehome if either are sold under a contract subject to Section 18036.5 of the Health and Safety Code.

(d) “Services” means work, labor and services, including, but not limited to, services furnished in connection with the repair, restoration, alteration, or improvement of residential premises, or services furnished in connection with the sale or repair of goods as defined in Section 1802.1, and courses of instruction, regardless of the purpose for which they are taken, but does not include the services of attorneys, real estate brokers and salesmen, securities dealers or investment counselors, physicians, optometrists, or dentists, nor financial services offered by banks, savings institutions, credit unions, industrial loan companies, personal property brokers, consumer finance lenders, or commercial finance lenders, organized pursuant to state or federal law, that are not connected with the sale of goods or services, as defined herein, nor the sale of insurance that is not connected with the sale of goods or services as defined herein, nor services in connection with the sale or installation of mobilehomes or of goods sold with a mobilehome if either are sold or installed under a contract subject to Section 18036.5 of the Health and Safety Code, nor services for which the tariffs, rates, charges, costs, or expenses, including in each instance the time sale price, is required by law to be filed with and approved by the federal government or any official, department, division, commission, or agency of the United States or of the state.

(e) “Business day” means any calendar day except Sunday, or the following business holidays: New Year’s Day, Washington’s Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans’ Day, Thanksgiving Day, and Christmas Day.

(f) This section shall be repealed on January 1, 2006.

SEC. 23. Section 1689.5 of the Civil Code, as amended by Section 15 of Chapter 566 of the Statutes of 2004, is amended to read:

1689.5. As used in Sections 1689.6 to 1689.11, inclusive, and in Section 1689.14:

(a) “Home solicitation contract or offer” means any contract, whether single or multiple, or any offer which is subject to approval, for the sale, lease, or rental of goods or services or both, made at other than appropriate trade premises in an amount of twenty-five dollars (\$25) or more, including any interest or service charges. “Home solicitation contract” does not include any contract under which the buyer has the right to rescind pursuant to Title 1, Chapter 2, Section 125 of the Federal Consumer Credit Protection Act (P.L. 90-321) and the regulations promulgated pursuant thereto.

(b) “Appropriate trade premises,” means premises where either the owner or seller normally carries on a business, or where goods are normally offered or exposed for sale in the course of a business carried on at those premises.

(c) “Goods” means tangible chattels bought for use primarily for personal, family, or household purposes, including certificates or coupons exchangeable for these goods, and including goods that, at the time of the sale or subsequently, are to be so affixed to real property as to become a part of the real property whether or not severable therefrom, but does not include any vehicle required to be registered under the Vehicle Code, nor any goods sold with this vehicle if sold under a contract governed by Section 2982, and does not include any mobilehome, as defined in Section 18008 of the Health and Safety Code, nor any goods sold with this mobilehome if either are sold under a contract subject to Section 18036.5 of the Health and Safety Code.

(d) “Services” means work, labor and services, including, but not limited to, services furnished in connection with the repair, restoration, alteration, or improvement of residential premises, or services furnished in connection with the sale or repair of goods as defined in Section 1802.1, and courses of instruction, regardless of the purpose for which they are taken, but does not include the services of attorneys, real estate brokers and salesmen, securities dealers or investment counselors, physicians, optometrists, or dentists, nor financial services offered by banks, savings institutions, credit unions, industrial loan companies, personal property brokers, consumer finance lenders, or commercial finance lenders, organized pursuant to state or federal law, that are not connected with the sale of goods or services, as defined herein, nor the sale of insurance that is not connected with the sale of goods or services as defined herein, nor services in connection with the sale or installation of mobilehomes or of goods sold with a mobilehome if either are sold or installed under a contract subject to Section 18036.5 of the Health and Safety Code, nor services for which the tariffs, rates, charges, costs, or expenses, including in each instance the time sale price, is required by law to be filed with and approved by the federal government or any official, department, division, commission, or agency of the United States or of the state.

(e) “Business day” means any calendar day except Sunday, or the following business holidays: New Year’s Day, Washington’s Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans’ Day, Thanksgiving Day, and Christmas Day.

(f) This section shall become operative on January 1, 2006.

SEC. 24. Section 1689.6 of the Civil Code, as amended by Section 2 of Chapter 51 of the 1st Extraordinary Session of the Statutes of 1994, is amended to read:

1689.6. (a) In addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract or offer until midnight

of the third business day after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.7.

(b) In addition to any other right to revoke an offer, any buyer has the right to cancel a home solicitation contract or offer for the purchase of a personal emergency response unit until midnight of the seventh business day after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.7. This subdivision shall not apply to a personal emergency response unit installed with, and as part of, a home security alarm system subject to the Alarm Company Act (Chapter 11.6 (commencing with Section 7590) of Division 3 of the Business and Professions Code) which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, which shall instead be subject to subdivision (a).

(c) In addition to any other right to revoke an offer, a buyer has the right to cancel a home solicitation contract or offer for the repair or restoration of residential premises damaged by a disaster that was not void pursuant to Section 1689.14, until midnight of the seventh business day after the buyer signs and dates the contract.

(d) Cancellation occurs when the buyer gives written notice of cancellation to the seller at the address specified in the agreement or offer.

(e) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

(f) Notice of cancellation given by the buyer need not take the particular form as provided with the contract or offer to purchase and, however expressed, is effective if it indicates the intention of the buyer not to be bound by the home solicitation contract or offer.

(g) "Personal emergency response unit," for purposes of this section, means an in-home radio transmitter device or two-way radio device generally, but not exclusively, worn on a neckchain, wrist strap, or clipped to clothing, and connected to a telephone line through which a monitoring station is alerted of an emergency and emergency assistance is summoned.

(h) This section shall be repealed on January 1, 2006.

SEC. 25. Section 1689.6 of the Civil Code, as amended by Section 16 of Chapter 566 of the Statutes of 2004, is amended to read:

1689.6. (a) (1) Except for a contract written pursuant to Section 7151.2 or 7159.10 of the Business and Professions Code, in addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract or offer until midnight of the third business

day after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.7.

(2) In addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code until midnight of the third business day after the buyer receives a signed and dated copy of the contract or offer to purchase that complies with Section 1689.7 of this code.

(3) In addition to any other right to revoke an offer, the buyer has the right to cancel a home solicitation contract or offer to purchase written pursuant to Section 7159.10 of the Business and Professions Code, until the buyer receives a signed and dated copy of a service and repair contract that complies with Section 1689.7 of this code and meets the contract requirements found in Section 7159.10 of the Business and Professions Code and the work commences.

(b) In addition to any other right to revoke an offer, any buyer has the right to cancel a home solicitation contract or offer for the purchase of a personal emergency response unit until midnight of the seventh business day after the day on which the buyer signs an agreement or offer to purchase which complies with Section 1689.7. This subdivision shall not apply to a personal emergency response unit installed with, and as part of, a home security alarm system subject to the Alarm Company Act (Chapter 11.6 (commencing with Section 7590) of Division 3 of the Business and Professions Code) which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, which shall instead be subject to subdivision (a).

(c) In addition to any other right to revoke an offer, a buyer has the right to cancel a home solicitation contract or offer for the repair or restoration of residential premises damaged by a disaster that was not void pursuant to Section 1689.14, until midnight of the seventh business day after the buyer signs and dates the contract.

(d) Cancellation occurs when the buyer gives written notice of cancellation to the seller at the address specified in the agreement or offer.

(e) Notice of cancellation, if given by mail, is effective when deposited in the mail properly addressed with postage prepaid.

(f) Notice of cancellation given by the buyer need not take the particular form as provided with the contract or offer to purchase and, however expressed, is effective if it indicates the intention of the buyer not to be bound by the home solicitation contract or offer.

(g) “Personal emergency response unit,” for purposes of this section, means an in-home radio transmitter device or two-way radio device generally, but not exclusively, worn on a neckchain, wrist strap, or clipped to clothing, and connected to a telephone line through which a monitoring station is alerted of an emergency and emergency assistance is summoned.

(h) This section shall become operative on January 1, 2006.

SEC. 26. Section 1689.7 of the Civil Code, as amended by Section 3 of Chapter 51 of the 1st Extraordinary Session of the Statutes of 1994, is amended to read:

1689.7. (a) (1) In a home solicitation contract or offer the buyer’s agreement or offer to purchase shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation, shall be dated, signed by the buyer, and except as provided in paragraph (2), shall contain in immediate proximity to the space reserved for his or her signature a conspicuous statement in a size equal to at least 10-point bold type, as follows: “You, the buyer, may cancel this transaction at any time prior to midnight of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.”

(2) The statement required pursuant to this subdivision for a home solicitation contract or offer for the purchase of a personal emergency response unit, as defined in Section 1689.6, which is not installed with and as part of a home security alarm system subject to the Alarm Company Act (Chapter 11.6 (commencing with Section 7590) of Division 3 of the Business and Professions Code) which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, is as follows: “You, the buyer, may cancel this transaction at any time prior to midnight of the seventh business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.”

(3) The statement required pursuant to this subdivision for the repair or restoration of residential premises damaged by a disaster pursuant to subdivision (c) of Section 1689.6 is as follows: “You, the buyer, may cancel this transaction at any time prior to midnight of the seventh business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.”

(b) The agreement or offer to purchase shall contain on the first page, in a type size no smaller than that generally used in the body of the document, the following: (1) the name and address of the seller to which the notice is to be mailed, and (2) the date the buyer signed the agreement or offer to purchase.

(c) Except as provided in subdivision (d), the agreement or offer to purchase shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation" which shall be attached to the agreement or offer to purchase and be easily detachable, and which shall contain in type of at least 10-point the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/

(Date)

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to _____,
/name of seller/

at _____
/address of seller's place of business/

not later than midnight of _____ .
(Date)

I hereby cancel this transaction. _____
(Date)

(Buyer's signature)

(d) Any agreement or offer to purchase a personal emergency response unit, as defined in Section 1689.6, which is not installed with and as part of a home security alarm system subject to the Alarm Company Act which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, shall be subject to the requirements of subdivision (c), and shall be accompanied by the "Notice of Cancellation" required by subdivision (c), except that the first paragraph of that notice shall be deleted and replaced with the following paragraph:

You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

(e) Any agreement or offer to purchase services for the repair or restoration of residential premises damaged by a disaster that is subject to subdivision (c) of Section 1689.6, shall be subject to the requirements of subdivision (c) of this section, and shall be accompanied by the "Notice of Cancellation" required by subdivision (c) of this section, except that the first paragraph of that notice shall be deleted and replaced with the following paragraph:

You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

(f) The seller shall provide the buyer with a copy of the contract or offer to purchase and the attached notice of cancellation, and shall inform the buyer orally of his or her right to cancel and the requirement that cancellation be in writing, at the time the home solicitation contract or offer is executed.

(g) Until the seller has complied with this section the buyer may cancel the home solicitation contract or offer.

(h) "Contract or sale" as used in subdivision (c) means "home solicitation contract or offer" as defined by Section 1689.5.

(i) This section shall be repealed on January 1, 2006.

SEC. 27. Section 1689.7 of the Civil Code, as amended by Section 17 of Chapter 566 of the Statutes of 2004, is amended to read:

1689.7. (a) (1) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, in a home solicitation contract or offer, the buyer's agreement or offer to purchase shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation, shall be dated, shall be signed by the buyer, and except as provided in paragraph (2), shall contain in immediate proximity to the space reserved for his or her signature, a conspicuous statement in a size equal to at least 10-point boldface type, as follows: "You, the buyer, may cancel this transaction at any time prior to midnight

of the third business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.”

(2) The statement required pursuant to this subdivision for a home solicitation contract or offer for the purchase of a personal emergency response unit, as defined in Section 1689.6, that is not installed with and as part of a home security alarm system subject to the Alarm Company Act (Chapter 11.6 (commencing with Section 7590) of Division 3 of the Business and Professions Code) that has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, is as follows: “You, the buyer, may cancel this transaction at any time prior to midnight of the seventh business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.”

(3) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, the statement required pursuant to this subdivision for the repair or restoration of residential premises damaged by a disaster pursuant to subdivision (c) of Section 1689.6 is as follows: “You, the buyer, may cancel this transaction at any time prior to midnight of the seventh business day after the date of this transaction. See the attached notice of cancellation form for an explanation of this right.”

(4) A home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that complies with subdivision (l) of Section 7159.4 of the Business and Professions Code shall include in immediate proximity to the space reserved for his or her signature, the following statement in a size equal to at least 12-point boldface type, which shall be dated and signed by the buyer:

“Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor’s place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the

contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(5) A home solicitation contract written pursuant to Section 7159.10 of the Business and Professions Code shall be written in the same language, e.g., Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that complies with subdivision (l) of Section 7159.13 of the Business and Professions Code shall include, in immediate proximity to the space reserved for his or her signature, the following statement in a size equal at least to 12-point boldface type, which shall be dated and signed by the buyer:

"YOUR RIGHTS TO CANCEL BEFORE WORK BEGINS

You, the buyer, have the right to cancel this contract until:

1. You receive a copy of this contract signed and dated by you and the contractor; and
2. The contractor starts work.

However, even if the work has begun you, the buyer, may still cancel the contract within three business days if the contract price is more than seven hundred fifty dollars (\$750), or if you, did not initiate the contact with the contractor to request the work, or if the contractor sold you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor, or if the payment was due before the work was complete.

If any of these reasons for canceling occurred, you may cancel the contract by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business within three business days of the date you received a signed and dated copy of this contract. Include your name, your address, and the date you received a signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further

obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.”

(b) The agreement or offer to purchase shall contain on the first page, in a type size no smaller than that generally used in the body of the document, the following: (1) the name and address of the seller to which the notice is to be mailed, and (2) the date the buyer signed the agreement or offer to purchase.

(c) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, or except as provided in subdivision (d), the agreement or offer to purchase shall be accompanied by a completed form in duplicate, captioned “Notice of Cancellation” which shall be attached to the agreement or offer to purchase and be easily detachable, and which shall contain in type of at least 10-point the following statement written in the same language, e.g., Spanish, as used in the contract:

“Notice of Cancellation”

/enter date of transaction/

(Date)

You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller’s expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to _____ ,
/name of seller/

at _____
/address of seller's place of business/

not later than midnight of _____ .
(Date)

I hereby cancel this transaction. _____
(Date)

(Buyer's signature)

(d) Any agreement or offer to purchase a personal emergency response unit, as defined in Section 1689.6, which is not installed with and as part of a home security alarm system subject to the Alarm Company Act which has two or more stationary protective devices used to enunciate an intrusion or fire and is installed by an alarm company operator operating under a current license issued pursuant to the Alarm Company Act, shall be subject to the requirements of subdivision (c), and shall be accompanied by the "Notice of Cancellation" required by subdivision (c), except that the first paragraph of that notice shall be deleted and replaced with the following paragraph:

You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

(e) (1) Except for contracts written pursuant to Sections 7151.2 and 7159.10 of the Business and Professions Code, any agreement or offer to purchase services for the repair or restoration of residential premises damaged by a disaster that is subject to subdivision (c) of Section 1689.6, shall be subject to the requirements of subdivision (c) of this section, and shall be accompanied by the "Notice of Cancellation" required by subdivision (c) of this section, except that the first paragraph of that notice shall be deleted and replaced with the following paragraph:

You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

(2) A home solicitation contract written pursuant to Section 7151.2 of the Business and Professions Code for the repair or restoration of residential premises damaged by a disaster that is subject to subdivision (c) of Section 1689.6, shall be written in the same language, e.g. Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that complies with subdivision (l) of Section 7159.4 of the Business and Professions Code shall include, in immediate proximity to the space reserved for his or her signature, the following

statement in a size equal to at least 12-point boldface type, which shall be signed and dated by the buyer:

“Seven-Day Right to Cancel

You, the buyer, have the right to cancel this contract within seven business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor’s place of business by midnight of the seventh business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor’s instructions on how to return the goods at the contractor’s expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.”

(3) A home solicitation contract written pursuant to Section 7159.10 of the Business and Professions Code for the repair or restoration of residential premises damaged by a disaster that is subject to subdivision (c) of Section 1689.6, be written in the same language, e.g. Spanish, as principally used in the oral sales presentation. The contract, or an attachment to the contract that complies with subdivision (l) of Section 7159.13 of the Business and Professions Code shall include, in immediate proximity to the space reserved for his or her signature, the following statement in a size equal to at least 12-point boldface type, which shall be signed and dated by the buyer:

“YOUR RIGHTS TO CANCEL BEFORE WORK BEGINS

You, the buyer, have the right to cancel until both of the following events have occurred:

1. You receive a copy of this contract, signed and dated by you and the contractor; and
2. The contractor starts work.

However, even if the work has begun, you, the buyer, may still cancel the contract within seven business days if the contract price is more than seven hundred fifty dollars (\$750), or if you did not initiate the contact with the contractor to request the work, or if the contractor sold you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor, or if the payment was due before the work was complete.

If any of these reasons for canceling occurred, you may cancel the contract by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business within seven business days of the date you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received a signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(f) The seller shall provide the buyer with a copy of the contract or offer to purchase and the attached notice of cancellation, and shall inform the buyer orally of his or her right to cancel and the requirement that cancellation be in writing, at the time the home solicitation contract or offer is executed.

(g) Until the seller has complied with this section the buyer may cancel the home solicitation contract or offer.

(h) "Contract or sale" as used in subdivision (c) means "home solicitation contract or offer" as defined by Section 1689.5.

(i) This section shall become operative on January 1, 2006.

SEC. 28. Section 1689.13 of the Civil Code, as amended by Section 4 of Chapter 51 of the 1st Extraordinary Session of the Statutes of 1994, is amended to read:

1689.13. (a) Sections 1689.5 to 1689.7, inclusive, Sections 1689.10 to 1689.12, inclusive, and Section 1689.14 shall not apply to a contract that is initiated by the buyer or his or her agent or insurance representative and that is executed in connection with the making of emergency or

immediate necessity repairs or services that are necessary for the immediate protection of persons or real or personal property, provided that the buyer furnishes the seller with a separate dated and signed personal statement describing the situation requiring immediate remedy and expressly acknowledging and waiving the right to cancel the sale within three or seven business days, whichever applies.

(b) This section shall be repealed on January 1, 2006.

SEC. 29. Section 1689.13 of the Civil Code, as added by Section 19 of Chapter 566 of the Statutes of 2004, is amended to read:

1689.13. Sections 1689.5, 1689.6, 1689.7, 1689.10, 1689.12, and 1689.14 do not apply to a contract that meets all of the following requirements:

(a) The contract is initiated by the buyer or his or her agent or insurance representative.

(b) The contract is executed in connection with making of emergency or immediately necessary repairs that are necessary for the immediate protection of persons or real or personal property.

(c) The buyer gives the seller a separate statement that is dated and signed that describes the situation that requires immediate remedy, and expressly acknowledges and waives the right to cancel the sale within three or seven business days, whichever applies.

(d) This section shall become operative on January 1, 2006.

SEC. 30. Section 1689.15 of the Civil Code is amended to read:

1689.15. (a) Notwithstanding any other provision of law, a contractor who is duly licensed pursuant to Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code may commence work on a service and repair project as soon as the buyer receives a signed and dated copy of a service and repair contract that meets the contract requirements found in Section 7159.10 of the Business and Professions Code. The buyer retains any right of cancellation applicable to home solicitations under Sections 1689.5 to 1689.14, inclusive, until such time as the buyer receives a signed and dated copy of a service and repair contract that meets the contract requirements found in Section 7159.10 of the Business and Professions Code and complies with Section 1689.7, and the licensee in fact commences that project, at which time the buyer is deemed to have waived, and has waived, any cancellation right provided in Sections 1689.5 to 1689.14, inclusive.

(b) This section shall become operative on January 1, 2006.

SEC. 31. Section 21 of Chapter 566 of the Statutes of 2004 is repealed.

SEC. 32. 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 necessary changes to various provisions regulating professions and vocations as quickly as possible, it is necessary for this act to take effect immediately.

CHAPTER 49

An act to amend Section 13082 of the Financial Code, relating to point-of-sale systems.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 13082 of the Financial Code is amended to read:

13082. (a) Whenever a point-of-sale system is changed or modified to include a video touch screen or any other nontactile keypad, the point-of-sale device that would include the video touch screen or nontactile keypad shall also be equipped with either of the following:

(1) A tactually discernible numerical keypad similar to a telephone keypad containing a raised dot with a dot base diameter between 1.5 millimeters and 1.6 millimeters and a height between 0.6 millimeters and 0.9 millimeters on the number 5 key that enables a visually impaired person to enter his or her own personal identification number or any other personal information necessary to process the transaction in a manner that provides the opportunity for the same degree of privacy input and output available to all individuals.

(2) Other technology, such as a radio frequency identification device, fingerprint biometrics, or some other mechanism that enables a visually impaired person to access the video touch screen device with his or her personal identifier and to process his or her transaction in a manner that provides the opportunity for the same degree of privacy input and output available to all individuals.

(b) (1) On or before January 1, 2010, any existing point-of-sale system, except as provided in paragraph (2), that includes a video touch screen or any other nontactile keypad shall also be equipped with a tactually discernible keypad or other technology as described in subdivision (a).

(2) At locations equipped with two or less point-of-sale machines, only one point-of-sale machine shall be required to be equipped with a

tactually discernible keypad or other technology on or before January 1, 2010, as described in subdivision (a).

(c) On and after January 1, 2006, a manufacturer or distributor shall be required to offer for availability touch screen or other nontactile point-of-sale devices to be used and sold in this state that are equipped with tactually discernible keypads or other technology as described in subdivision (a) that enable a visually impaired person to enter his or her own personal identification number or any other personal information necessary to process a transaction in a manner that ensures personal privacy of the information being entered.

(d) As used in this section, "point-of-sale device" includes any device used by a customer for the purchase of a good or service where a personal identification number (PIN) is required, but does not include the following:

(1) An automated teller machine as defined in subdivision (c) of Section 13020.

(2) A point-of-sale device that is equipped to, or exclusively services, motor fuel dispensers.

(e) A unit is not in compliance with this section unless it includes a device, whether internal or external to the unit, that does not lend itself to easy removal, allows visually impaired users easy access, and otherwise meets the terms and conditions of this section. If the device is freestanding, it shall be permanently attached to the unit by means of a braided wire or some other tether.

(f) This section shall not be construed to preclude or limit any other existing right or remedy as it pertains to point-of-sale devices and accessibility.

CHAPTER 50

An act to add Section 399.17 to the Public Utilities Code, relating to renewable energy resources.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 399.17 is added to the Public Utilities Code, to read:

399.17. (a) Subject to the provisions of this section, the requirements of this article apply to an electrical corporation with 60,000 or fewer

customer accounts in California that serves retail end-use customers outside California.

(b) For an electrical corporation with 60,000 or fewer customer accounts in California that serves retail end-use customers outside California, an eligible renewable energy resource includes a facility that is located outside California, if the facility is connected to the Western Electricity Coordinating Council (WECC) transmission system, provided all of the following conditions are met:

(1) The electricity generated by the facility is procured by the electrical corporation on behalf of its California customers, and is not used to fulfill renewable energy procurement requirements in other states.

(2) The electrical corporation participates in, and complies with, the accounting system administered by the Energy Commission pursuant to subdivision (b) of Section 399.13.

(3) The Energy Commission verifies that the electricity generated by the facility is eligible to meet the annual procurement targets of this article.

(c) The commission shall determine the annual procurement targets for an electrical corporation with 60,000 or fewer customer accounts in California that serves retail end-use customers outside California, as a specified percentage of total kilowatthours sold by the electrical corporation to its retail end-use customers in California in a calendar year.

(d) An electrical corporation with 60,000 or fewer customer accounts in California that serves retail end-use customers outside California, may use an integrated resource plan prepared in compliance with the requirements of another state utility regulatory commission, to fulfill the requirement to prepare a renewable energy procurement plan pursuant to this article, provided the plan meets the requirements of Sections 399.11, 399.12, 399.13, and 399.14, as modified by this section.

(e) Procurement and administrative costs associated with long-term contracts entered into by an electrical corporation with 60,000 or fewer customer accounts in California that serves retail end-use customers outside California, for eligible renewable energy resources pursuant to this article, at or below the market price determined by the commission pursuant to subdivision (c) of Section 399.15, shall be deemed reasonable per se, and shall be recoverable in rates of the electrical corporation's California customers, provided the costs are not recoverable in rates in other states served by the electrical corporation.

CHAPTER 51

An act to amend Section 16350 of the Probate Code, relating to trusts, and declaring the urgency thereof, to take effect immediately.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 16350 of the Probate Code is amended to read: 16350. (a) For the purposes of this section, “entity” means a corporation, partnership, limited liability company, regulated investment company, real estate investment trust, common trust fund, or any other organization in which a trustee has an interest other than a trust or decedent’s estate to which Section 16351 applies, a business or activity to which Section 16352 applies, or an asset-backed security to which Section 16367 applies.

(b) Except as otherwise provided in this section, a trustee shall allocate to income money received from an entity.

(c) A trustee shall allocate to principal the following receipts from an entity:

- (1) Property other than money.
- (2) Money received in one distribution or a series of related distributions in exchange for part or all of a trust’s interest in the entity.
- (3) Money received in total or partial liquidation of the entity.
- (4) Money received from an entity that is a regulated investment company or a real estate investment trust if the money distributed is a capital gain dividend for federal income tax purposes.

(d) For purposes of paragraph (3) of subdivision (c):

(1) Money is received in partial liquidation (A) to the extent that the entity, at or near the time of a distribution, indicates that it is a distribution in partial liquidation, or (B) if the total amount of money and property received by all owners, collectively, in a distribution or series of related distributions is greater than 20 percent of the entity’s gross assets, as shown by the entity’s yearend financial statements immediately preceding the initial receipt. If that receipt is allocated between December 2, 2004, and the operative date of the act adding this sentence, a trustee shall not be liable for allocating the receipt to income if the amount received by the trustee, when considered together with the amount received by all owners, collectively, exceeds 20 percent of the entity’s gross assets, but the amount received by the trustee does not exceed 20 percent of the entity’s gross assets.

(2) Money is not received in partial liquidation, nor may it be taken into account under clause (B) of paragraph (1), to the extent that it does not exceed the amount of income tax that a trustee or beneficiary is required to pay on taxable income of the entity that distributes the money.

(e) A trustee may rely on a statement made by an entity about the source or character of a distribution if the statement is made at or near the time of distribution by the entity's board of directors or other person or group of persons authorized to exercise powers to pay money or transfer property comparable to those of a corporation's board of directors.

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 minimize the number of people adversely affected by further application of the appellate court's rationale in *Estate of Thomas* (2004) 124 Cal.App.4th 711, which will produce results in other controversies that are manifestly unfair to trust remainder beneficiaries if it is applied, it is necessary that this bill take effect immediately.

CHAPTER 52

An act to amend Section 664 of the Penal Code, relating to attempted murder.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 664 of the Penal Code is amended to read:

664. Every person who attempts to commit any crime, but fails, or is prevented or intercepted in its perpetration, shall be punished where no provision is made by law for the punishment of those attempts, as follows:

(a) If the crime attempted is punishable by imprisonment in the state prison, the person guilty of the attempt shall be punished by imprisonment in the state prison for one-half the term of imprisonment prescribed upon a conviction of the offense attempted. However, if the crime attempted is willful, deliberate, and premeditated murder, as defined in Section 189, the person guilty of that attempt shall be punished by imprisonment in the state prison for life with the possibility of parole. If the crime attempted is any other one in which the maximum sentence is life

imprisonment or death, the person guilty of the attempt shall be punished by imprisonment in the state prison for five, seven, or nine years. The additional term provided in this section for attempted willful, deliberate, and premeditated murder shall not be imposed unless the fact that the attempted murder was willful, deliberate, and premeditated is charged in the accusatory pleading and admitted or found to be true by the trier of fact.

(b) If the crime attempted is punishable by imprisonment in a county jail, the person guilty of the attempt shall be punished by imprisonment in a county jail for a term not exceeding one-half the term of imprisonment prescribed upon a conviction of the offense attempted.

(c) If the offense so attempted is punishable by a fine, the offender convicted of that attempt shall be punished by a fine not exceeding one-half the largest fine which may be imposed upon a conviction of the offense attempted.

(d) If a crime is divided into degrees, an attempt to commit the crime may be of any of those degrees, and the punishment for the attempt shall be determined as provided by this section.

(e) Notwithstanding subdivision (a), if attempted murder is committed upon a peace officer or firefighter, as those terms are defined in paragraphs (7) and (9) of subdivision (a) of Section 190.2, or a custodial officer, as that term is defined in subdivision (a) of Section 831 or subdivision (a) of Section 831.5, and the person who commits the offense knows or reasonably should know that the victim is a peace officer, firefighter, or custodial officer engaged in the performance of his or her duties, the person guilty of the attempt shall be punished by imprisonment in the state prison for life with the possibility of parole.

This subdivision shall apply if it is proven that a direct but ineffectual act was committed by one person toward killing another human being and the person committing the act harbored express malice aforethought, namely, a specific intent to unlawfully kill another human being. The Legislature finds and declares that this paragraph is declaratory of existing law.

(f) Notwithstanding subdivision (a), if the elements of subdivision (e) are proven in an attempted murder and it is also charged and admitted or found to be true by the trier of fact that the attempted murder was willful, deliberate, and premeditated, the person guilty of the attempt shall be punished by imprisonment in the state prison for 15 years to life. Article 2.5 (commencing with Section 2930) of Chapter 7 of Title 1 of Part 3 shall not apply to reduce this minimum term of 15 years in state prison, and the person shall not be released prior to serving 15 years' confinement.

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 53

An act to amend Section 186.2 of the Penal Code, relating to criminal profiteering.

[Filed with Secretary of State July 18, 2005.]

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.
- (28) Theft of personal identifying information, as defined in Section 530.5.

(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 and the theft of personal identifying information, as defined in Section 530.5.

(e) "Underlying offense" means an offense enumerated in subdivision (a) for which the defendant is being prosecuted.

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 54

An act to amend Section 4751 of the Penal Code, relating to local costs.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 4751 of the Penal Code is amended to read:
4751. Costs incurred by a city or county include all of the following:
(a) Costs of law enforcement agencies in connection with any matter set forth in Section 4750, including the investigation or evaluation of

any of those matters regardless of whether a crime has in fact occurred, a hearing held, or an offense prosecuted.

(b) Costs of participation in any trial or hearing of any matter set forth in Section 4750, including costs for the preparation for the trial, pretrial hearing, actual trial or hearing, expert witness fees, the costs of guarding or keeping the prisoner, the transportation of the prisoner, the costs of appeal, and the execution of the sentence. The cost of detention in a city or county correctional facility shall include the same cost factors as are utilized by the Department of Corrections in determining the cost of prisoner care in state correctional facilities.

(c) The costs of the prosecuting attorney in investigating, evaluating, or prosecuting cases related to any matter set forth in Section 4750, whether or not the prosecuting attorney decides to commence legal action.

(d) Costs incurred by the public defender or court-appointed attorney with respect to any matter set forth in Section 4750.

(e) Any costs incurred for providing training in the investigation or prosecution associated with any matter set forth in Section 4750.

(f) Any other costs reasonably incurred by a county in connection with any matter set forth in Section 4750.

CHAPTER 55

An act to amend Section 3005 of the Penal Code, relating to parole.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 3005 of the Penal Code is amended to read:
3005. (a) The Department of Corrections, to the maximum extent practicable and feasible, and subject to legislative appropriation of necessary funds, shall ensure, by July 1, 2001, that all parolees under active supervision and deemed to pose a high risk to the public of committing violent sex crimes shall be placed on an intensive and specialized parole supervision caseload.

(b) The Department of Corrections shall develop and, at the discretion of the director, and subject to an appropriation of the necessary funds, may implement a plan for the implementation of relapse prevention treatment programs, and the provision of other services deemed necessary

by the department, in conjunction with intensive and specialized parole supervision, to reduce the recidivism of high-risk sex offenders.

CHAPTER 56

An act to amend Section 1428 of the Health and Safety Code, relating to long-term health care facilities.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 1428 of the Health and Safety Code is amended to read:

1428. (a) If the licensee desires to contest a citation or the proposed assessment of a civil penalty therefor, the licensee shall use the processes described in subdivisions (b) and (c) for classes “AA,” “A,” or “B” citations. As a result of a citation review conference, a citation or the proposed assessment of a civil penalty may be affirmed, modified, or dismissed by the director or the director’s designee. If the director’s designee affirms, modifies, or dismisses the citation or proposed assessment of a civil penalty, he or she shall state with particularity in writing his or her reasons for that action, and shall immediately transmit a copy thereof to each party to the original complaint. If the licensee desires to contest a decision made after the citation review conference, the licensee shall inform the director in writing within 15 business days after he or she receives the decision by the director’s designee.

(b) If a licensee notifies the director that he or she intends to contest a class “AA” or a class “A” citation, the licensee may first, within 15 business days after service of the citation, notify the director in writing of his or her request for a citation review conference. The licensee shall inform the director in writing, within 15 business days of the service of the citation or the receipt of the decision of the director’s designee after the citation review conference, of the licensee’s intent to adjudicate the validity of the citation in the superior court in the county in which the long-term health care facility is located. In order to perfect a judicial appeal of a contested citation, a licensee shall file a civil action in the superior court in the county in which the long-term health care facility is located. The action shall be filed no later than 90 calendar days after a licensee notifies the director that he or she intends to contest the citation, or no later than 90 days after the receipt of the decision by the director’s designee after the citation review conference, and served not

later than 90 days after filing. Notwithstanding any other provision of law, a licensee prosecuting a judicial appeal shall file and serve a case management statement pursuant to Rule 212 of the California Rules of Court within six months after the department files its answer in the appeal. Notwithstanding subdivision (d), the court shall dismiss the appeal upon motion of the department if the case management statement is not filed by the licensee within the period specified. The court may affirm, modify, or dismiss the citation, the level of the citation, or the amount of the proposed assessment of the civil penalty.

(c) If a licensee desires to contest a class "B" citation, the licensee may request, within 15 business days after service of the citation, a citation review conference, by writing the director or the director's designee of the licensee's intent to appeal the citation through the citation review conference. If the licensee wishes to appeal the citation which has been upheld in a citation review conference, the licensee shall, within 15 working days from the date the citation review conference decision was rendered, notify the director or the director's designee that he or she wishes to appeal the decision through the procedures set forth in Section 100171 or elects to submit the matter to binding arbitration in accordance with subdivision (d). The administrative law judge may affirm, modify, or dismiss the citation or the proposed assessment of a civil penalty. The licensee may choose to have his or her appeal heard by the administrative law judge or submit the matter to binding arbitration without having first appealed the decision to a citation review conference by notifying the director in writing within 15 business days of the service of the citation.

(d) If a licensee is dissatisfied with the decision of the administrative law judge, the licensee may, in lieu of seeking judicial review of the decision as provided in Section 1094.5 of the Code of Civil Procedure, elect to submit the matter to binding arbitration by filing, within 60 days of its receipt of the decision, a request for arbitration with the American Arbitration Association. The parties shall agree upon an arbitrator designated from the American Arbitration Association in accordance with the association's established rules and procedures. The arbitration hearing shall be set within 45 days of the election to arbitrate, but in no event less than 28 days from the date of selection of an arbitrator. The arbitration hearing may be continued up to 15 additional days if necessary at the arbitrator's discretion. Except as otherwise specifically provided in this subdivision, the arbitration hearing shall be conducted in accordance with the American Arbitration Association's established rules and procedures. The arbitrator shall determine whether the licensee violated the regulation or regulations cited by the department, and whether the citation meets the criteria established in Sections 1423 and 1424. If the arbitrator determines that the licensee has violated the

regulation or regulations cited by the department, and that the class of the citation should be upheld, the proposed assessment of a civil penalty shall be affirmed, subject to the limitations established in Section 1424. The licensee and the department shall each bear its respective portion of the cost of arbitration. A resident, or his or her designated representative, or both, entitled to participate in the citation review conference pursuant to subdivision (f), may make an oral or written statement regarding the citation, at any arbitration hearing to which the matter has been submitted after the citation review conference.

(e) If an appeal is prosecuted under this section, including an appeal taken in accordance with Section 100171, the department shall have the burden of establishing by a preponderance of the evidence that (1) the alleged violation did occur, (2) the alleged violation met the criteria for the class of citation alleged, and (3) the assessed penalty was appropriate. The department shall also have the burden of establishing by a preponderance of the evidence that the assessment of a civil penalty should be upheld. If a licensee fails to notify the director in writing that he or she intends to contest the citation, or the proposed assessment of a civil penalty therefor, or the decision made by the director's designee, after a citation review conference, within the time specified in this section, the decision by the director's designee after a citation review conference shall be deemed a final order of the department and shall not be subject to further administrative review, except that the licensee may seek judicial relief from the time limits specified in this section. If a licensee appeals a contested citation or the assessment of a civil penalty, no civil penalty shall be due and payable unless and until the appeal is terminated in favor of the department.

(f) The director or the director's designee shall establish an independent unit of trained citation review conference hearing officers within the department to conduct citation review conferences. Citation review conference hearing officers shall be directly responsible to the deputy director for licensing and certification, and shall not be concurrently employed as supervisors, district administrators, or regional administrators with the licensing and certification division. Specific training shall be provided to members of this unit on conducting an informal conference, with emphasis on the regulatory and legal aspects of long-term health care.

Where the department issues a citation as a result of a complaint or regular inspection visit, and a resident or residents are specifically identified in a citation by name as being specifically affected by the violation, then the following persons may attend the citation review conference:

- (1) The complainant and his or her designated representative.

- (2) A personal health care provider, designated by the resident.
- (3) A personal attorney.
- (4) Any person representing the Office of the State Long-Term Care Ombudsman, as referred to in subdivision (d) of Section 9701 of the Welfare and Institutions Code.

Where the department determines that residents in the facility were threatened by the cited violation but does not name specific residents, any person representing the Office of the State Long-Term Care Ombudsman, as referred to in subdivision (d) of Section 9701 of the Welfare and Institutions Code, and a representative of the residents or family council at the facility may participate to represent all residents. In this case, these representatives shall be the sole participants for the residents in the conference. The residents or family council shall designate which representative will participate.

The complainant, affected resident, and their designated representatives shall be notified by the department of the conference and their right to participate. The director's designee shall notify the complainant or his or her designated representative and the affected resident or his or her designated representative, of his or her determination based on the citation review conference.

(g) In assessing the civil penalty for a violation, all relevant facts shall be considered, including, but not limited to, all of the following:

- (1) The probability and severity of the risk which the violation presents to the patient's or resident's mental and physical condition.
- (2) The patient's or resident's medical condition.
- (3) The patient's or resident's mental condition and his or her history of mental disability.
- (4) The good faith efforts exercised by the facility to prevent the violation from occurring.
- (5) The licensee's history of compliance with regulations.

(h) Except as otherwise provided in this subdivision, an assessment of civil penalties for a class "A" or class "B" violation shall be trebled and collected for a second and subsequent violation for which a citation of the same class was issued within any 12-month period. Trebling shall occur only if the first citation issued within the 12-month period was issued in the same class, a civil penalty was assessed, and a plan of correction was submitted for the previous same-class violation occurring within the period, without regard to whether the action to enforce the previous citation has become final. However, the increment to the civil penalty required by this subdivision shall not be due and payable unless and until the previous action has terminated in favor of the department.

If the class "B" citation is issued for a patient's rights violation, as defined in subdivision (e) of Section 1424, it shall not be trebled unless

the department determines the violation has a direct or immediate relationship to the health, safety, security, or welfare of long-term health care facility residents.

(i) The director shall prescribe procedures for the issuance of a notice of violation with respect to violations having only a minimal relationship to safety or health.

(j) Actions brought under this chapter shall be set for trial at the earliest possible date and shall take precedence on the court calendar over all other cases except matters to which equal or superior precedence is specifically granted by law. Times for responsive pleading and for hearing the proceeding shall be set by the judge of the court with the object of securing a decision as to subject matters at the earliest possible time.

(k) If the citation is dismissed, the department shall take action immediately to ensure that the public records reflect in a prominent manner that the citation was dismissed.

(l) Penalties paid on violations under this chapter shall be applied against the department's accounts to offset any costs incurred by the state pursuant to this chapter. Any costs or penalties assessed pursuant to this chapter shall be paid within 30 days of the date the decision becomes final. If a facility does not comply with this requirement, the state department shall withhold any payment under the Medi-Cal program until the debt is satisfied. No payment shall be withheld if the department determines that it would cause undue hardship to the facility or to patients or residents of the facility.

(m) The amendments made to subdivisions (a) and (c) of this section by Chapter 84 of the Statutes of 1988, to extend the number of days allowed for the provision of notification to the director, do not affect the right, that is also contained in those amendments, to request judicial relief from these time limits.

CHAPTER 57

An act to amend Section 16531.1 of the Government Code, relating to Medi-Cal, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 16531.1 of the Government Code is amended to read:

16531.1. (a) Notwithstanding any other provision of law and without regard to fiscal year, if the annual State Budget is not enacted by June 30 of any fiscal year preceding the fiscal year to which the budget would apply or there is a deficiency in the Medi-Cal budget during any fiscal year, both of the following shall occur:

(1) The Controller shall annually transfer from the General Fund, in the form of one or more loans, an amount not to exceed a cumulative total of one billion dollars (\$1,000,000,000) in any fiscal year, to the Medical Providers Interim Payment Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the Medical Providers Interim Payment Fund is hereby continuously appropriated for the purpose of making payments to Medi-Cal providers, providers of services under Chapter 6 (commencing with Section 120950) of Part 4 of Division 105 of the Health and Safety Code, and providers of services under Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code, on or after July 1 of the fiscal year for which no budget has been enacted and before September 1 of that year or for the purpose of making payments to Medi-Cal providers, providers of services under Chapter 6 (commencing with Section 120950) of Part 4 of Division 105 of the Health and Safety Code, and providers of services under Division 4.5 (commencing with Section 4500) of the Welfare and Institutions Code, during the period in which the Medi-Cal program has a deficiency. Payments shall be made pursuant to this subdivision if both of the following conditions have been met:

(A) An invoice has been submitted for the services.

(B) Payment for the services is due and payable and the State Department of Health Services determines that payment would be valid.

(2) For any fiscal year to which this subdivision applies, there is hereby appropriated the sum of one billion dollars (\$1,000,000,000) from the Federal Trust Fund to the Medical Providers Interim Payment Fund.

(b) Upon the enactment of the annual Budget Act or a deficiency bill in any fiscal year to which subdivision (a) applies, the Controller shall transfer all expenditures and unexpended funds in the Medical Providers Interim Payment Fund to the appropriate Budget Act item.

(c) The amount of any loan made pursuant to subdivision (a) and for which moneys were expended from the Medical Providers Interim Payment Fund shall be repaid by debiting the appropriate Budget Act

item in accordance with the procedure prescribed by the Department of Finance.

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 continue to provide critical health care services for Medi-Cal recipients during the period in which the state enters a new fiscal year without a budget, it is necessary that this act take effect immediately.

CHAPTER 58

An act to add Section 1261.3 to the Health and Safety Code, relating to health facilities.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 1261.3 is added to the Health and Safety Code, to read:

1261.3. (a) Notwithstanding any other provision of law, for a patient aged 50 years or older, a registered nurse or licensed pharmacist may administer in a skilled nursing facility, as defined in subdivision (c) of Section 1250, influenza and pneumococcal immunizations pursuant to standing orders and without patient-specific orders if all of the following criteria are met:

(1) The skilled nursing facility medical director, as defined in Section 72305 of Title 22 of the California Code of Regulations, has approved the immunization standing orders established by the facility.

(2) The standing orders meet the recommendations of the Advisory Committee on Immunization Practices (ACIP) of the federal Centers for Disease Control and Prevention.

(b) Nothing in this section amends, alters, or restricts the scope of registered nurse practice including, but not limited to, the scope of practice set forth in Article 2 (commencing with Section 2725) of Chapter 6 of Division 2 of the Business and Professions Code, the implementing regulations, and interpretative bulletins or practice advisories issued by the Board of Registered Nursing.

CHAPTER 59

An act to amend Sections 42463, 42464, and 42464.2 of, and to add Section 42464.8 to, the Public Resources Code, relating to electronic waste, and declaring the urgency thereof, to take effect immediately.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 42463 of the Public Resources Code is amended to read:

42463. For the purposes of this chapter, the following terms have the following meanings, unless the context clearly requires otherwise:

(a) "Account" means the Electronic Waste Recovery and Recycling Account created in the Integrated Waste Management Fund under Section 42476.

(b) "Authorized collector" means any of the following:

(1) A city, county, or district that collects covered electronic devices.

(2) A person or entity that is required or authorized by a city, county, or district to collect covered electronic devices pursuant to the terms of a contract, license, permit, or other written authorization.

(3) A nonprofit organization that collects or accepts covered electronic devices.

(4) A manufacturer or agent of the manufacturer that collects, consolidates, and transports covered electronic devices for recycling from consumers, businesses, institutions, and other generators.

(5) An entity that collects, handles, consolidates, and transports covered electronic devices and has filed applicable notifications with the department pursuant to Chapter 23 (commencing with Section 66273.1) of Division 4.5 of Title 22 of the California Code of Regulations.

(c) "Board" means the California Integrated Waste Management Board.

(d) "Consumer" means a person who purchases a new or refurbished covered electronic device in a transaction that is a retail sale or in a transaction to which a use tax applies pursuant to Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.

(e) "Department" means the Department of Toxic Substances Control.

(f) (1) Except as provided in paragraph (2), "covered electronic device" means a video display device containing a screen greater than four inches, measured diagonally, that is identified in the regulations

adopted by the department pursuant to subdivision (b) of Section 25214.10.1 of the Health and Safety Code.

(2) “Covered electronic device” does not include any of the following:

(A) A video display device that is a part of a motor vehicle, as defined in Section 415 of the Vehicle Code, or any component part of a motor vehicle assembled by, or for, a vehicle manufacturer or franchised dealer, including replacement parts for use in a motor vehicle.

(B) A video display device that is contained within, or a part of a piece of industrial, commercial, or medical equipment, including monitoring or control equipment.

(C) A video display device that is contained within a clothes washer, clothes dryer, refrigerator, refrigerator and freezer, microwave oven, conventional oven or range, dishwasher, room air-conditioner, dehumidifier, or air purifier.

(D) An electronic device, on and after the date that it ceases to be a covered electronic device under subdivision (e) of Section 25214.10.1 of the Health and Safety Code.

(g) “Covered electronic waste” or “covered e-waste” means a covered electronic device that is discarded.

(h) “Covered electronic waste recycling fee” or “covered e-waste recycling fee” means the fee imposed pursuant to Article 3 (commencing with Section 42464).

(i) “Covered electronic waste recycler” or “covered e-waste recycler” means any of the following:

(1) A person who engages in the manual or mechanical separation of covered electronic devices to recover components and commodities contained therein for the purpose of reuse or recycling.

(2) A person who changes the physical or chemical composition of a covered electronic device, in accordance with the requirements of Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code and the regulations adopted pursuant to that chapter, by deconstructing, size reduction, crushing, cutting, sawing, compacting, shredding, or refining for purposes of segregating components, for purposes of recovering or recycling those components, and who arranges for the transport of those components to an end user.

(3) A manufacturer who meets any conditions established by this chapter and Chapter 6.5 (commencing with Section 25100) of Division 20 of the Health and Safety Code for the collection or recycling of covered electronic waste.

(j) “Discarded” has the same meaning as defined in subdivision (b) of Section 25124 of the Health and Safety Code.

(k) “Electronic waste recovery payment” means an amount established and paid by the board pursuant to Section 42477.

(l) "Electronic waste recycling payment" means an amount established and paid by the board pursuant to Section 42478.

(m) "Hazardous material" has the same meaning as defined in Section 25501 of the Health and Safety Code.

(n) "Manufacturer" means any of the following:

(1) A person who manufactures a covered electronic device sold in this state.

(2) A person who sells a covered electronic device in this state under that person's brand name.

(o) "Person" means an individual, trust firm, joint stock company, business concern, and corporation, including, but not limited to, a government corporation, partnership, limited liability company, and association. Notwithstanding Section 40170, "person" also includes a city, county, city and county, district, commission, the state or a department, agency, or political subdivision thereof, an interstate body, and the United States and its agencies and instrumentalities to the extent permitted by law.

(p) "Recycling" has the same meaning as defined in subdivision (a) of Section 25121.1 of the Health and Safety Code.

(q) "Refurbished," when used to describe a covered electronic device, means a device that the manufacturer has tested and returned to a condition that meets factory specifications for the device, has repackaged, and has labeled as refurbished.

(r) "Retailer" means a person who makes a retail sale of a new or refurbished covered electronic device. "Retailer" includes a manufacturer of a covered electronic device who sells that covered electronic device directly to a consumer through any means, including, but not limited to, a transaction conducted through a sales outlet, catalog, or the Internet, or any other similar electronic means.

(s) (1) "Retail sale" has the same meaning as defined under Section 6007 of the Revenue and Taxation Code.

(2) "Retail sale" does not include the sale of a covered electronic device that is temporarily stored or used in California for the sole purpose of preparing the covered electronic device for use thereafter solely outside the state, and that is subsequently transported outside the state and thereafter used solely outside the state.

(t) "Vendor" means a person that makes a sale of a covered electronic device for the purpose of resale to a retailer who is the lessor of the covered electronic device to a consumer under a lease that is a continuing sale and purchase pursuant to Part 1(commencing with Section 6001) of Division 2 of the Revenue and Taxation Code.

(u) "Video display device" means an electronic device with an output surface that displays, or is capable of displaying, moving graphical

images or a visual representation of image sequences or pictures, showing a number of quickly changing images on a screen in fast succession to create the illusion of motion, including, if applicable, a device that is an integral part of the display, in that it cannot be easily removed from the display by the consumer, that produces the moving image on the screen. A video display device may use, but is not limited to, a cathode ray tube (CRT), liquid crystal display (LCD), gas plasma, digital light processing, or other image projection technology.

SEC. 2. Section 42464 of the Public Resources Code is amended to read:

42464. (a) On and after January 1, 2005, or as otherwise provided by Section 25214.10.1 of the Health and Safety Code, a consumer shall pay a covered electronic waste recycling fee upon the purchase of a new or refurbished covered electronic device, in the following amounts:

(1) Six dollars (\$6) for each covered electronic device with a screen size of less than 15 inches measured diagonally.

(2) Eight dollars (\$8) for each covered electronic device with a screen size greater than or equal to 15 inches but less than 35 inches measured diagonally.

(3) Ten dollars (\$10) for each covered electronic device with a screen size greater than or equal to 35 inches measured diagonally.

(b) Except as provided in subdivision (d), a retailer shall collect from the consumer a covered electronic waste recycling fee at the time of the retail sale of a covered electronic device.

(c) (1) A retailer may retain 3 percent of the covered electronic waste recycling fee as reimbursement for all costs associated with the collection of the fee and shall transmit the remainder of the fee to the state pursuant to Section 42464.4.

(2) If a retailer makes an election pursuant to paragraph (2) of subdivision (d), and the conditions of subparagraphs (A), (B), and (C) of paragraph (2) of subdivision (d) are met, the vendor, in lieu of the retailer, may retain 3 percent of the covered electronic waste recycling fee as reimbursement for all costs associated with the collection of the fee and the vendor shall transmit the remainder of the fee to the state pursuant to Section 42464.4.

(d) (1) If a retailer elects to pay the covered electronic waste recycling fee on behalf of the consumer, the retailer shall provide an express statement to that effect on the receipt given to the consumer at the time of sale. If a retailer elects to pay the covered electronic waste recycling fee on behalf of the consumer, the fee is a debt owed by the retailer to the state, and the consumer is not liable for the fee.

(2) A retailer may elect to pay the covered electronic waste recycling fee on behalf of the consumer by paying the covered electronic waste

recycling fee to the retailer's vendor, but only if all of the following conditions are met:

(A) The vendor is registered with the State Board of Equalization to collect and remit the covered electronic waste recycling fee pursuant to this chapter.

(B) The vendor holds a valid seller's permit pursuant to Article 2 (commencing with Section 6066) of Chapter 2 of Part 1 of Division 2 of the Revenue and Taxation Code.

(C) The retailer pays the covered electronic waste recycling fee to the vendor that is separately stated on the vendor's invoice to the retailer.

(D) The retailer provides an express statement on the invoice, contract, or other record documenting the sale that is given to the consumer, that the covered electronic waste recycling fee has been paid on behalf of the consumer.

(3) For the purpose of making the election in paragraph (2), if the conditions set forth in subparagraphs (A), (B), (C), and (D) of paragraph (2), are met, the covered electronic waste recycling fee is a debt owed by the vendor to the state, and the retailer is not liable for the fee.

(e) The retailer shall separately state the covered electronic waste recycling fee on the receipt given to the consumer at the time of sale.

(f) On or before August 1, 2005, and, thereafter, no more frequently than annually, and no less frequently than biennially, the board, in collaboration with the department, shall review, at a public hearing, the covered electronic waste recycling fee and shall make any adjustments to the fee to ensure that there are sufficient revenues in the account to fund the covered electronic waste recycling program established pursuant to this chapter. Adjustments to the fee that are made on or before August 1, shall apply to the calendar year beginning the following January 1. The board shall base an adjustment of the covered electronic waste recycling fee on both of the following factors:

(1) The sufficiency, and any surplus, of revenues in the account to fund the collection, consolidation, and recycling of covered electronic waste that is projected to be recycled in the state.

(2) The sufficiency of revenues in the account for the board and the department to administer, enforce, and promote the program established pursuant to this chapter, plus a prudent reserve not to exceed 5 percent of the amount in the account.

SEC. 3. Section 42464.2 of the Public Resources Code is amended to read:

42464.2. The State Board of Equalization shall collect the covered electronic waste recycling fee pursuant to the Fee Collection Procedures Law (Part 30 (commencing with Section 55001) of Division 2 of the Revenue and Taxation Code). For the purposes of this section, the

reference in the Fee Collection Procedures Law to “feepayer” shall include a retailer, a consumer, and a vendor, in the case of a retailer’s election pursuant to paragraph (2) of subdivision (d) of Section 42464.

SEC. 4. Section 42464.8 is added to the Public Resources Code, to read:

42464.8. Notwithstanding Section 55381 of the Revenue and Taxation Code, the State Board of Equalization may disclose the name, address, account number, and account status of a person registered with the State Board of Equalization to collect and remit the covered electronic waste recycling fee.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to clarify, at the earliest possible time, the application of existing electronic waste recycling laws to commercial lease transactions since January 1, 2005, thereby encouraging the recycling of electronic waste and protecting public health and safety and the environment, it is necessary that this act take effect immediately.

CHAPTER 60

An act to amend Section 4467 of the Vehicle Code, relating to vehicles.

[Filed with Secretary of State July 18, 2005.]

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, the subject of stalking, as specified in Section 1708.7 of the Civil Code or Section 646.9 of the Penal Code, the victim of a rape, as defined in Section 261 or 262 of the Penal Code, or the victim of a sexual battery, as defined in Section 1708.5 of the Civil Code.

(B) A written acknowledgment, dated within 30 days of submission, on the letterhead of a domestic violence agency or a rape crisis center, 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 61

An act to amend Section 1801.1 of the Vehicle Code, relating to vehicles.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 1801.1 of the Vehicle Code is amended to read:
1801.1. (a) Notwithstanding any other provision of law, the department may allow a person to submit any document required to be submitted to the department by using electronic media deemed feasible by the department instead of requiring the actual submittal of the original document.

(b) If a signature on a document is required by law in order to complete a transaction, and the document is submitted electronically, that signature requirement may be met by an electronically submitted signature, if the department retains information verifying the identity of the person submitting the electronic signature.

(c) The department may establish minimum transaction volume levels, audit and security standards, and technological requirements, or terms and conditions, including methods of authentication for electronically submitted signatures, it deems necessary for the approval of this process.

(d) An electronically submitted document, once accepted by the department, shall be deemed the same as an original document, and shall be admissible in all administrative, quasi-judicial, and judicial proceedings.

CHAPTER 62

An act to amend Section 23399 of the Business and Professions Code, relating to alcoholic beverages.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 23399 of the Business and Professions Code is amended to read:

23399. (a) An on-sale general license authorizes the sale of beer, wine, and distilled spirits for consumption on the premises where sold. Any licensee under an on-sale general license, a club license, or a veterans' club license may apply to the department for a caterer's permit. A caterer's permit under an on-sale general license shall authorize the sale of beer, wine, and distilled spirits for consumption at conventions, sporting events, trade exhibits, picnics, social gatherings, or similar events held any place in the state approved by the department. A caterer's permit under a club license or a veterans' club license shall authorize sales at these events only upon the licensed club premises.

(b) Any licensee under an on-sale general license or an on-sale beer and wine license may apply to the department for an event permit. An event permit under an on-sale general license or an on-sale beer and wine license shall authorize, at events held no more frequently than four days in any single calendar year, the sale of beer, wine, and distilled spirits only under an on-sale general license or beer and wine only under an on-sale beer and wine license for consumption on property adjacent

to the licensed premises and owned or under the control of the licensee. This property shall be secured and controlled by the licensee and not visible to the general public.

(c) This section shall in no way limit the power of the department to issue special licenses under the provisions of Section 24045 or to issue daily on-sale general licenses under the provisions of Section 24045.1. Consent for sales at each event shall be first obtained from the department in the form of a catering or event authorization issued pursuant to rules prescribed by it. Any event authorization shall be subject to approval by the appropriate local law enforcement agency. Each catering or event authorization shall be issued at a fee not to exceed ten dollars (\$10) and this fee shall be deposited in the Alcohol Beverage Control Fund as provided in Section 25761.

(d) At all approved events, the licensee may exercise only those privileges authorized by the licensee's license and shall comply with all provisions of the act pertaining to the conduct of on-sale premises and violation of those provisions may be grounds for suspension or revocation of the licensee's license or permit, or both, as though the violation occurred on the licensed premises.

(e) The fee for a caterer's permit for a licensee under an on-sale general license or an event permit for a licensee under an on-sale general license or an on-sale beer and wine license shall be one hundred four dollars (\$104) for permits issued during the 2002 calendar year, one hundred seven dollars (\$107) for permits issued during the 2003 calendar year, one hundred ten dollars (\$110) for permits issued during the 2004 calendar year, and for permits issued during the years thereafter, the annual fee shall be calculated pursuant to subdivisions (b) and (c) of Section 23320, and the fee for a caterer's permit for a licensee under a club license or a veterans' club license shall be as specified in Section 23320, and the permit may be renewable annually at the same time as the licensee's license. A caterer's or event permit shall be transferable as a part of the license.

CHAPTER 63

An act to amend Sections 31453, 31454, and 31454.1 of the Government Code, relating to county employees' retirement.

[Approved by Governor July 18, 2005. Filed with
Secretary of State July 18, 2005.]

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

SECTION 1. Section 31453 of the Government Code is amended to read:

31453. (a) An actuarial valuation shall be made within one year after the date on which any system established under this chapter becomes effective, and thereafter at intervals not to exceed three years. The valuation shall be conducted under the supervision of an actuary and shall cover the mortality, service, and compensation experience of the members and beneficiaries, and shall evaluate the assets and liabilities of the retirement fund. Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, recommend to the board of supervisors the changes in the rates of interest, in the rates of contributions of members, and in county and district appropriations as are necessary. With respect to the rates of interest to be credited to members and to the county or district, the board may, in its sound discretion, recommend a rate that is higher or lower than the interest assumption rate established by the actuarial survey. No adjustment shall be included in the new rates for time prior to the effective date of the revision.

(b) (1) Upon the basis of the investigation, valuation, and recommendation of the actuary, the board shall, at least 45 days prior to the beginning of the succeeding fiscal year, recommend to the governing body of a district within the county system that is not governed by the board of supervisors the changes in the rates of contributions of district members and in district appropriations as are necessary.

(2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provision applicable in that county.

SEC. 2. Section 31454 of the Government Code is amended to read:

31454. (a) The board of supervisors shall, not later than 90 days after the beginning of the immediately succeeding fiscal year, adjust the rates of interest, the rates of contributions of members, and county and district appropriations in accordance with the recommendations of the board, but shall not fix them in amounts that reduce the individual benefits provided in this chapter.

(b) (1) The governing body of a district within the county system that is not governed by the board of supervisors shall, not later than 90 days after the beginning of the immediately succeeding fiscal year, adjust the rates of contributions of district members and in district appropriations in accordance with the recommendations of the board, but shall not fix

them in amounts that reduce the individual benefits provided in this chapter.

(2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provision applicable in that county.

SEC. 3. Section 31454.1 of the Government Code is amended to read:

31454.1. (a) The independent assumptions and calculations of an actuary contained in the actuarial valuation required by Section 31453 shall not be subject to the “meet and confer” provisions of the Meyers-Milias-Brown Act; however, it is recognized that those provisions require that the board or the board of supervisors meet and confer with representatives of recognized employee organizations prior to determining a course of action with respect to the recommendations contained in the actuarial valuation.

(b) (1) The independent assumptions and calculations of an actuary contained in the actuarial valuation required by Section 31453 shall not be subject to the “meet and confer” provisions of the Meyers-Milias-Brown Act; however, it is recognized that those provisions require that the governing body of a district within the county system that is not governed by the board of supervisors meet and confer with representatives of recognized employee organizations prior to determining a course of action with respect to the recommendations contained in the actuarial valuation.

(2) This subdivision shall not be operative in any county until the board of supervisors, by resolution adopted by majority vote, makes the provision applicable in that county.

(c) The intent of the Legislature, in enacting this section, is to insure the solvency and actuarial soundness of the retirement systems governed by this chapter by preserving the independent nature of the actuarial evaluation process.

CHAPTER 64

An act to add Section 31520.12 to the Government Code, relating to county employees' retirement.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 31520.12 is added to the Government Code, to read:

31520.12. (a) Notwithstanding Section 31520.1, and subject to the limitations of subdivision (c), in any county subject to Articles 6.8 (commencing with Section 31639) and 7.5 (commencing with Section 31662), the board of supervisors may, by resolution adopted by majority vote, appoint an alternate member for the fourth, fifth, sixth, and ninth members. The term of office of the alternate member shall run concurrently with the term of office of the ninth member. The alternate member shall vote as a member of the board only in the event the fourth, fifth, sixth, or ninth member is absent from a board meeting for any cause. If there is a vacancy with respect to the fourth, fifth, sixth, or ninth member, the alternate member shall fill that vacancy until a successor qualifies.

(b) The alternate member for the fourth, fifth, sixth, or ninth member shall be entitled to the same compensation as the fourth, fifth, sixth, or ninth member for attending a meeting, pursuant to Section 31521, whether or not the fourth, fifth, sixth, or ninth member attends the meeting.

(c) If the board of supervisors appoints a supervisor as the fourth, fifth, sixth, or ninth member, an alternate member appointed pursuant to subdivision (a) may not serve as an alternate for that supervisor member unless service by an alternate member for an appointed supervisor member is approved by the majority of the electors in the county.

(d) This section shall apply only to a county of the ninth class, as defined in Sections 28020 and 28030.

CHAPTER 65

An act to add Section 7400.5 to the Elections Code, relating to political party organization.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 7400.5 is added to the Elections Code, to read:
7400.5. (a) Notwithstanding Sections 7400 and 7401, in the County of San Bernardino, the county central committee shall be elected by

supervisor districts, and the number to be elected from any supervisor district shall be determined as follows:

(1) There shall be taken the number of votes cast in the supervisor district at the last gubernatorial election for that party's candidate for Governor, or, if the party did not have a candidate for Governor, for the candidate of the party voted on throughout the state who received the greatest number of votes and who was the candidate of that party alone.

(2) This number shall be divided by one-thirtieth of the number of votes cast in San Bernardino County for Governor or, where the party did not have a candidate for Governor, for the candidate mentioned above. The integer next larger than the quotient obtained by that division shall constitute the number of members of the committee to be elected by that party in that supervisor district.

(b) The San Bernardino County Central Committee shall be composed of not fewer than 30 members. If the procedure outlined above would result in fewer than 30 members being elected to the committee, the number of votes cast for this party's candidate in each supervisor district shall be divided by an amount sufficiently smaller than one-thirtieth of the votes cast for Governor in San Bernardino County as to give a membership on the committee equal to or the nearest amount that is greater than 30 members.

SEC. 2. 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.

CHAPTER 66

An act to amend Sections 13369, 13370, 13371, 13372, 13373, 13374, 13376, and 13378 of the Vehicle Code, relating to vehicles.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 13369 of the Vehicle Code, as added by Section 12.5 of Chapter 952 of the Statutes of 2004, is amended to read:

13369. (a) This section applies to the following endorsements and certificates:

- (1) Passenger transportation vehicle.
- (2) Hazardous materials.

- (3) Schoolbus.
- (4) School pupil activity bus.
- (5) Youth bus.
- (6) General public paratransit vehicle.
- (7) Farm labor vehicle.
- (8) Vehicle used for the transportation of developmentally disabled persons.

(b) The department shall refuse to issue or renew, or shall revoke the certificate or endorsement of any person who meets the following conditions:

(1) Within three years, has committed any violation that results in a conviction assigned a violation point count of two or more, as defined in Sections 12810 and 12810.5. The department may not refuse to issue or renew, nor may it revoke, a person's hazardous materials or passenger transportation vehicle endorsement if the violation leading to the conviction occurred in the person's private vehicle and not in a commercial motor vehicle, as defined in Section 15210.

(2) Within three years, has had his or her driving privilege suspended, revoked, or on probation for any reason involving unsafe operation of a motor vehicle. The department may not refuse to issue or renew, nor may it revoke, a person's passenger transportation vehicle endorsement if the person's driving privilege has, within three years, been placed on probation only for any reason involving unsafe operation of a motor vehicle.

(3) Notwithstanding paragraphs (1) and (2), does not meet the qualifications for issuance of a hazardous materials endorsement set forth in Parts 383, 384, and 1572 of Title 49 of the Code of Federal Regulations.

(c) The department may refuse to issue or renew, or may suspend or revoke the certificate or endorsement of any person who meets any of the following conditions:

(1) Within 12 months, has been involved as a driver in three accidents in which the driver caused or contributed to the causes of the accidents.

(2) Within 24 months, as a driver, caused or contributed to the cause of an accident resulting in a fatality or serious injury or serious property damage in excess of seven hundred fifty dollars (\$750).

(3) Has violated any provision of this code, or any rule or regulation pertaining to the safe operation of a vehicle for which the certificate or endorsement was issued.

(4) Has violated any restriction of the certificate, endorsement, or commercial driver's license.

(5) Has knowingly made a false statement or failed to disclose a material fact on an application for a certificate or endorsement.

(6) Has been determined by the department to be a negligent or incompetent operator.

(7) Has demonstrated irrational behavior to the extent that a reasonable and prudent person would have reasonable cause to believe that the applicant's ability to perform the duties of a driver may be impaired.

(8) Excessively or habitually uses, or is addicted to, alcoholic beverages, narcotics, or dangerous drugs.

(9) Does not meet the minimum medical standards established or approved by the department.

(d) The department may cancel the certificate or endorsement of any driver who meets any of the following conditions:

(1) Does not have a valid driver's license of the appropriate class.

(2) Has requested cancellation of the certificate or endorsement.

(3) Has failed to meet any of the requirements for issuance or retention of the certificate or endorsement, including, but not limited to, payment of the proper fee, submission of an acceptable medical report and fingerprint cards, and compliance with prescribed training requirements.

(4) Has had his or her driving privilege suspended or revoked for a cause involving other than the safe operation of a motor vehicle.

(e) (1) Reapplication following refusal or revocation under subdivision (b) or (c) may be made after a period of not less than one year from the effective date of denial or revocation, except in cases where a longer period of suspension or revocation is required by law.

(2) Reapplication following cancellation under subdivision (d) may be made at any time without prejudice.

SEC. 2. Section 13370 of the Vehicle Code is amended to read:

13370. (a) The department shall refuse to issue or shall revoke a schoolbus, school pupil activity bus, general public paratransit vehicle, or youth bus driver certificate, or a certificate for a vehicle used for the transportation of developmentally disabled persons, if any of the following causes apply to the applicant or certificate holder:

(1) Has been convicted of a sex offense as defined in Section 44010 of the Education Code.

(2) Has been convicted, within two years, of an offense specified in Section 11361.5 of the Health and Safety Code.

(3) Has failed to meet prescribed training requirements for certificate issuance.

(4) Has failed to meet prescribed testing requirements for certificate issuance.

(5) Has been convicted of a violent felony listed in subdivision (c) of Section 667.5 of the Penal Code, or a serious felony listed in subdivision (c) of Section 1192.7 of the Penal Code. This paragraph shall not be applied to revoke a license that was valid on January 1, 2005, unless the

certificate holder is convicted for an offense that is committed on or after that date.

(b) The department may refuse to issue or renew, or may suspend or revoke a schoolbus, school pupil activity bus, general public paratransit vehicle, or youth bus driver certificate, or a certificate for a vehicle used for the transportation of developmentally disabled persons if any of the following causes apply to the applicant or certificate holder:

(1) Has been convicted of a crime specified in Section 44424 of the Education Code within seven years. This paragraph does not apply if denial is mandatory.

(2) Has committed an act involving moral turpitude.

(3) Has been convicted of an offense, not specified in this section and other than a sex offense, that is punishable as a felony, within seven years.

(4) Has been dismissed as a driver for a cause relating to pupil transportation safety.

(5) Has been convicted, within seven years, of an offense relating to the use, sale, possession, or transportation of narcotics, habit-forming drugs, or dangerous drugs, except as provided in paragraph (3) of subdivision (a).

(c) (1) Reapplication following refusal or revocation under paragraph (1), (2), or (3) of subdivision (a) or (b) may be made after a period of not less than one year after the effective date of refusal or revocation.

(2) Reapplication following refusal or revocation under paragraph (4) of subdivision (a) may be made after a period of not less than 45 days after the date of the applicant's third testing failure.

(3) An applicant or holder of a certificate may reapply for a certificate whenever a felony or misdemeanor conviction is reversed or dismissed. A termination of probation and dismissal of charges pursuant to Section 1203.4 of the Penal Code or a dismissal of charges pursuant to Section 1203.4a of the Penal Code is not a dismissal for purposes of this section.

SEC. 3. Section 13371 of the Vehicle Code is amended to read:

13371. This section applies to schoolbus, school pupil activity bus, youth bus, general public paratransit vehicle certificates, and a certificate for a vehicle used for the transportation of developmentally disabled persons.

(a) Any driver or applicant who has received a notice of refusal, suspension, or revocation, may, within 15 days after the mailing date, submit to the department a written request for a hearing. Failure to demand a hearing within 15 days is a waiver of the right to a hearing.

(1) Upon receipt by the department of the hearing request, the department may stay the action until a hearing is conducted and the final decision has been rendered by the Certificate Action Review Board

pursuant to paragraph (2) of subdivision (d). The department shall not stay an action when there is reasonable cause to believe the stay would pose a significant risk to the safety of pupils being transported in a schoolbus, school pupil activity bus, youth bus, or persons being transported in a general public paratransit vehicle.

(2) An applicant or driver is not entitled to a hearing whenever the action by the department is made mandatory by this article or any other applicable law or regulation except where the cause for refusal is based on failure to meet medical standards or excessive and habitual use of or addiction to alcoholic beverages, narcotics, or dangerous drugs.

(b) The department shall appoint a hearing officer to conduct the hearing in accordance with Section 14112. After the hearing, the hearing officer shall prepare and submit findings and recommendations to the department.

(c) The department shall mail, as specified in Section 22, a copy of the hearing officer's findings and recommendations to the driver or applicant and to the driver or applicant's hearing representative, either of whom may file a statement of exception to the findings and recommendations within 24 days after the mailing date.

(d) (1) The Certificate Action Review Board consists of the following three members: a chairperson appointed by the director of the department, a member appointed by the Commissioner of the California Highway Patrol, and a member appointed by the Superintendent of Public Instruction.

(2) After a hearing, the board shall review the findings and recommendations of the hearing officer, and any statement of exception, and make a decision concerning disposition of the action taken by the department, which decision shall be final. At this stage, no evidence shall be heard that was not presented at the hearing, unless the person wishing to present the new evidence establishes, to the satisfaction of the board, that it could not have been obtained with due diligence prior to the hearing.

SEC. 4. Section 13372 of the Vehicle Code is amended to read:

13372. (a) The department shall refuse to issue or renew, or shall suspend or revoke an ambulance driver certificate if any of the following apply to the applicant or certificate holder:

(1) Is required to register as a sex offender under Section 290 of the Penal Code for any offense involving force, violence, threat, or intimidation.

(2) Habitually or excessively uses or is addicted to narcotics or dangerous drugs.

(3) Is on parole or probation for any felony, theft, or any crime involving force, violence, threat, or intimidation.

(b) The department may refuse to issue or renew, or may suspend or revoke an ambulance driver certificate if any of the following apply to the applicant or certificate holder:

(1) Has been convicted within seven years of any offense punishable as a felony or has been convicted during that period of any theft.

(2) Has committed any act involving moral turpitude, including fraud or intentional dishonesty for personal gain, within seven years.

(3) Habitually and excessively uses intoxicating beverages.

(4) Has been convicted within seven years of any offense relating to the use, sale, possession, or transportation of narcotics or addictive or dangerous drugs, or of any misdemeanor involving force, violence, threat, or intimidation.

(5) Is on probation to the department for a cause involving the unsafe operation of a motor vehicle.

(6) Within three years has had his or her driver's license suspended or revoked by the department for a cause involving the unsafe operation of a motor vehicle, or, within the same period, has been convicted of any of the following:

(A) Failing to stop and render aid in an accident involving injury or death.

(B) Driving-under-the-influence of intoxicating liquor, any drug, or under the combined influence of intoxicating liquor and any drug.

(C) Reckless driving, or reckless driving involving bodily injury.

(7) Has knowingly made a false statement or failed to disclose a material fact in his or her application.

(8) Has been involved as a driver in any motor vehicle accident causing death or bodily injury or in three or more motor vehicle accidents within one year.

(9) Does not meet minimum medical standards specified in this code or in regulations adopted pursuant to this code.

(10) Has demonstrated irrational behavior or incurred a physical disability to the extent that a reasonable and prudent person would have reasonable cause to believe that the ability to perform the duties normally expected of an ambulance driver may be impaired.

(11) Has violated any provision of this code or any rule or regulation adopted by the Commissioner of the California Highway Patrol relating to the operation of emergency ambulances within one year.

(12) Has committed any act that warrants dismissal, as provided in Section 13373.

(c) (1) Reapplication following refusal or revocation under subdivision (a) or (b) may be made after a period of not less than one year after the effective date of the refusal or revocation, except in cases

where a longer period of refusal, suspension, or revocation is required by law.

(2) Reapplication following refusal or revocation under subdivision (a) or (b) may be made if a felony or misdemeanor conviction supporting the refusal or revocation is reversed or dismissed. A termination of probation and dismissal of charges under Section 1203.4 of the Penal Code or a dismissal of charges under Section 1203.4a of the Penal Code is not a dismissal for purposes of this section.

SEC. 5. Section 13373 of the Vehicle Code is amended to read:

13373. The receipt of satisfactory evidence of any violation of Article 1 (commencing with Section 1100) of Subchapter 5 of Chapter 2 of Title 13 of the California Code of Regulations, the Vehicle Code, or any other applicable law that would provide grounds for refusal, suspension, or revocation of an ambulance driver's certificate or evidence of an act committed involving intentional dishonesty for personal gain or conduct contrary to justice, honesty, modesty, or good morals, may be sufficient cause for the dismissal of any ambulance driver or attendant. Dismissal of a driver or attendant under this section shall be reported by the employer to the Department of Motor Vehicles at Sacramento within 10 days.

SEC. 6. Section 13374 of the Vehicle Code is amended to read:

13374. (a) An applicant for, or the holder of, an ambulance driver certificate who has received a notice of refusal, suspension, or revocation may submit, within 15 days after the notice has been mailed by the department, a written request for a hearing. Upon receipt of the request, the department shall appoint a referee who shall conduct an informal hearing in accordance with Section 14104. Failure to request a hearing within 15 days after the notice has been mailed by the department is a waiver of the right to a hearing. A request for a hearing shall not operate to stay the action for which notice is given.

(b) Upon conclusion of an informal hearing, the referee shall prepare and submit findings and recommendations through the department to a committee of three members one each appointed by the Director of the Emergency Medical Service Authority, the director, and the Commissioner of the California Highway Patrol with the appointee of the Commissioner of the California Highway Patrol serving as chairperson. After a review of the findings and recommendations, the committee shall render a final decision on the action taken, and the department shall notify the person involved of the decision.

SEC. 7. Section 13376 of the Vehicle Code is amended to read:

13376. (a) This section applies to the following certificates:

- (1) Schoolbus.
- (2) School pupil activity bus.

- (3) Youth bus.
- (4) General public paratransit vehicle.
- (5) Vehicle used for the transportation of developmentally disabled persons.

(b) (1) The department shall revoke a certificate listed in subdivision (a) for three years if the certificate holder refuses to submit to a test for, fails to comply with the testing requirements for, or receives a positive test for a controlled substance, as specified in Part 382 (commencing with Section 382.101) of Title 49 of the Code of Federal Regulations and Section 34520. However, the department shall not revoke a certificate under this paragraph if the certificate holder is in compliance with any rehabilitation or return to duty program that is imposed by the employer that meets the controlled substances and alcohol use and testing requirements set forth in Part 382 (commencing with Section 382.101) of Title 49 of the Code of Federal Regulations. The driver shall be allowed to participate in a rehabilitation or return to duty program only once within a three-year period. The employer or program shall report any subsequent positive test result or drop from the program to the department on a form approved by the department.

(2) If an applicant refuses to submit to a test for, fails to comply with the testing requirements for, or receives a positive test for a controlled substance, the department shall refuse the application for a certificate listed in subdivision (a) for three years from the date of the confirmed positive test result.

(3) The carrier that requested the test shall report the refusal, failure to comply, or positive test result to the department not later than five days after receiving notification of the test result on a form approved by the department.

(4) The department shall maintain a record of any action taken for a refusal, failure to comply, or positive test result in the driving record of the applicant or certificate holder for three years from the date of the refusal, failure to comply, or positive test result.

(c) (1) The department may temporarily suspend a schoolbus, school pupil activity bus, youth bus, or general public paratransit driver certificate, or temporarily withhold issuance of a certificate to an applicant, if the holder or applicant is arrested for or charged with any sex offense, as defined in Section 44010 of the Education Code.

(2) Upon receipt of a notice of temporary suspension, or of the department's intent to withhold issuance, of a certificate, the certificate holder or applicant may request a hearing within 10 days of the effective date of the department's action.

(3) The department shall, upon request of the holder of, or applicant for, a certificate, within 10 working days of the receipt of the request,

conduct a hearing on whether the public interest requires suspension or withholding of the certificate pursuant to paragraph (1).

(4) If the charge is dismissed or results in a finding of not guilty, the department shall immediately terminate the suspension or resume the application process, and shall expunge the suspension action taken pursuant to this subdivision from the record of the applicant or certificate holder.

(d) An applicant or holder of a certificate may reapply for a certificate whenever a felony or misdemeanor conviction is reversed or dismissed. A termination of probation and dismissal of charges pursuant to Section 1203.4 of the Penal Code or a dismissal of charges pursuant to Section 1203.4a of the Penal Code is not a dismissal for purposes of this section.

(e) The determination of the facts pursuant to this section is a civil matter which is independent of the determination of the person's guilt or innocence, has no collateral estoppel effect on a subsequent criminal prosecution, and does not preclude the litigation of the same or similar facts in a criminal proceeding.

SEC. 8. Section 13378 of the Vehicle Code is amended to read:

13378. (a) Any applicant for, or holder of, a tow truck driver certificate who has received a notice of refusal or revocation, may submit to the department, within 15 days after the mailing of the notice, a written request for a hearing. Failure to request a hearing, in writing, within 15 days is a waiver of the right to a hearing.

(b) Upon receipt by the department of the hearing request, the department may stay the action until a hearing is conducted and the final decision is made by the hearing officer. The department shall not stay the action when there is reasonable cause to believe that the stay would pose a threat to a member of the motoring public who may require the services of the tow truck driver in question.

(c) An applicant for, or a holder of, a tow truck driver certificate, whose certificate has been refused or revoked, is not entitled to a hearing whenever the action by the department is made mandatory by this article or any other applicable law or regulation.

(d) Upon receipt of a request for a hearing, and when the requesting party is entitled to a hearing under this article, the department shall appoint a hearing officer to conduct a hearing in accordance with Section 14112.

CHAPTER 67

An act to add Section 10110.5 to the Insurance Code, relating to insurance.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 10110.5 is added to the Insurance Code, to read:

10110.5. A policy or endorsement issued by an admitted life and disability insurer may contain a provision for a waiver of premium payments in the event of involuntary unemployment of the insured. Insurers issuing policies or endorsements which contain that provision shall establish any additional reserves and file any additional financial reports that the commissioner may require.

CHAPTER 68

An act to amend Section 25660 of the Business and Professions Code, relating to alcoholic beverages.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 25660 of the Business and Professions Code is amended to read:

25660. (a) Bona fide evidence of majority and identity of the person is a document issued by a federal, state, county, or municipal government, or subdivision or agency thereof, including, but not limited to, a motor vehicle operator's license or an identification card issued to a member of the Armed Forces, that contains the name, date of birth, description, and picture of the person.

(b) In the event an identification card issued to a member of the Armed Forces is provided as proof of majority and lacks a physical description, proof of majority may be further substantiated if a motor vehicle operator's license or other valid bona fide identification issued by any government jurisdiction is also provided.

(c) Proof that the defendant-licensee, or his employee or agent, demanded, was shown and acted in reliance upon such bona fide evidence in any transaction, employment, use or permission forbidden by Section 25658, 25663 or 25665 shall be a defense to any criminal prosecution

therefor or to any proceedings for the suspension or revocation of any license based thereon.

CHAPTER 69

An act to amend Section 48916.1 of, and to repeal Sections 42103.3 and 56137 of, the Education Code, and to repeal Section 628.4 of the Penal Code, relating to public education.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. It is the intent of the Legislature to accomplish all of the following:

(a) Promote good data management practices with respect to education data.

(b) Support the efforts of the State Department of Education to minimize data redundancy, maximize data value, and reduce the reporting burden on local educational agencies by:

(1) Referring to the department's Data Resource Guide prior to collecting data in order to determine if the data sought is already collected.

(2) Utilizing the preferred variation for data elements referenced in the department's common data architecture.

(3) Allowing data collection to occur within windows specified by the Superintendent of Public Instruction.

(c) Providing sufficient lead time for local educational agencies and the department to collect new data elements within existing collection procedures.

SEC. 2. Section 42103.3 of the Education Code is repealed.

SEC. 3. Section 48916.1 of the Education Code is amended to read:

48916.1. (a) At the time an expulsion of a pupil is ordered, the governing board of the school district shall ensure that an educational program is provided to the pupil who is subject to the expulsion order for the period of the expulsion. Except for pupils expelled pursuant to subdivision (d) of Section 48915, the governing board of a school district is required to implement the provisions of this section only to the extent funds are appropriated for this purpose in the annual Budget Act or other legislation, or both.

(b) Notwithstanding any other provision of law, any educational program provided pursuant to subdivision (a) may be operated by the

school district, the county superintendent of schools, or a consortium of districts or in joint agreement with the county superintendent of schools.

(c) Any educational program provided pursuant to subdivision (b) may not be situated within or on the grounds of the school from which the pupil was expelled.

(d) If the pupil who is subject to the expulsion order was expelled from any of kindergarten or grades 1 to 6, inclusive, the educational program provided pursuant to subdivision (b) may not be combined or merged with educational programs offered to pupils in any of grades 7 to 12, inclusive. The district or county program is the only program required to be provided to expelled pupils as determined by the governing board of the school district. This subdivision, as it relates to the separation of pupils by grade levels, does not apply to community day schools offering instruction in any of kindergarten and grades 1 to 8, inclusive, and established in accordance with Section 48660.

(e) (1) Each school district shall maintain the following data:

(A) The number of pupils recommended for expulsion.

(B) The grounds for each recommended expulsion.

(C) Whether the pupil was subsequently expelled.

(D) Whether the expulsion order was suspended.

(E) The type of referral made after the expulsion.

(F) The disposition of the pupil after the end of the period of expulsion.

(2) The Superintendent may require a school district to report this data as part of the coordinated compliance review. If a school district does not report outcome data as required by this subdivision, the Superintendent may not apportion any further money to the school district pursuant to Section 48664 until the school district is in compliance with this subdivision. Before withholding the apportionment of funds to a school district pursuant to this subdivision, the Superintendent shall give written notice to the governing board of the school district that the school district has failed to report the data required by paragraph (1) and that the school district has 30 calendar days from the date of the written notice of noncompliance to report the requested data and thereby avoid the withholding of the apportionment of funds.

(f) If the county superintendent of schools is unable for any reason to serve the expelled pupils of a school district within the county, the governing board of that school district may enter into an agreement with a county superintendent of schools in another county to provide education services for the district's expelled pupils.

SEC. 4. Section 56137 of the Education Code is repealed.

SEC. 5. Section 628.4 of the Penal Code is repealed.

CHAPTER 70

An act relating to state employees, and making an appropriation in augmentation of Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2005, to take effect immediately as an appropriation for the usual and current expenses of the state.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. The Legislature finds and declares that the purpose of this act is to approve the provisions of an agreement pursuant to Section 3517.6 of the Government Code entered into by the state employer and State Bargaining Unit 7 that require the expenditure of funds.

SEC. 2. The provisions of the memorandum of understanding prepared pursuant to Section 3517.5 of the Government Code and entered into by the state employer and State Bargaining Unit 7, the California Union of Safety Employees, on May 9, 2005, and that require the expenditure of funds, are hereby approved for the purposes of Section 3517.6 of the Government Code.

SEC. 3. The provisions of the memoranda of understanding approved by Section 2 of this act that are scheduled to take effect on or after July 1, 2005, and that require the expenditure of funds, shall not take effect unless funds for these provisions are specifically appropriated by the Legislature. If the Legislature does not approve or fully fund any provision of the memorandum of understanding that requires the expenditure of funds, either party may reopen negotiations on all or part of the memorandum of understanding.

SEC. 4. Notwithstanding Section 3517.6 of the Government Code, the provisions of any memorandum of understanding that require the expenditure of funds shall become effective even if the provisions of the memorandum of understanding are approved by the Legislature in legislation other than the annual Budget Act.

SEC. 5. The sum of fifteen million six hundred fifty-two thousand dollars (\$15,652,000) is hereby appropriated for expenditure in the 2005–06 fiscal year in augmentation of, and for the purpose of state employee compensation, as provided in, Items 9800-001-0001, 9800-001-0494, and 9800-001-0988 of Section 2.00 of the Budget Act of 2005 to implement the provisions of the memorandum of understanding approved by this act in accordance with the following schedule:

(a) Three million nine hundred fifty-seven thousand dollars (\$3,957,000) from the General Fund in augmentation of Item 9800-001-0001.

(b) Seven million four hundred eighty-five thousand dollars (\$7,485,000) from unallocated special funds in augmentation of Item 9800-001-0494.

(c) Four million two hundred ten thousand dollars (\$4,210,000) from other unallocated nongovernmental cost funds in augmentation of Item 9800-001-0988.

SEC. 6. This act makes an appropriation for the usual current expenses of the state within the meaning of Article IV of the Constitution and shall go into immediate effect.

CHAPTER 71

An act to amend Sections 188.4, 188.5, 30912, 30950.2, 30953, 30961, and 31010 of, to add Sections 182.2, 188.6, 30886, 30952.05, 30952.1, 30952.2, 30952.3, 30954, 30961.1, 31011, and 31021 to, and to repeal and add Section 31020 of, the Streets and Highways Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Filed with Secretary of State July 18, 2005.]

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

SECTION 1. Section 188.4 of the Streets and Highways Code is amended to read:

188.4. (a) Maintenance expenditures on all toll facilities owned by the state shall, for accounting purposes, be classified as Category A or Category B expenditures. Notwithstanding any other provision of law, the cost of maintenance of toll facilities in the geographic jurisdiction of the Metropolitan Transportation Commission shall be paid in accordance with the following:

(1) Category A maintenance shall be paid from the State Highway Account and shall include all normal highway maintenance which would be performed by the state according to state procedures as if the facility was a toll-free state facility.

(2) Category B maintenance shall be paid from toll revenues and shall include all maintenance and reconstruction work of those facilities such as toll facility administration buildings and toll booths which are constructed primarily for the purpose of collecting tolls.

(b) In no event shall the Category A maintenance expenditures for the toll bridges in the geographic jurisdiction of the Metropolitan Transportation Commission be funded at a lower percentage than was established in accordance with procedures for funding Category A maintenance of the toll bridges during the 1986–87 fiscal year.

(c) Notwithstanding subdivisions (a) and (b), for each toll bridge specified in Section 30910, maintenance expenditures shall be funded from toll revenues. However, for a toll bridge that is part of the program specified in Section 188.5, maintenance expenditures shall be funded from toll revenues commencing with the completion of the seismic retrofit or replacement work on that bridge as described in Section 188.5. For the purposes of this subdivision, until the obligations of the California Infrastructure and Economic Development Bank secured by the seismic retrofit surcharge imposed pursuant to subdivision (a) of Section 31010 are no longer outstanding, as that term is defined in the constituent instruments defining the rights of the holders of those obligations, the term “toll revenues” shall not include the seismic retrofit surcharge imposed pursuant to subdivision (a) of Section 31010, and the seismic retrofit surcharge imposed pursuant to subdivision (a) of Section 31010 shall remain pledged to the payment of obligations incurred by the California Infrastructure and Economic Development Bank under Chapter 4.6 (commencing with Section 31070). Maintenance expenses that are required to be funded with toll revenues and that would otherwise constitute Category A maintenance expenditures shall be funded from toll revenues remaining after provision is made for payment of all obligations secured by the lien on toll revenues created by subdivision (b) of Section 30960.

SEC. 2. Section 188.5 of the Streets and Highways Code is amended to read:

188.5. (a) The Legislature finds and declares all of the following:

(1) The department has determined that in order to provide maximum safety for the traveling public and to ensure continuous and unimpeded operation of the state’s transportation network, six state-owned toll bridges are in need of a seismic safety retrofit, and one state-owned toll bridge is in need of a partial retrofit and a partial replacement.

(2) The bridges identified by the department as needing seismic retrofit are the Benicia-Martinez Bridge, the Carquinez Bridge, the Richmond-San Rafael Bridge, the San Mateo-Hayward Bridge, the San Pedro-Terminal Island Bridge (also known as the Vincent Thomas Bridge), the San Diego-Coronado Bridge, and the west span of the San Francisco-Oakland Bay Bridge. The department has also identified the east span of the San Francisco-Oakland Bay Bridge as needing to be replaced. That replacement span will be safer, stronger, longer lasting,

and more cost efficient to maintain than completing a seismic retrofit for the current east span.

(3) The south span of the Carquinez Bridge is to be replaced pursuant to Regional Measure 1, as described in Section 30917.

(4) The cost estimate to retrofit the state-owned toll bridges and to replace the east span of the San Francisco-Oakland Bay Bridge is four billion six hundred thirty-seven million dollars (\$4,637,000,000), as follows:

(A) The Benicia-Martinez Bridge retrofit is one hundred ninety million dollars (\$190,000,000).

(B) The north span of the Carquinez Bridge retrofit is one hundred twenty-five million dollars (\$125,000,000).

(C) The Richmond-San Rafael Bridge retrofit is six hundred sixty-five million dollars (\$665,000,000).

(D) The San Mateo-Hayward Bridge retrofit is one hundred ninety million dollars (\$190,000,000).

(E) The San Pedro-Terminal Island Bridge retrofit is sixty-two million dollars (\$62,000,000).

(F) The San Diego-Coronado Bridge retrofit is one hundred five million dollars (\$105,000,000).

(G) The west span of the San Francisco-Oakland Bay Bridge retrofit, as a lifeline bridge, is seven hundred million dollars (\$700,000,000).

(H) Replacement of the east span of the San Francisco-Oakland Bay Bridge is two billion six hundred million dollars (\$2,600,000,000).

(b) It is the intent of the Legislature that the following amounts from the following funds shall be allocated until expended, for the seismic retrofit or replacement of state-owned toll bridges:

(1) Six hundred fifty million dollars (\$650,000,000) from the 1996 Seismic Retrofit Account in the Seismic Retrofit Bond Fund of 1996 for the seven state-owned toll bridges identified by the department as requiring seismic safety retrofit or replacement.

(2) One hundred forty million dollars (\$140,000,000) in surplus revenues generated under the Seismic Retrofit Bond Act of 1996 that are in excess of the amount actually necessary to complete Phase Two of the state's seismic retrofit program. These excess funds shall be reallocated to assist in financing seismic retrofit of the state-owned toll bridges.

(3) Fifteen million dollars (\$15,000,000) from the Vincent Thomas Toll Bridge Revenue Account.

(4) The funds necessary to meet both of the following:

(A) A principal obligation of two billion two hundred eighty-two million dollars (\$2,282,000,000) from the seismic retrofit surcharge, including any interest therefrom, imposed pursuant to Section 31010,

subject to the limitation set forth in subdivision (c) and subdivision (b) of Section 31010.

(B) All costs of financing, including capitalized interest, reserves, costs of issuance, costs of credit enhancements and any other financial products necessary or desirable in connection therewith, and any other costs related to financing.

(5) Thirty-three million dollars (\$33,000,000) from the San Diego-Coronado Toll Bridge Revenue Fund.

(6) Not less than seven hundred forty-five million dollars (\$745,000,000) from the State Highway Account to be used toward the eight hundred seventy-five million dollars (\$875,000,000) state contribution, to be achieved as follows:

(A) (i) Two hundred million dollars (\$200,000,000) to be appropriated for the state-local transportation partnership program described in paragraph (7) of subdivision (d) of Section 164, prior to its repeal by Chapter 622 of the Statutes of 1997, for the 1998–99 fiscal year.

(ii) The remaining funds intended for that program and any program savings to be made available for toll bridge seismic retrofit.

(B) A reduction of not more than seventy-five million dollars (\$75,000,000) in the funding level specified in paragraph (4) of subdivision (d) of Section 164, prior to its repeal by Chapter 622 of the Statutes of 1997, for traffic system management.

(C) Three hundred million dollars (\$300,000,000) in accumulated savings by the department achieved from better efficiency and lower costs.

(7) Not more than one hundred thirty million dollars (\$130,000,000) from the Transit Capital Improvement Program funded by the Public Transportation Account in the State Transportation Fund to be used toward the eight hundred seventy-five million dollars (\$875,000,000) state contribution. If the contribution in subparagraph (A) of paragraph (6) exceeds three hundred seventy million dollars (\$370,000,000), it is the intent that the amount from the Transit Capital Improvement Program shall be reduced by an amount that is equal to that excess.

(8) (A) The funds necessary to meet principal obligations of not less than six hundred forty-two million dollars (\$642,000,000) from the state's share of the federal Highway Bridge Replacement and Rehabilitation (HBRR) Program.

(B) If the project costs exceed four billion six hundred thirty-seven million dollars (\$4,637,000,000), the department may program not more than four hundred forty-eight million dollars (\$448,000,000) in project savings or other available resources from the Interregional Transportation Improvement Program, the State Highway Operation and Protection Program, or federal bridge funds for that purpose.

(C) None of the funds identified in subparagraph (B) may be expended for any purpose other than the conditions and design features described in paragraph (9).

(9) The estimated cost of replacing the San Francisco-Oakland Bay Bridge listed in subparagraph (H) of paragraph (4) of subdivision (a) is based on the following conditions:

(A) The new bridge shall be located north adjacent to the existing bridge and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(B) The main span of the bridge shall be in the form of a single tower cable suspension design and shall be the Replacement Alternative N-6 (preferred) Suspension Structure Variation, as specified in the Final Environmental Impact Statement, dated May 1, 2001, submitted by the department to the Federal Highway Administration.

(C) The roadway in each direction shall consist of five lanes, each lane will be 12 feet wide, and there shall be 10-foot shoulders as an emergency lane for public safety purposes on each side of the main-traveled way.

(c) If the actual cost of retrofit or replacement, or both retrofit and replacement, of toll bridges is less than the cost estimate of four billion six hundred thirty-seven million dollars (\$4,637,000,000), there shall be a reduction in the amount provided in paragraph (4) of subdivision (b) equal to the proportion of total funds committed to complete the projects funded from funds generated from paragraph (4) of subdivision (b) as compared to the total funds from paragraphs (6), (7), and (8) of subdivision (b), and there shall be a proportional reduction in the amount specified in paragraph (8) of subdivision (b).

(d) If the department determines that the actual costs exceed the amounts identified in subparagraph (B) of paragraph (8) of subdivision (b), the department shall report to the Legislature within 90 days from the date of that determination as to the difference and the reason for the increase in costs.

(e) Notwithstanding any other provision of law, the commission shall adopt fund estimates consistent with subdivision (b) and Section 188.6 and provide flexibility so that state funds can be made available to match federal funds made available to regional transportation planning agencies.

(f) For the purposes of this section, "principal obligations" are the amount of funds generated, either in cash, obligation authority, or the proceeds of a bond or other indebtedness.

(g) (1) Commencing on January 1, 2004, and quarterly thereafter until completion of all applicable projects, the department shall provide

quarterly seismic reports to the transportation committees of both houses of the Legislature and to the commission for other seismic retrofit programs.

(2) The reports shall include all of the following:

(A) A progress report for each program.

(B) The program baseline budget for support and capital outlay construction costs.

(C) The current or projected program budget for support and capital outlay construction costs.

(D) Expenditures to date for support and capital outlay construction costs.

(E) A comparison of the current or projected schedule and the baseline schedule.

(F) A summary of milestones achieved during the quarterly period and any issues identified and actions taken to address those issues.

SEC. 3. Section 188.6 is added to the Streets and Highways Code, to read:

188.6. (a) (1) The Legislature finds and declares that on August 16, 2004, the department reported to the Legislature that the funds identified in Section 188.5 are insufficient to complete the state toll bridge seismic retrofit program, including the replacement of the east span of the San Francisco-Oakland Bay Bridge, due to cost overruns for the program now estimated at three billion six hundred million dollars (\$3,600,000,000).

(2) By enacting this section, it is the intent of the Legislature to identify additional funds from various sources, as described in subdivision (b), in order to fund this shortfall and so that the toll bridge seismic retrofit and replacement program, as described in Section 188.5, as that section read on January 1, 2005, may proceed to completion without further costly delay.

(b) The following amounts from the following funds shall be allocated until expended in order to eliminate the shortfall identified in subdivision (a) and to complete the seismic retrofit or replacement of state-owned toll bridges as expeditiously as possible:

(1) Not less than two billion one hundred fifty million dollars (\$2,150,000,000) from the Bay Area Toll Account, derived from an additional one dollar (\$1) surcharge on the state-owned toll bridges within the geographic jurisdiction of the Metropolitan Transportation Commission to be effective no sooner than January 1, 2007.

(2) Not less than eight hundred twenty million dollars (\$820,000,000) for the seismic retrofit or replacement of the state-owned toll bridges in the geographic jurisdiction of the Metropolitan Transportation Commission made available through the consolidation of all toll revenues

under the management of the Bay Area Toll Authority and from the authorization for the authority to refinance debt secured by toll revenues.

(3) The amount of three hundred million dollars (\$300,000,000) to fund the cost of demolition of the existing east span of the San Francisco-Oakland Bay Bridge from funding sources supporting the state highway operations and protection program, from available state resources from project savings, or from the federal Highway Bridge Replacement and Rehabilitation program.

(4) The amount of three hundred thirty million dollars (\$330,000,000) from the following accounts:

(A) One hundred thirty million dollars (\$130,000,000) from the State Highway Account from accumulated savings by the department achieved from better efficiency, operational savings, and lower costs.

(B) One hundred twenty-five million dollars (\$125,000,000) of any excess funds that would otherwise have been transferred in the 2006–07 fiscal year pursuant to subparagraph (F) of paragraph (1) of subdivision (a) of Section 7102 of the Revenue and Taxation Code, as amended by Senate Bill 62 or Assembly Bill 127 of the 2005–06 Regular Session, shall instead be transferred to the Bay Area Toll Account and are hereby appropriated to the department for the purposes of this section. If sufficient funds are not available from this source for this purpose during the 2006–07 fiscal year, the funding required under this paragraph shall be made available from additional accumulated savings by the department achieved from better efficiency, operational savings, lower costs pursuant to subparagraph (A), or from other state transportation fund accounts as determined by the department in consultation with the California Transportation Commission.

(C) Seventy-five million dollars (\$75,000,000) from the fund reserve in the Motor Vehicle Account for the 2005–06 fiscal year which is hereby appropriated.

(c) If the amount of the overruns estimated by the department, as described in subdivision (a), is less than three billion six hundred million dollars (\$3,600,000,000), the savings shall be shared between the state and the authority in the same proportion as their proportional contribution to the estimated cost overruns, as provided in paragraphs (1), (3), and (4) of subdivision (b).

(d) If the actual amount of the overruns exceeds the amount estimated by the department, as described in subdivision (a), the authority shall utilize funds generated under the powers granted to it in Sections 30886, 30950.2, 30954, 30961, and 31011 by the act adding this section in the 2005–06 Regular Session to provide additional financial resources to complete the state toll bridge seismic retrofit program.

(e) Funds made available under this section and Section 188.5 for the replacement of the east span of the San Francisco-Oakland Bay Bridge shall only be expended for the structure described in paragraph (9) of subdivision (b) of Section 188.5 as that section read on January 1, 2005.

SEC. 4. Section 30886 is added to the Streets and Highways Code, to read:

30886. To maximize the availability of funding necessary to complete the state toll bridge seismic retrofit program, to more efficiently manage the toll revenues from the toll bridges located within the region under the jurisdiction of the commission, and to expeditiously complete the seismic retrofit and replacement of the toll bridge facilities identified in paragraph (2) of subdivision (a) of Section 188.5, it is necessary and in the public's interest to consolidate the financial management of all of the toll revenues that are imposed by Sections 30916, 31010, and 31011 and that the Bay Area Toll Authority manage all of those toll revenues.

SEC. 5. Section 30912 of the Streets and Highways Code is amended to read:

30912. (a) Revenue derived from tolls on all bridges may be expended, subject to the adopted annual budget of the authority, for any of the following purposes:

(1) Safety and operational costs, including toll collection and maintenance costs in accordance with Section 188.4.

(2) Costs of bridge construction and improvement projects, including seismic retrofit and replacement projects, and including debt service and sinking fund payments on bonds issued by the authority for those projects. The repayment of any advances from other state funds may be made from the toll revenue or bond proceeds.

(b) The revenue determined by the authority as derived from the toll increase approved in 1988, and authorized by Section 30917 for class I vehicles on the San Francisco-Oakland Bay Bridge shall be used, to the extent specified in paragraph (4) of subdivision (a) of Section 30914, for the construction of rail extensions specified in Section 30914 or for payment of the principal of, and interest on, bonds issued for those projects, including payments into a sinking fund maintained for that purpose.

SEC. 6. Section 30950.2 of the Streets and Highways Code is amended to read:

30950.2. (a) Except as provided in subdivision (b), the authority is responsible for the administration of all toll revenues from state-owned toll bridges within the geographic jurisdiction of the Metropolitan Transportation Commission.

(b) Notwithstanding any other provision of law, until such time as obligations of the California Infrastructure and Economic Development

Bank secured by the seismic retrofit surcharge imposed pursuant to subdivision (a) of Section 31010 are no longer outstanding, as that term is defined in the constituent instruments defining the rights of the holders of those obligations, both of the following apply:

(1) The phrase “toll revenues” as used in Chapter 4 (commencing with Section 30910) and this chapter shall not include the seismic retrofit surcharge imposed pursuant to subdivision (a) of Section 31010.

(2) The seismic retrofit surcharge imposed pursuant to subdivision (a) of Section 31010 shall remain pledged to the payment of obligations incurred by the California Infrastructure and Economic Development Bank under Chapter 4.6 (commencing with Section 31070).

SEC. 7. Section 30952.05 is added to the Streets and Highways Code, to read:

30952.05. (a) The authority and the department shall amend the cooperative agreement required by Section 30952 to incorporate the project oversight and control responsibilities described in this section relative to the construction of the Benicia-Martinez Bridge, as described in Section 30917, and the state toll bridge seismic retrofit program, as described in Section 188.5 as that section read on January 1, 2005.

(b) The department shall develop specifications and bid documents and invite bids and award contracts for the Benicia-Martinez Bridge, as described in Section 30917, and the state toll bridge seismic retrofit program projects. All contract specifications and bid documents shall be reviewed and approved by the authority prior to their release.

(c) The Toll Bridge Program Oversight Committee, created pursuant to Section 30952.1, shall implement a project oversight and project control process for the Benicia-Martinez Bridge project and the state toll bridge seismic retrofit program projects. The committee’s project oversight and control processes shall include, but not be limited to, reviewing bid specifications and documents, providing field staff to review ongoing costs, reviewing and approving significant change orders and claims (as determined by the committee), and preparing project reports.

(d) The authority may contract with, and oversee, one or more consulting firms to provide the services described in subdivision (c) and subdivision (a) of Section 30952.1. All contracts shall be reviewed and approved by the committee prior to their execution. The authority’s expenses incurred for project oversight and control services may be reimbursed by toll revenue collected pursuant to Section 30916, 31010, or 31011.

(e) To ensure that the department manages the risks associated with the toll bridge seismic retrofit projects, the department shall, at a minimum, take all of the following actions:

(1) Establish a comprehensive risk management plan that clearly defines roles and responsibilities for risk management and addresses the process by which it will identify and quantify project risks, implement and track risk response activities, and monitor and control risks throughout the duration of the project.

(2) Quantify the effect of identified risks in financial terms.

(3) Develop and maintain documents to track identified risks and related mitigation steps.

(4) Regularly update its estimates of capital and capital outlay support costs.

(5) Regularly reassess its reserves for potential claims and unknown risks, incorporating information related to risks identified and quantified through its risk assessment processes.

(6) Regularly integrate estimates for capital, capital outlay support costs, and contingency reserves into a programwide report.

(7) Ensure that reports to the Federal Highway Administration and others reflect current data and provide an accurate representation of the project's status.

(8) When unexpected events occur, quickly inform the committee created in Section 30952.1 describing the effects of these key events on the project's overall budget and schedule.

SEC. 8. Section 30952.1 is added to the Streets and Highways Code, to read:

30952.1. (a) The authority and the department shall establish a Toll Bridge Program Oversight Committee, which shall consist of the director, the authority's executive director, and the executive director of the California Transportation Commission. The committee may establish a project management team to assist it in performing the duties required of it under this section and Section 30952.05.

(b) The Toll Bridge Program Oversight Committee shall review project status, program costs, and schedules; resolve project issues; evaluate project changes; develop and regularly update cost estimates, risk assessments, and cashflow requirements for all phases of the toll bridge projects; and provide program direction.

(c) In addition to the duties described in subdivision (b), the committee shall review project staffing levels and structures, and consultant and contractor services related to the Benicia-Martinez Bridge construction project, as described in Section 30917, and the state toll bridge seismic retrofit program, as described in Section 188.5.

(d) Expenses incurred by the department, the authority, and the California Transportation Commission for costs directly related to duties required by this section, Section 30952, and Section 30952.05 shall be

reimbursed by toll revenue collected pursuant to Section 30916, 31010, or 31011.

(e) The Toll Bridge Program Oversight Committee is not a state body as that term is defined in Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 9. Section 30952.2 is added to the Streets and Highways Code, to read:

30952.2. (a) The department shall provide monthly reports to the Toll Bridge Program Oversight Committee, including, but not limited to, the construction status, actual expenditures, and forecasted costs and schedules for the Benicia-Martinez Bridge construction project and the state toll bridge seismic retrofit program projects.

(b) (1) Commencing August 15, 2005, and quarterly thereafter until completion of all applicable projects, the Toll Bridge Program Oversight Committee shall provide quarterly reports within 45 days of the end of each quarter to the transportation and fiscal committees of both houses of the Legislature and the California Transportation Commission for the toll bridge seismic retrofit program in subdivision (a) of Section 188.5.

(2) The report shall include details of each toll bridge seismic retrofit project and all information necessary to clearly describe the status of the project, including, but not limited to, all of the following:

(A) A progress report.

(B) The baseline budget for capital and capital outlay support costs for the revised program cost estimate, as described in Section 188.6.

(C) The current or projected budget for capital and capital outlay support costs.

(D) Expenditures to date for capital and capital outlay support costs.

(E) A comparison of the current or projected schedule and the baseline schedule that was assumed.

(F) A summary of milestones achieved during the quarterly period and any issues identified and actions taken to address those issues.

(G) A summary of the expenses incurred by the Toll Bridge Program Oversight Committee to perform the duties required by Sections 30952.05 and 30952.1.

(H) A summary of the expenses incurred by the department pursuant to Section 30952.3.

(3) The report described in paragraph (1) shall also include a programwide summary of the program's budget status for capital and capital outlay support costs.

SEC. 10. Section 30952.3 is added to the Streets and Highways Code, to read:

30952.3. Notwithstanding any other provision of law, the department may, from the resources provided in Sections 188.5 and 188.6, include

incentives and disincentives, or both, to maximize the number of bidders participating in a bid process relative to toll bridge seismic retrofit and replacement projects, and to encourage the timely and thorough completion of contracts awarded for those projects.

SEC. 11. Section 30953 of the Streets and Highways Code is amended to read:

30953. Toll revenues and all other income derived from bridges pursuant to Chapter 4 (commencing with Section 30910) shall be deposited in the Bay Area Toll Account, which is hereby created.

SEC. 12. Section 30954 is added to the Streets and Highways Code, to read:

30954. At such time as obligations of the California Infrastructure and Economic Development Bank secured by the seismic retrofit surcharge imposed under subdivision (a) of Section 31010 are no longer outstanding, as that term is defined in the constituent instruments defining the rights of the holders of those obligations, all revenues, interest earned, and existing fund balances in the Toll Bridge Seismic Retrofit Account shall be transferred to the authority for deposit in the Bay Area Toll Account.

SEC. 13. Section 30961 of the Streets and Highways Code is amended to read:

30961. Toll bridge revenue bonds shall be issued pursuant to a resolution adopted at any time, and from time to time, by the authority by a majority vote of all members of the authority.

(a) The authority may from time to time issue bonds in accordance with the Revenue Bond Law of 1941 (Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the Government Code), for the purpose of constructing, improving, or equipping any of the bridges or for any of the purposes authorized by this chapter, Chapter 4 (commencing with Section 30910), or Chapter 4.5 (commencing with Section 31000). Operation of the bridges or any grouping or units thereof shall constitute an "enterprise" within the meaning of Section 54309 of the Government Code, and the authority shall constitute a "local agency" within the meaning of Section 54307 of the Government Code. Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the Government Code shall not apply to the issuance and sale of bonds pursuant to this chapter. Instead, the authority shall authorize the issuance of bonds by resolution, and that resolution shall specify all of the following:

- (1) The purposes for which the bonds are to be issued.
- (2) The maximum principal amount of the bonds.
- (3) The maximum term for the bonds or commercial paper.

(4) The maximum rate of interest to be payable upon the bonds or commercial paper. That interest rate shall not exceed the maximum rate specified in Section 53531 of the Government Code. The rate may be either fixed or variable and shall be payable at the times and in the manner specified in the resolution.

(b) The authority shall keep full and complete accounts for toll revenues and expenses of the toll bridges and shall annually prepare balance sheets showing the financial condition of the entire toll bridge enterprise as well as toll revenues and operating costs for each toll bridge. The accounts and related reports shall be maintained and prepared in accordance with generally accepted accounting practices and shall be subject to an annual audit conducted by an independent certified public accountancy firm licensed to practice in the state.

(c) The authority may issue toll bridge revenue bonds to provide the department with sufficient funds to combine with the unspent proceeds of outstanding obligations of the California Infrastructure and Economic Development Bank under Chapter 4.6 (commencing with Section 31070) to establish that those obligations are no longer outstanding, as that term is defined in the constituent instruments defining the rights of the holders of those obligations.

(d) As and when requested by the authority, the department and the California Infrastructure and Economic Development Bank shall take all actions necessary or appropriate to promptly establish that obligations of the bank under Chapter 4.6 (commencing with Section 31070) are no longer outstanding and to effect the consolidation of toll revenues in accordance with Section 188.6.

SEC. 14. Section 30961.1 is added to the Streets and Highways Code, to read:

30961.1. Not later than December 31, 2005, the California Transportation Commission, in consultation with the department and the authority, shall adopt a schedule for the payment of the remaining state contributions identified in Sections 188.5 and 188.6 for the toll bridge seismic retrofit and replacement projects identified in Section 188.5. The schedule shall include the timing and sources of the state contributions to the state toll bridge seismic retrofit and replacement program. The schedule shall provide for the state contributions to be made available for expenditure commencing in the fiscal year 2005–06, and in a manner that distributes the state contributions over the years during which construction of the toll bridge seismic retrofit and replacement program occurs and ensures that the state contributions are made in a manner that provides a timely balance between those sources and the contribution from toll revenues. The schedule shall include and make available for expenditure, the state contribution identified in

subparagraph (B) of paragraph (8) of subdivision (b) of Section 188.5 commencing in fiscal year 2008–09, and shall distribute it over that fiscal year and each of the fiscal years during which construction of the state toll bridge seismic retrofit and replacement program occurs. The California Transportation Commission, in consultation with the department and the authority, may update and revise the schedule as it determines is necessary.

SEC. 15. Section 31010 of the Streets and Highways Code is amended to read:

31010. (a) There is hereby imposed a seismic retrofit surcharge equal to one dollar (\$1) per vehicle for passage on the Bay Area state-owned toll bridges, except for vehicles that are authorized toll-free passage on these bridges.

(b) Funds generated pursuant to subdivision (a) that are in excess of those needed to meet the toll commitment as specified by paragraph (4) of subdivision (b) of Section 188.5 shall be available to the authority for funding, consistent with Sections 30913 and 30914, the purposes and projects described in those sections.

(c) Except as provided in subdivision (d), funds generated pursuant to subdivision (a) shall be paid to the authority directly and deposited in the Bay Area Toll Account pursuant to Section 30950.2 and shall constitute revenues of the tolls imposed on the bridges described in Section 30910 for all purposes of Chapter 4.3 (commencing with Section 30950).

(d) Funds generated pursuant to subdivision (a) shall be used exclusively to repay obligations issued by the California Infrastructure and Economic Development Bank and secured by the surcharge imposed by subdivision (a) until they are no longer outstanding, as that term is defined in the constituent instruments defining the rights of the holders of those obligations. This subdivision shall become inoperative when the obligations are no longer outstanding, as that term is defined in the constituent instruments defining the rights of the holders of those obligations.

(e) The department may increase the amount of the seismic retrofit surcharge identified in subdivision (a) for debt service purposes only on the obligations issued by the California Infrastructure and Economic Development Bank under Chapter 4.6 (commencing with Section 31070) and only for as long as those obligations are outstanding, as that term is defined in the constituent instruments defining the rights of the holders of those obligations, if circumstances exist that have resulted in a reduction in the funds generated by subdivision (a) so as to jeopardize the payment of debt service on those obligations. This subdivision shall

become inoperative when those obligations are no longer outstanding due to their retirement or defeasance.

SEC. 16. Section 31011 is added to the Streets and Highways Code, to read:

31011. (a) The authority may increase the amount of the surcharge described in Section 31010 for the purpose of completing the state toll bridge seismic program described in Section 188.5 and to meet its obligations under the act adding this section in the 2005–06 Regular Session. No increase shall be made effective prior to January 1, 2007.

(b) Notwithstanding any other provision of law, revenues generated by an increase imposed pursuant to this section shall be deposited in the Bay Area Toll Account.

(c) The authority shall hold at least two public meetings at least 45 days before taking any action pursuant to subdivision (a) to increase the amount of the surcharge.

(d) The authority may reduce the amount of the surcharge described in subdivision (a) to encourage electronic toll payment.

SEC. 17. Section 31020 of the Streets and Highways Code is repealed.

SEC. 18. Section 31020 is added to the Streets and Highways Code, to read:

31020. Notwithstanding Section 30953, as amended by the act adding this section in the 2005–06 Regular Session, revenue generated from the seismic retrofit surcharge imposed pursuant to subdivision (a) of Section 31010 shall be deposited in the account until obligations secured by that seismic retrofit surcharge and issued by the California Infrastructure and Economic Development Bank under Chapter 4.6 (commencing with Section 31070) are no longer outstanding as that term is defined in the constituent instruments defining the rights of the holders of those obligations. After obligations of the bank secured by toll funds are no longer outstanding, all toll revenues generated from bridges in the geographic jurisdiction of the Metropolitan Transportation Commission shall be deposited in the Bay Area Toll Account.

SEC. 19. Section 31021 is added to the Streets and Highways Code, to read:

31021. Projects in the state toll bridge seismic retrofit and replacement program described in Section 188.5 are not subject to administrative overhead cost assessments by the department because they are within the duties described in Section 30952.

SEC. 20. Section 182.2 is added to the Streets and Highways Code, to read:

182.2. Notwithstanding any other provision of law, toll bridge seismic retrofit and replacement projects described in Section 188.5 shall continue to be governed by the provisions of former Article 4.9 (commencing

with Section 180), as added by Chapter 15 of the Statutes of 1994 and subsequently amended, as that article read on January 1, 2005, other than former Section 180.7 relative to repeal. This section shall become inoperative when all toll bridge seismic retrofit and replacement projects described in Section 188.5 are complete.

SEC. 21. 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.

SEC. 22. 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. 23. 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 financing necessary to complete the state-owned toll bridge seismic retrofit and replacement program as quickly as possible, it is necessary that this act take effect immediately.

CHAPTER 72

An act to amend Sections 13304, 15151, and 15375 of the Elections Code, to amend Sections 17556, 17581, 17581.5, and 17617 of, to add Section 3313 to, and to repeal and add Sections 54954.2 and 54957.1 of, the Government Code, and to repeal Section 33672.7 of the Health and Safety Code, relating to state mandates, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 2005. Filed with
Secretary of State July 19, 2005.]

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

SECTION 1. It is the intent of the Legislature in amending Section 13304 of the Elections Code to relieve local governments of the reimbursable state mandate to provide handicapped voter access information imposed by Chapter 494 of the Statutes of 1979. Since the passage of that chapter, other state and federal laws have been enacted

to provide expanded rights to disabled voters. However, local elections officials may, at their option, continue to provide the information required by Chapter 494 of the Statutes of 1979.

SEC. 2. Section 13304 of the Elections Code is amended to read:

13304. The notice of the polling place which is sent to each voter as provided in Section 13303 may, at the option of the local elections official, inform the voter as to whether the polling place is accessible to the physically handicapped. In addition, this notice may inform the voter of his or her rights under Section 14282, if applicable.

SEC. 3. It is the intent of the Legislature in amending Sections 15151 and 15375 of the Elections Code to repeal, pursuant to Section 6 of Article XIII B of the California Constitution, the presidential primaries reimbursable state mandate imposed by Chapter 18 of the Statutes of 1999.

SEC. 4. Section 15151 of the Elections Code is amended to read:

15151. (a) The elections official shall transmit the semifinal official results to the Secretary of State in the manner and according to the schedule prescribed by the Secretary of State prior to each election, for the following:

- (1) All candidates voted for statewide office.
- (2) All candidates voted for the following offices:
 - (A) State Assembly.
 - (B) State Senate.
 - (C) Member of the United States House of Representatives.
 - (D) Member of the State Board of Equalization.
 - (E) Justice of the Court of Appeals.
- (3) All persons voted for at the presidential primary or for electors of President and Vice President of the United States.
- (4) Statewide ballot measures.

(b) The elections official shall transmit the results to the Secretary of State at intervals no greater than two hours, following commencement of the semifinal official canvass.

SEC. 5. Section 15375 of the Elections Code is amended to read:

15375. The elections official shall send to the Secretary of State within 35 days of the election in the manner requested one complete copy of all results as to all of the following:

- (a) All candidates voted for statewide office.
- (b) All candidates voted for the following offices:
 - (1) Member of the Assembly.
 - (2) Member of the Senate.
 - (3) Member of the United States House of Representatives.
 - (4) Member of the State Board of Equalization.
 - (5) Justice of the Court of Appeal.

- (6) Judge of the superior court.
- (7) Judge of the municipal court.
- (c) All persons voted for at the presidential primary. The results for all persons voted for at the presidential primary for delegates to national conventions shall be canvassed and shall be sent within 28 days after the election.

(d) The vote given for persons for electors of President and Vice President of the United States. The results for presidential electors shall be endorsed "Presidential Election Returns."

- (e) All statewide measures.

SEC. 6. Section 3313 is added to the Government Code, to read:

3313. In the 2005–06 fiscal year, the Commission on State Mandates shall review its statement of decision regarding the Peace Officer Procedural Bill of Rights test claim and make any modifications necessary to this decision to clarify whether the subject legislation imposed a mandate consistent with the California Supreme Court Decision in *San Diego Unified School Dist. v. Commission on State Mandates* (2004) 33 Cal.4th 859 and other applicable court decisions. If the Commission on State Mandates revises its statement of decision regarding the Peace Officer Procedural Bill of Rights test claim, the revised decision shall apply to local government Peace Officer Procedural Bill of Rights activities occurring after the date the revised decision is adopted.

SEC. 7. Section 17556 of the Government Code is amended to read:

17556. The commission shall not find costs mandated by the state, as defined in Section 17514, in any claim submitted by a local agency or school district, if, after a hearing, the commission finds that:

(a) The claim is submitted by a local agency or school district that requested legislative authority for that local agency or school district to implement the program specified in the statute, and that statute imposes costs upon that local agency or school district requesting the legislative authority. A resolution from the governing body or a letter from a delegated representative of the governing body of a local agency or school district that requests authorization for that local agency or school district to implement a given program shall constitute a request within the meaning of this paragraph.

(b) The statute or executive order affirmed for the state a mandate that had been declared existing law or regulation by action of the courts.

(c) The statute or executive order imposes a requirement that is mandated by a federal law or regulation and results in costs mandated by the federal government, unless the statute or executive order mandates costs that exceed the mandate in that federal law or regulation. This subdivision applies regardless of whether the federal law or regulation

was enacted or adopted prior to or after the date on which the state statute or executive order was enacted or issued.

(d) The local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the mandated program or increased level of service.

(e) The statute, executive order, or an appropriation in a Budget Act or other bill provides for offsetting savings to local agencies or school districts that result in no net costs to the local agencies or school districts, or includes additional revenue that was specifically intended to fund the costs of the state mandate in an amount sufficient to fund the cost of the state mandate.

(f) The statute or executive order imposes duties that are necessary to implement, reasonably within the scope of, or expressly included in a ballot measure approved by the voters in a statewide or local election. This subdivision applies regardless of whether the statute or executive order was enacted or adopted before or after the date on which the ballot measure was approved by the voters.

(g) The statute created a new crime or infraction, eliminated a crime or infraction, or changed the penalty for a crime or infraction, but only for that portion of the statute relating directly to the enforcement of the crime or infraction.

SEC. 8. Section 17581 of the Government Code is amended to read:

17581. (a) No local agency shall be required to implement or give effect to any statute or executive order, or portion thereof, during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

(1) The statute or executive order, or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of local agencies pursuant to Section 6 of Article XIII B of the California Constitution.

(2) The statute or executive order, or portion thereof, or the commission's test claim number, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements.

(b) Notwithstanding any other provision of law, if a local agency elects to implement or give effect to a statute or executive order described

in subdivision (a), the local agency may assess fees to persons or entities which benefit from the statute or executive order. Any fee assessed pursuant to this subdivision shall not exceed the costs reasonably borne by the local agency.

(c) This section shall not apply to any state-mandated local program for the trial courts, as specified in Section 77203.

(d) This section shall not apply to any state-mandated local program for which the reimbursement funding counts toward the minimum General Fund requirements of Section 8 of Article XVI of the Constitution.

SEC. 9. Section 17581.5 of the Government Code is amended to read:

17581.5. (a) A school district may not be required to implement or give effect to the statutes, or portion thereof, identified in subdivision (b) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

(1) The statute or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of school districts pursuant to Section 6 of Article XIII B of the California Constitution.

(2) The statute, or portion thereof, or the commission's test claim number, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements.

(b) This section applies only to the following mandates:

(1) The School Bus Safety I (CSM-4433) and II (97-TC-22) mandates (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997).

(2) The School Crimes Reporting II mandate (97-TC-03; and Chapter 759 of the Statutes of 1992 and Chapter 410 of the Statutes of 1995).

(3) Investment reports (96-358-02; and Chapter 783 of the Statutes of 1995 and Chapters 156 and 749 of the Statutes of 1996).

(4) County treasury oversight committees (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).

SEC. 10. Section 17617 of the Government Code is amended to read:

17617. The total amount due to each city, county, city and county, and special district, for which the state has determined that reimbursement

is required under paragraph (2) of subdivision (b) of Section 6 of Article XIII B of the California Constitution, shall be appropriated for payment to these entities over a period of not more than 15 years, commencing with the Budget Act for the 2006–07 fiscal year and concluding with the Budget Act for the 2020–21 fiscal year.

SEC. 11. Section 54954.2 of the Government Code is repealed.

SEC. 12. Section 54954.2 is added to the Government Code, to read:

54954.2. (a) (1) At least 72 hours before a regular meeting, the legislative body of the local agency, or its designee, shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. A brief general description of an item generally need not exceed 20 words. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public. If requested, the agenda shall be made available in appropriate alternative formats to persons with a disability, as required by Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and the federal rules and regulations adopted in implementation thereof. The agenda shall include information regarding how, to whom, and when a request for disability related modification or accommodation, including auxiliary aids or services may be made by a person with a disability who requires a modification or accommodation in order to participate in the public meeting.

(2) No action or discussion shall be undertaken on any item not appearing on the posted agenda, except that members of a legislative body or its staff may briefly respond to statements made or questions posed by persons exercising their public testimony rights under Section 54954.3. In addition, on their own initiative or in response to questions posed by the public, a member of a legislative body or its staff may ask a question for clarification, make a brief announcement, or make a brief report on his or her own activities. Furthermore, a member of a legislative body, or the body itself, subject to rules or procedures of the legislative body, may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter, or take action to direct staff to place a matter of business on a future agenda.

(b) Notwithstanding subdivision (a), the legislative body may take action on items of business not appearing on the posted agenda under any of the conditions stated below. Prior to discussing any item pursuant to this subdivision, the legislative body shall publicly identify the item.

(1) Upon a determination by a majority vote of the legislative body that an emergency situation exists, as defined in Section 54956.5.

(2) Upon a determination by a two-thirds vote of the members of the legislative body present at the meeting, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted as specified in subdivision (a).

(3) The item was posted pursuant to subdivision (a) for a prior meeting of the legislative body occurring not more than five calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which action is being taken.

(c) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

SEC. 13. Section 54957.1 of the Government Code is repealed.

SEC. 14. Section 54957.1 is added to the Government Code, to read:

54957.1. (a) The legislative body of any local agency shall publicly report any action taken in closed session and the vote or abstention of every member present thereon, as follows:

(1) Approval of an agreement concluding real estate negotiations pursuant to Section 54956.8 shall be reported after the agreement is final, as specified below:

(A) If its own approval renders the agreement final, the body shall report that approval and the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with the other party to the negotiations, the local agency shall disclose the fact of that approval and the substance of the agreement upon inquiry by any person, as soon as the other party or its agent has informed the local agency of its approval.

(2) Approval given to its legal counsel to defend, or seek or refrain from seeking appellate review or relief, or to enter as an amicus curiae in any form of litigation as the result of a consultation under Section 54956.9 shall be reported in open session at the public meeting during which the closed session is held. The report shall identify, if known, the adverse party or parties and the substance of the litigation. In the case of approval given to initiate or intervene in an action, the announcement need not identify the action, the defendants, or other particulars, but shall specify that the direction to initiate or intervene in an action has been given and that the action, the defendants, and the other particulars shall, once formally commenced, be disclosed to any person upon inquiry, unless to do so would jeopardize the agency's ability to effectuate service of process on one or more unserved parties, or that to do so would jeopardize its ability to conclude existing settlement negotiations to its advantage.

(3) Approval given to its legal counsel of a settlement of pending litigation, as defined in Section 54956.9, at any stage prior to or during a judicial or quasi-judicial proceeding shall be reported after the settlement is final, as specified below:

(A) If the legislative body accepts a settlement offer signed by the opposing party, the body shall report its acceptance and identify the substance of the agreement in open session at the public meeting during which the closed session is held.

(B) If final approval rests with some other party to the litigation or with the court, then as soon as the settlement becomes final, and upon inquiry by any person, the local agency shall disclose the fact of that approval, and identify the substance of the agreement.

(4) Disposition reached as to claims discussed in closed session pursuant to Section 54956.95 shall be reported as soon as reached in a manner that identifies the name of the claimant, the name of the local agency claimed against, the substance of the claim, and any monetary amount approved for payment and agreed upon by the claimant.

(5) Action taken to appoint, employ, dismiss, accept the resignation of, or otherwise affect the employment status of a public employee in closed session pursuant to Section 54957 shall be reported at the public meeting during which the closed session is held. Any report required by this paragraph shall identify the title of the position. The general requirement of this paragraph notwithstanding, the report of a dismissal or of the nonrenewal of an employment contract shall be deferred until the first public meeting following the exhaustion of administrative remedies, if any.

(6) Approval of an agreement concluding labor negotiations with represented employees pursuant to Section 54957.6 shall be reported after the agreement is final and has been accepted or ratified by the other party. The report shall identify the item approved and the other party or parties to the negotiation.

(7) Pension fund investment transaction decisions made pursuant to Section 54956.81 shall be disclosed at the first open meeting of the legislative body held after the earlier of the close of the investment transaction or the transfer of pension fund assets for the investment transaction.

(b) Reports that are required to be made pursuant to this section may be made orally or in writing. The legislative body shall provide to any person who has submitted a written request to the legislative body within 24 hours of the posting of the agenda, or to any person who has made a standing request for all documentation as part of a request for notice of meetings pursuant to Section 54954.1 or 54956, if the requester is present at the time the closed session ends, copies of any contracts, settlement

agreements, or other documents that were finally approved or adopted in the closed session. If the action taken results in one or more substantive amendments to the related documents requiring retyping, the documents need not be released until the retyping is completed during normal business hours, provided that the presiding officer of the legislative body or his or her designee orally summarizes the substance of the amendments for the benefit of the document requester or any other person present and requesting the information.

(c) The documentation referred to in paragraph (b) shall be available to any person on the next business day following the meeting in which the action referred to is taken or, in the case of substantial amendments, when any necessary retyping is complete.

(d) Nothing in this section shall be construed to require that the legislative body approve actions not otherwise subject to legislative body approval.

(e) No action for injury to a reputational, liberty, or other personal interest may be commenced by or on behalf of any employee or former employee with respect to whom a disclosure is made by a legislative body in an effort to comply with this section.

(f) This section is necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

SEC. 15. Section 33672.7 of the Health and Safety Code is repealed.

SEC. 16. The Legislature finds and declares that Sections 54954.2 and 54957.1 of the Government Code are necessary to implement and reasonably within the scope of paragraph (1) of subdivision (b) of Section 3 of Article I of the California Constitution.

SEC. 17. (a) Notwithstanding any other provision of law, the Commission on State Mandates, no later than June 30, 2006, shall reconsider its test claim statement of decision in CSM-4202 on the Mandate Reimbursement Program to determine whether Chapter 486 of the Statutes of 1975 and Chapter 1459 of the Statutes of 1984 constitute a reimbursable mandate under Section 6 of Article XIII B of the California Constitution in light of federal and state statutes enacted and federal and state court decisions rendered since these statutes were enacted. If a new test claim is filed on Chapter 890 of the Statutes of 2004, the commission shall, if practicable, hear and determine the new test claim at the same time as the reconsideration of CSM-4202. The commission, if necessary, shall revise its parameters and guidelines in CSM-4485 to be consistent with this reconsideration and, if practicable, shall include a reasonable reimbursement methodology as defined in Section 17518.5 of the Government Code. If the parameters and guidelines are revised, the Controller shall revise the appropriate claiming

instructions to be consistent with the revised parameters and guidelines. Any changes by the commission to the original statement of decision in CSM-4202 shall be deemed effective on July 1, 2006.

(b) Notwithstanding any other provision of law, the Commission on State Mandates shall set-aside all decisions, reconsiderations, and parameters and guidelines on the Open Meetings Act (CSM-4257) and Brown Act Reform (CSM-4469) test claims. The operative date of these actions shall be the effective date of this act. In addition, the Commission on State Mandates shall amend the appropriate parameters and guidelines, and the Controller shall revise the appropriate reimbursement claiming instructions, as necessary to be consistent with any other provisions of this act.

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 make the necessary statutory changes to implement the Budget Act of 2005 at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 73

An act to amend Sections 2558.46, 8484.7, 8484.8, 41203.1, 42238.146, 44219, 44227, 44244, 52055.600, 52055.605, 52055.610, 52055.650, 52058, 56504.5, 56836.11, 56836.155, 56836.165, and 69522 of, to add Sections 44242.3 and 84754.5 to, and to add Article 5.6 (commencing with Section 69616) to Chapter 2 of Part 42 of, the Education Code, to amend Section 17581.5 of the Government Code, to amend Section 1529.2 of the Health and Safety Code, to amend Section 270 of the Public Utilities Code, and to amend Section 903.7 of the Welfare and Institutions Code, relating to education finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 2005. Filed with
Secretary of State July 19, 2005.]

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

SECTION 1. Section 2558.46 of the Education Code is amended to read:

2558.46. (a) (1) For the 2003-04 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 1.195 percent deficit factor.

(2) For the 2004-05 fiscal year, the revenue limit for each county superintendent of schools determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003-04 and 2004-05 fiscal years, the revenue limit for each county superintendent of schools determined pursuant to this article shall be further reduced by a 1.826 percent deficit factor.

(4) For the 2005-06 and 2006-07 fiscal years, the revenue limit for each county superintendent of schools determined pursuant to this article shall be further reduced by a 0.901 percent deficit factor.

(b) In computing the revenue limit for each county superintendent of schools for the 2007-08 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that county superintendent of schools had been determined for the 2003-04, 2004-05, 2005-06, and 2006-07 fiscal years without being reduced by the deficit factors specified in this section.

SEC. 2. Section 8484.7 of the Education Code is amended to read:

8484.7. It is the intent of the Legislature that the 21st Century Community Learning Centers program contained within the federal No Child Left Behind Act of 2001 (P.L. 107-110) complement the After School Education and Safety Program established by Article 22.5 (commencing with Section 8482) to provide the local flexibility needed to implement federal 21st Century Community Learning Centers programs through direct grants as specified in this article.

SEC. 3. Section 8484.8 of the Education Code is amended to read:

8484.8. In accordance with Part B of Title IV of the federal No Child Left Behind Act of 2001 (P.L. 107-110), of the funds appropriated in Item 6110-197-0890 of Section 2.00 of the Budget Act of 2002, funds shall be available for expenditure as follows:

(a) The amount of one million dollars (\$1,000,000) shall be available to the department for purposes of providing technical assistance, evaluation and training services, for carrying out programs related to 21st Century Community Learning Center programs.

(b) (1) An amount of up to three million five hundred thousand dollars (\$3,500,000) shall be available for direct grants, in an amount not to exceed twenty-five thousand dollars (\$25,000) per site, per year, for community learning center programs that serve middle and elementary school pupils for providing equitable access to, and participation in, community learning center programs, according to needs determined by the local community.

(2) The department shall determine the requirements for eligibility for a grant under this subdivision, consistent with the following:

(A) Consistent with the local partnership approach inherent in Article 22.5 (commencing with Section 8482), grants awarded under this subdivision shall provide supplemental assistance to programs. It is not intended that a grant fund the full anticipated costs of the services provided by a community learning center program.

(B) In determining the need for a grant pursuant to this subdivision, the department shall base its determination on a needs assessment and a determination that existing resources are not available to meet these needs, including, but not limited to, a description of how the needs, strengths, and resources of the community have been assessed, currently available resources, and the justification for additional resources for that purpose.

(C) The department shall award grants for a specific purpose, as justified by the applicant.

(3) To be eligible to receive a grant under this subdivision, the designated public agency representative for the applicant shall certify that an annual fiscal audit will be conducted and that adequate, accurate records will be kept. In addition, each applicant shall provide the department with the assurance that funds received under this subdivision are expended only for those services and supports for which they are granted. The department shall require grant recipients to submit annual budget reports, and the department shall have the authority to withhold funds in subsequent years if direct grant funds are expended for purposes other than as awarded.

(c) Up to one million dollars (\$1,000,000) shall be available for direct grants of up to twenty thousand dollars (\$20,000) per site, per year, for providing family literacy services only to those schoolsites that identify such a need for families of 21st Century Community Learning Center program pupils, and that demonstrate a fiscal hardship by certifying that existing resources including, but not limited to, funding for Title III of the No Child Left Behind Act of 2001 (P.L. 107-110), Chapter 3 (commencing with Section 300) of Part 1, adult education, community college, and the federal Even Start Program are not available or are insufficient to serve these families. An assurance that the funds received under this subdivision are expended only for those services and supports for which they were granted shall be required.

(d) Of the remaining funds in Item 6110-197-0890 of Section 2.00 of the Budget Act of 2002, two million five hundred thousand dollars (\$2,500,000) shall be allocated on a priority basis for grants to community learning center programs serving high school pupils, and the remainder

of this amount shall be allocated on a priority basis for programs for middle and elementary school pupils.

(e) Grant awards under this section shall be restricted to those applications that propose primarily to serve pupils that attend schoolwide programs, as described in Title I of the No Child Left Behind Act of 2001. Competitive priority shall be given to applications that propose to serve children and youth in schools designated as being in need of improvement under subsection (b) of Section 6316 of Title 20 of the United States Code, and that are jointly submitted by school districts and community-based organizations. Applications to serve pupils in programs that have received grants under Article 22.5 (commencing with Section 8482) shall be funded only when proposing to expand in additional sites or to add pupils to a currently funded site.

(f) (1) Core funding grants for programs serving middle and elementary school pupils in before and after school programs shall be 150 percent of the per pupil rates and maximum grant amounts established pursuant to Sections 8483.7 and 8483.75 for similar state funded programs.

(2) Funding for each grant shall be allocated in annual increments for a period not to exceed five years.

(3) (A) Up to 15 percent of the initial annual grant amount for each core grant recipient may be utilized for start-up costs, which funding need not be based on pupil attendance.

(B) In addition to the amount described in subparagraph (A), up to 15 percent of each annual grant amount for each core grant recipient may be utilized for administrative costs, which funding need not be based on pupil attendance.

(C) Under no circumstance shall funding for start-up or administrative costs result in an increase in the grant recipient's total funding above the approved grant amount.

(4) Each grantee shall identify the federal, state, and local programs that will be combined or coordinated with the proposed program for the most effective use of public resources, and to describe a plan for continuing the program beyond federal grant funding. Grantees shall submit annual attendance data and results to facilitate evaluation and compliance with provisions established by the department. Programs receiving grants under this subdivision are not assured of grant renewal from future state or federal funding at the conclusion of the grant period.

(g) A total annual grant award for core funding and direct grants for a site serving elementary or middle school pupils shall be fifty thousand dollars (\$50,000) per year or more, consistent with federal requirements.

(h) Grants for programs serving high school pupils at schoolsites or sites of other organizations, as determined to be eligible by the

department and consistent with the provisions of the 21st Century Community Learning Centers program, shall be available as an annual minimum grant of fifty thousand dollars (\$50,000) per year. Grant funding above the minimum shall be determined in proportion to the average daily attendance of the high school program site or sites to be served and other factors including, but not limited to, proposed attendance and effective use of resources as determined by the department up to two hundred and fifty thousand dollars (\$250,000) per year for five years. A grantee that establishes a high school program pursuant to this subdivision shall be subject to annual reporting and recertification as required by the department. After the second year, the department shall reduce funding of programs in which actual attendance is significantly below proposed attendance levels. An evaluation of the program funded pursuant to this subdivision shall be submitted no later than 180 days after the completion of the second year of the program. The department shall provide the results of that evaluation and work with the Legislature, the Department of Finance, program providers, and other interested parties to adopt or restructure a high school after school program for California that is both programmatically and fiscally sound. Grantees shall be eligible for fourth and fifth year funding consistent with the restructured requirements. Each grantee shall be required to identify the federal, state, and local programs that will be combined or coordinated with the proposed program for the most effective use of public resources and to describe a plan for continuing the program beyond federal grant funding. Grantees shall be required to submit annual attendance data results to facilitate evaluation and compliance with provisions established by the department. Programs receiving grants under this subdivision are not assured of grant renewal from future state or federal funding at the conclusion of the grant period.

(i) Funds received but unexpended under this article may be carried forward to subsequent years consistent with federal requirements. In year one, the full grant may be retained.

(j) This article shall be operative only to the extent that federal funds are made available for the purposes of this article. It is the intent of the Legislature that this article not be considered a precedent for general fund augmentation of either the state administered, federally funded program of this article, or any other state funded before or after school program.

SEC. 4. Section 41203.1 of the Education Code is amended to read:

41203.1. (a) For the 1990-91 fiscal year and each fiscal year thereafter, allocations calculated pursuant to Section 41203 shall be distributed in accordance with calculations provided in this section. Notwithstanding Section 41203, and for the purposes of this section,

school districts, community college districts, and direct elementary and secondary level instructional services provided by the State of California shall be regarded as separate segments of public education, and each of these three segments of public education shall be entitled to receive respective shares of the amount calculated pursuant to Section 41203 as though the calculation made pursuant to subdivision (b) of Section 8 of Article XVI of the California Constitution were to be applied separately to each segment and the base year for the purposes of this calculation under paragraph (1) of subdivision (b) of Section 8 of Article XVI of the California Constitution were based on the 1989–90 fiscal year. Calculations made pursuant to this subdivision shall be made so that each segment of public education is entitled to the greater of the amounts calculated for that segment pursuant to paragraph (1) or (2) of subdivision (b) of Section 8 of Article XVI of the California Constitution.

(b) If the single calculation made pursuant to Section 41203 yields a guaranteed amount of funding that is less than the sum of the amounts calculated pursuant to subdivision (a), then the amount calculated pursuant to Section 41203 shall be prorated for the three segments of public education.

(c) Notwithstanding any other law, this section does not apply to the 1992-93 to 2005-06 fiscal years, inclusive.

SEC. 5. Section 42238.146 of the Education Code is amended to read:

42238.146. (a) (1) For the 2003-04 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 1.198 percent deficit factor.

(2) For the 2004-05 fiscal year, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.323 percent deficit factor.

(3) For the 2003-04 and 2004-05 fiscal years, the revenue limit for each school district determined pursuant to this article shall be further reduced by a 1.826 percent deficit factor.

(4) For the 2005-06 and 2006-07 fiscal years, the revenue limit for each school district determined pursuant to this article shall be reduced by a 0.909 percent deficit factor.

(b) In computing the revenue limit for each school district for the 2007-08 fiscal year pursuant to this article, the revenue limit shall be determined as if the revenue limit for that school district had been determined for the 2003-04, 2004-05, 2005-06, and 2006-07 fiscal years without being reduced by the deficit factors specified in this section.

SEC. 6. Section 44219 of the Education Code is amended to read:

44219. The commission shall meet as deemed appropriate and necessary by the chairperson and the executive committee to accomplish its duties, but shall meet no fewer than once each quarter of the year.

In order that any allegation of misconduct and the effect thereof, if any, upon the application or credential of a certified employee are determined, as required by subdivision (b) of Section 44244, no later than six months after an investigation is commenced, the commission or the Committee of Credentials shall meet more frequently than once each quarter, if possible.

SEC. 7. Section 44227 of the Education Code is amended to read:

44227. (a) The commission may approve any institution of higher education to recommend to the commission the issuance of credentials to persons who have successfully completed a teacher education program of the institution if the program meets the standards approved by the commission.

(b) An institution of higher education whose teacher education program has been accredited by the commission shall approve and electronically submit credential applications to the commission, and the commission shall grant credentials to these applicants based upon that approval.

(c) Notwithstanding any provision of law to the contrary, the commission may approve for credit any coursework completed for credential purposes or for step increases in programs offered in California by out-of-state institutions of higher education that meet the requirements prescribed by Chapter 7 (commencing with Section 94700) of Part 59 only if the program of courses is offered by a regionally accredited institution and evidence of satisfactory evaluation by that accrediting body is submitted by the out-of-state institution to the commission for purposes of seeking approval of the program and any courses within that program to enable potential teachers to meet one or more requirements for a teaching credential in California.

SEC. 8. Section 44242.3 is added to the Education Code, to read:

44242.3. (a) For purposes of this section, an applicant is defined as an individual who is applying for a credential issued by the commission who has never held a credential or who has not held a credential issued by the commission within four years from the date of submission of the application.

(b) Notwithstanding any other provision of law, an applicant who is subject to investigation by the Committee of Credentials shall receive notice of the investigation and an opportunity to respond to the allegations in writing. A summary of the alleged misconduct and any response from the applicant shall be presented to the Committee of Credentials. The Committee of Credentials shall grant or recommend denial of the

application based on the information discovered during the investigation and the response of the applicant, if any.

(c) If the Committee of Credentials recommends the denial of an application, the applicant may appeal the recommendation pursuant to Section 44244.1.

SEC. 9. Section 44244 of the Education Code is amended to read:

44244. (a) At least 30 days prior to any formal review of the Committee of Credentials at which the application of an applicant or credential of a holder is to be considered, the committee shall notify the applicant or holder of the specific allegations of misconduct that make the application or credential subject to adverse action. The notification shall be in ordinary and concise language and set forth the acts or omissions charged and the statutes or rules violated. Supplemental allegations of misconduct shall be sent to the holder or applicant at least 30 days prior to the formal review. The portions of the investigation of the original or supplemental allegations that constitute the basis for the allegations shall be open to inspection and copying by the holder or applicant and his or her attorney. The statement of the allegations shall inform the applicant or holder that the allegations, if true, are sufficient to cause his or her application or credential to be subject to adverse action.

(b) (1) The formal review shall be held no later than six months after the commencement of the initial review as set forth in subdivision (c) of Section 44242.5. The formal review shall determine either that no adverse action shall be taken or that the allegations are sufficient to cause his or her application or credential to be subject to adverse action.

(2) All testimony before the committee shall be verified under penalty of perjury by oath or affirmation. The chairperson of the committee may administer the oath or affirmation. The chairperson may designate staff to administer the oath or affirmation for statements taken during the investigation of allegations of misconduct.

(c) Notwithstanding subdivision (b), the chairperson of the commission may grant the committee an extension of time, not exceeding six months, when the committee demonstrates that additional time is necessary to complete its investigation or determination, as described in subdivision (b).

(d) The recommendation of the committee shall be in writing and a copy of the recommendation shall be delivered to the credential holder or applicant personally or sent to him or her by mail within 14 days after the formal review, together with specific information relative to any appeal rights to which the credential holder or applicant is entitled.

SEC. 10. 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 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.

(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. 11. Section 52055.605 of the Education Code is amended to read:

52055.605. (a) The Superintendent, 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 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) Notwithstanding any other provision of law, and if funds are available for this purpose, the Superintendent shall invite a second cohort of schools identified pursuant to subdivision (a) to participate in the High Priority Schools Grant Program beginning in the 2005-06 fiscal year. In order to be eligible for funding pursuant to this section, these schools shall not be required to also participate in the Immediate Intervention/Underperforming Schools Grant Program.

(d) 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. Schools that are receiving or have received funding pursuant to Section 52053, 52054.5, or 52055.600 are ineligible to participate in a second cohort of schools funded pursuant to subdivision (c).

(e) 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.

(f) 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.

(g) 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 API 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. 12. Section 52055.610 of the Education Code is amended to read:

52055.610. (a) The Superintendent 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 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 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 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 to the first cohort of schools in 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 for review and approval by May 15, 2002.

(2) The Superintendent 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 department 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 shall be deemed to be adopted and funding for implementation of the action plan shall be allocated.

(3) If the Superintendent 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 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 shall be deemed to be adopted and funding for implementation of the action plan is to be allocated.

(4) A school district may request, and the State Board of Education may waive, the deadlines set forth in this subdivision.

(d) The following deadlines apply for the second cohort of schools in the 2005-06 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 for review and approval by March 15, 2006.

(2) (A) The Superintendent shall make a recommendation to the State Board of Education regarding approval or disapproval of applications and school action plans by June 15, 2006.

(B) The State Board of Education shall approve or disapprove the application and action plan by June 30, 2006. Upon approval by the State Board of Education, the department shall allocate funding to schools for the implementation of the school action plan. If the State Board of Education fails to approve or disapprove the application and school action plan by June 30, 2006, the recommendation of the Superintendent

shall be deemed to be adopted and funding for implementation of the school action plan shall be allocated.

(3) If the Superintendent takes the action specified in subparagraph (B) of paragraph (2) of subdivision (b), the school district shall resubmit the application and school action plan with the clarifications and changes for approval by August 1, 2006, and the Superintendent shall make a recommendation to the State Board of Education regarding approval or disapproval by September 1, 2006. The State Board of Education shall approve or disapprove the application and the school action plan by September 30, 2006. If the school 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 school action plan. If the State Board of Education fails to approve or disapprove the application and school action plan by September 30, 2006, the recommendation of the Superintendent shall be deemed to be adopted and funding for implementation of the school action plan shall be allocated.

(4) A school district may request a waiver of, and the State Board of Education may waive, the deadlines established in this subdivision.

(e) 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.

(f) Notwithstanding the deadlines specified in this section, if funding is made available for this purpose, the State Board of Education may approve additional applications in the 2002-03 and 2003-04 fiscal years from school districts that comply with the requirements of this article.

SEC. 13. 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 Schools Grant Program.

(b) Twenty-four months after receipt of funding for implementation of the action plan pursuant to Sections 52054.5 and 52055.600, 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, 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, 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, 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 law, the Superintendent, 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, 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 shall complete 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 and the 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 and the 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 shall assume all the legal rights, duties, and powers of the governing board with respect to the school. The Superintendent, 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, 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 an additional attendance option is made available, this option may not 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, assign the management of the school to a college, university, county office of education, or other appropriate educational institution. However, the Superintendent 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, 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 may take any action against a principal pursuant to subdivision (e), the Superintendent 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 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.

(j) (1) Notwithstanding subdivision (a), a school participating in the High Priority Schools Grant Program that received a planning grant pursuant to subdivision (f) of Section 52053 in the 1999-2000 fiscal year is eligible to receive funding pursuant to Section 52055.600 in the 2002-03 fiscal year only.

(2) Notwithstanding subdivision (a), a school participating in the High Priority Schools Grant Program that received a planning grant pursuant to subdivision (l) of Section 52053 in the 2000-01 fiscal year is eligible to receive funding pursuant to Section 52055.600 in the 2002-03 and 2003-04 fiscal years only.

(3) Notwithstanding subdivision (a), a school participating in the High Priority Schools Grant Program that received a planning grant pursuant to subdivision (l) of Section 52053 in the 2001-02 fiscal year is eligible to receive funding pursuant to Section 52055.600 in only the 2002-03, 2003-04, and 2004-05 fiscal years.

(k) Notwithstanding the growth target timelines set forth in subdivisions (b), (c), (d), and (e), for a school that receives funds pursuant to Section 52055.600 during the 2002-03 or 2003-04 fiscal year, the growth target deadline for subdivision (b) is December 31, 2004, and

the growth target deadline for subdivisions (c), (d), and (e) is December 31, 2005.

(d) A school that receives funds pursuant to Section 52055.600 during the 2005-06 or 2006-07 fiscal year shall meet the growth target specified in subdivision (b) no later than December 31, 2007, and the growth target specified in subdivisions (c), (d), and (e) no later than December 31, 2008.

SEC. 14. Section 52058 of the Education Code is amended to read:
52058. Each school district with schools participating in the Immediate Intervention/Underperforming Schools Program established pursuant to Section 52053 shall submit to the Superintendent 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.

SEC. 15. Section 56504.5 of the Education Code is amended to read:
56504.5. (a) The department shall enter into an interagency agreement with another state agency or contract with a nonprofit organization or entity to conduct mediation conferences and due process hearings in accordance with Sections 300.506 and 300.508 of Title 34 of the Code of Federal Regulations.

(b) The agency or contractor shall provide hearings and mediations in a manner that is consistent with all applicable federal and state laws and regulations, and any other applicable legal authorities.

(c) The Superintendent shall adopt regulations that establish standards for all of the following components of an interagency agreement or contract entered into pursuant to subdivision (a):

- (1) The training and qualifications for mediators and hearing officers.
- (2) The availability of translators and translated documents.
- (3) Prevention of conflicts of interest for mediators and hearing officers.
- (4) The supervision of mediators and hearing officers.
- (5) Monitoring, tracking, and management of cases.
- (6) The process for conducting mediations and due process hearings.
- (7) Communication with parties to mediations and due process hearings.

(8) The establishment of a committee to advise the agency or contractor with regard to conducting mediations and due process hearings.

(9) The contents of a manual to describe the procedures of the mediation and due process hearing.

(d) (1) An agency or contractor shall collect and provide data in standardized formats, which allow the department to manage and report on all mediation and due process activities in the state. An agency or contractor shall propose the manner in which specific data and information will be collected and transmitted electronically and in writing to the department on a quarterly basis. The reports shall contain data to provide the state with information to comply with federal and state regulations for monitoring local programs. An agency or contractor shall identify applicable data to be collected, analyzed, and formatted including, but not limited to, caseloads, status of cases, and outcomes for mediations and hearings.

(2) The agency or contractor shall, on a quarterly basis, provide the department with information that includes, but is not limited to, all of the following:

(A) Formal complaints: (i) Number of complaints; (ii) number of complaints with findings; (iii) number of complaints with no findings; (iv) number of complaints not investigated, withdrawn, or no jurisdiction; (v) number of complaints completed or addressed within timelines; and (vi) number of complaints pending.

(B) Mediations: (i) Number of mediations not related to hearing requests; (ii) number of mediations related to hearing requests; (iii) number of mediation agreements not related to hearing requests; (iv) number of mediation agreements related to hearing requests; and (v) number of mediations pending.

(C) Due process hearings: (i) Number of hearing requests; (ii) number of hearings held; (iii) number of decisions issued after timelines and extension expired; (iv) number of hearings pending; and (v) number of expedited hearings.

(3) The agency or contractor shall submit hard copies of hearing decision reports to the department and shall administer and upload all redacted reports on a quarterly basis to the hearing decision database of the department. The agency or contractor shall have the ability to provide the department with the costs of hearings and mediations on both an aggregate and individual basis.

SEC. 16. Section 56836.11 of the Education Code is amended to read:

56836.11. (a) For the purpose of computing the equalization adjustment for special education local plan areas for the 1998-99 fiscal year, the Superintendent shall make the following computations to

determine the statewide target amount per unit of average daily attendance for special education local plan areas:

(1) Total the amount of funding computed for each special education local plan area exclusive of the amount of funding computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area, pursuant to Section 56836.09 for the 1997-98 fiscal year.

(2) Total the number of units of average daily attendance reported for each special education local plan area for the 1997-98 fiscal year, exclusive of average daily attendance for absences excused pursuant to subdivision (b) of Section 46010 as that section read on July 1, 1996, and exclusive of the units of average daily attendance computed for the special education local plan area identified as the Los Angeles County Juvenile Court and Community School/Division of Alternative Education Special Education Local Plan Area.

(3) Divide the sum computed in paragraph (1) by the sum computed in paragraph (2) to determine the statewide target amount for the 1997-98 fiscal year.

(4) Add the amount computed in paragraph (3) to the inflation adjustment computed pursuant to subdivision (d) of Section 56836.08 for the 1998-99 fiscal year to determine the statewide target amount for the 1998-99 fiscal year.

(b) Commencing with the 1999-2000 fiscal year and each fiscal year thereafter, to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the incidence multiplier pursuant to Section 56836.155, the Superintendent shall multiply the statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(c) Commencing with the 1999-2000 fiscal year through and including the 2004-05 fiscal year, to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, the Superintendent shall multiply the statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(d) For the 2005-06 fiscal year, the Superintendent shall make the following computation to determine the statewide target amount per unit of average daily attendance to determine the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, as follows:

(1) The 2004-05 fiscal year statewide target amount per unit of average daily attendance less the sum of the 2004-05 fiscal year total amount of federal funds apportioned pursuant to Schedule (1) in Item 6110-161-0890 of Section 2.00 of the Budget Act of 2004 for the purposes of special education for individuals with exceptional needs enrolled in kindergarten and grades 1 to 12, inclusive, divided by the total average daily attendance computed for the 2004-05 fiscal year.

(2) Multiply the amount computed in paragraph (1) by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

(e) Commencing with the 2006-07 fiscal year and each fiscal year thereafter, to determine the statewide target amount per unit of average daily attendance for special education local plan areas for the purpose of computing the inflation adjustment pursuant to paragraph (2) of subdivision (d) of Section 56836.08 and growth pursuant to subdivision (c) of Section 56836.15, the Superintendent shall multiply the statewide target amount per unit of average daily attendance computed for the prior fiscal year pursuant to this section by one plus the inflation factor computed pursuant to subdivision (b) of Section 42238.1 for the fiscal year in which the computation is made.

SEC. 17. Section 56836.155 of the Education Code is amended to read:

56836.155. (a) On or before November 2, 1998, the department, in conjunction with the Office of the Legislative Analyst, shall do the following:

(1) Calculate an "incidence multiplier" for each special education local plan area using the definition, methodology, and data provided in the final report submitted by the American Institutes for Research pursuant to Section 67 of Chapter 854 of the Statutes of 1997.

(2) Submit the incidence multiplier for each special education local plan area and supporting data to the Department of Finance.

(b) The Department of Finance shall review the incidence multiplier for each special education local plan area and the supporting data, and report any errors to the department and the Office of the Legislative Analyst for correction.

(c) The Department of Finance shall approve the final incidence multiplier for each special education local plan area by November 23, 1998.

(d) For the 1998-99 fiscal year and each fiscal year thereafter to and including the 2005-06 fiscal year, the Superintendent shall perform the following calculation to determine each special education local plan area's adjusted entitlement for the incidence of disabilities:

(1) The incidence multiplier for the special education local plan area shall be multiplied by the statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11 for the fiscal year in which the computation is made.

(2) The amount determined pursuant to paragraph (1) shall be added to the statewide target amount per unit of average daily attendance for special education local plan area determined pursuant to Section 56836.11 for the fiscal year in which the computation is made.

(3) Subtract the amount of funding for the special education local plan area determined pursuant to paragraph (1) of subdivision (a) or paragraph (1) of subdivision (b) of Section 56836.08, as appropriate for the fiscal year in which the computation is made, or the statewide target amount per unit of average daily attendance for special education local plan areas determined pursuant to Section 56836.11 for the fiscal year in which the computation is made, whichever is greater, from the amount determined pursuant to paragraph (2). For the purposes of this paragraph for the 2002-03, 2003-04, 2004-05, and 2005-06 fiscal years, the amount, if any, received pursuant to Section 56836.159 shall be excluded from the funding level per unit of average daily attendance for a special education local plan area. If the result is less than zero, the special education local plan area may not receive an adjusted entitlement for the incidence of disabilities.

(4) Multiply the amount determined in paragraph (3) by either the average daily attendance reported for the special education local plan area for the fiscal year in which the computation is made, as adjusted pursuant to subdivision (a) of Section 56836.15, or the average daily attendance reported for the special education local plan area for the prior fiscal year, as adjusted pursuant to subdivision (a) of Section 56826.15, whichever is less.

(5) If there are insufficient funds appropriated in the fiscal year for which the computation is made for the purposes of this section, the amount received by each special education local plan area shall be prorated.

(e) For the 1997-98 fiscal year, the Superintendent shall perform the calculation in paragraphs (1) to (3), inclusive, of paragraph (d) only for the purposes of making the computation in paragraph (1) of subdivision (d) of Section 56836.08, but the special education local plan area may

not receive an adjusted entitlement for the incidence of disabilities pursuant to this section for the 1997-98 fiscal year.

SEC. 18. Section 56836.165 of the Education Code is amended to read:

56836.165. (a) For the 2004-05 fiscal year and each fiscal year thereafter, the Superintendent shall calculate for each special education local plan area an amount based on (1) the number of children and youth residing in foster family homes, small family homes, and foster family agencies, (2) the licensed capacity of group homes licensed by the State Department of Social Services, and (3) the number of children and youth ages 3 through 21 referred by the State Department of Developmental Services who are residing in skilled nursing facilities or intermediate care facilities licensed by the State Department of Health Services and the number of children and youth ages 3 through 21 referred by the State Department of Developmental Services who are residing in community care facilities licensed by the State Department of Social Services.

(b) The department shall assign each facility described in paragraphs (1), (2), and (3) of subdivision (a) a severity rating. The severity ratings shall be on a scale from 1 to 14. Foster family homes and small family homes shall be assigned a severity rating of 1. Foster family agencies shall be assigned a severity rating of 2. Facilities described in paragraph (2) of subdivision (a) shall be assigned the same severity rating as its State Department of Social Services rate classification level. For facilities described in paragraph (3) of subdivision (a), skilled nursing facilities shall be assigned a severity rating of 14, intermediate care facilities shall be assigned a severity rating of 11, and community care facilities shall be assigned a severity rating of 8.

(c) (1) The department shall establish a "bed allowance" for each severity level. For the 2004-05 fiscal year, the bed allowance shall be calculated as described in paragraph (2). For the 2005-06 fiscal year and each fiscal year thereafter, the department shall increase the bed allowance by the inflation adjustment computed pursuant to Section 42238.1. The department shall not establish a bed allowance for any facility defined in paragraphs (2) and (3) of subdivision (a) if it is not licensed by the State Department of Social Services or the State Department of Health Services.

(2) (A) The bed allowance for severity level 1 shall be five hundred two dollars (\$502).

(B) The bed allowance for severity level 2 shall be six hundred ten dollars (\$610).

(C) The bed allowance for severity level 3 shall be one thousand four hundred thirty-four dollars (\$1,434).

(D) The bed allowance for severity level 4 shall be one thousand six hundred forty-nine dollars (\$1,649).

(E) The bed allowance for severity level 5 shall be one thousand eight hundred sixty-five dollars (\$1,865).

(F) The bed allowance for severity level 6 shall be two thousand eighty dollars (\$2,080).

(G) The bed allowance for severity level 7 shall be two thousand two hundred ninety-five dollars (\$2,295).

(H) The bed allowance for severity level 8 shall be two thousand five hundred ten dollars (\$2,510).

(I) The bed allowance for severity level 9 shall be five thousand four hundred fifty-one dollars (\$5,451).

(J) The bed allowance for severity level 10 shall be five thousand eight hundred eighty-one dollars (\$5,881).

(K) The bed allowance for severity level 11 shall be nine thousand four hundred sixty-seven dollars (\$9,467).

(L) The bed allowance for severity level 12 shall be thirteen thousand four hundred eighty-three dollars (\$13,483).

(M) The bed allowance for severity level 13 shall be fourteen thousand three hundred forty-three dollars (\$14,343).

(N) The bed allowance for severity level 14 shall be twenty thousand eighty-one dollars (\$20,081).

(d) (1) For each fiscal year, the department shall calculate an out-of-home care funding amount for each special education local plan area as the sum of amounts computed pursuant to paragraphs (2), (3), and (4). The State Department of Social Services and the State Department of Developmental Services shall provide the State Department of Education with the residential counts identified in paragraphs (2), (3), and (4).

(2) The number of children and youth residing on April 1 in foster family homes, small family homes, and foster family agencies located in each special education local plan area times the appropriate bed allowance.

(3) The capacity on April 1 of each group home licensed by the State Department of Social Services located in each special education local plan area times the appropriate bed allowance.

(4) The number on April 1 of children and youth (A) ages 3 through 21 referred by the State Department of Developmental Services who are residing in skilled nursing facilities and intermediate care facilities licensed by the State Department of Health Services located in each special education local plan area times the appropriate bed allowance, and (B) ages 3 through 21 referred by the State Department of Developmental Services who are residing in community care facilities

licensed by the State Department of Social Services located in each special education local plan area times the appropriate bed allowance.

SEC. 19. Section 69522 of the Education Code is amended to read:

69522. (a) (1) The commission may establish an auxiliary organization for the purpose of providing operational and administrative services for the commission's participation in the Federal Family Education Loan Program, or for other activities approved by the commission and determined by the commission to be all of the following:

(A) Related to student financial aid.

(B) Consistent with the general mission of the commission.

(C) Consistent with the purposes of the federal Higher Education Act of 1965 (Public Law 89-329) and amendments thereto.

(2) The activities approved by the commission under this subdivision shall not include either of the following:

(A) The issuance of bonds.

(B) Loan origination or loan capitalization activities. This paragraph shall not preclude the commission or the auxiliary organization from undertaking other permitted activities that are related to student financial aid in partnership with institutions that conduct loan origination or loan capitalization activities.

(b) The auxiliary organization shall be established and maintained as a nonprofit public benefit corporation subject to the Nonprofit Public Benefit Corporation Law in Part 2 (commencing with Section 5110) of Division 2 of Title 1 of the Corporations Code, except that, if there is a conflict between this article and the Nonprofit Public Benefit Corporation Law, this article shall prevail.

(c) (1) The commission shall maintain its responsibility for financial aid program administration, policy leadership program evaluation, and information development and coordination. The auxiliary organization shall provide operational and support services essential to the administration of the Federal Family Education Loan Program and other permitted activities that are related to student financial aid, if those services are determined by the commission to be consistent with the overall mission of the commission.

(2) The implementation and effectuation of the auxiliary organization shall be carried out so as to enhance the administration and delivery of commission programs and services. The commission shall conduct regular performance evaluations of the operation of auxiliary organizations in furtherance of its fiscal and fiduciary responsibilities for approved programs.

(d) (1) The operations of the auxiliary organization shall be conducted in conformity with an operating agreement approved annually by the commission. On and after January 1, 2002, the commission may approve

an operating agreement for a period not to exceed five years. Prior to approval, the commission shall provide a copy of the proposed operating agreement to the Department of Finance and the Joint Legislative Budget Committee for their review and comment. The operations of the auxiliary organization shall be limited to services prescribed in that agreement.

(2) Prior to approval of any amendment to an existing operating agreement or any new operating agreement with an auxiliary organization or subsidiary auxiliary organization for the purpose of delineating new services or activities authorized pursuant to subdivision (a), the commission shall provide the Director of Finance and the Joint Legislative Budget Committee with at least 45 days advance notice in writing that includes a description of the proposed operating agreement. If the Director of Finance or the Joint Legislative Budget Committee notifies the commission regarding issues of concern with the proposed operating agreement, the commission shall convene a meeting of appropriate representatives from the commission, the Department of Finance, and the Legislature to resolve those issues.

(e) The commission shall oversee the development and operations of the auxiliary organization in a manner that ensures broad public input and consultation with representatives of the financial aid community, colleges and universities, and state agencies.

SEC. 20. Article 5.6 (commencing with Section 69616) is added to Chapter 2 of Part 42 of the Education Code, to read:

Article 5.6. State Nursing Assumption Program of Loans for
Education (SNAPLE)

69616. (a) The Legislature hereby recognizes the growing need for new faculty members in the nursing field at California's colleges and universities. This need will be fueled largely by the large number of current faculty approaching retirement age who will need to be replaced and the expected growth in enrollment demand in California. Further, to increase the supply of nurses in California, there must be an expansion of nursing educator opportunities in public colleges and universities that will produce the necessary faculty to teach in nursing programs in the state.

(b) The Legislature finds that 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 graduate degree in nursing education.

(c) It is the intent of the Legislature that the State Nursing Assumption Program of Loans for Education (SNAPLE) be designed to encourage

persons to complete their graduate educations and serve as nursing faculty at an accredited California college or university.

(d) As used in this article, "commission" means the Student Aid Commission.

69616.1. (a) Program participants shall meet all of the following eligibility criteria prior to selection into the program and shall continue to meet these criteria, as appropriate, during the payment periods:

(1) The participant shall be a United States citizen or eligible noncitizen.

(2) The participant shall be a California resident attending an eligible school or college.

(3) The participant shall be making satisfactory academic progress.

(4) The participant shall have complied with United States Selective Service requirements.

(5) The participant shall not owe a refund on any state or federal educational grant or have delinquent or defaulted student loans.

(b) Any person enrolled in an institution of postsecondary education and participating in the loan assumption program set forth in this article may be eligible to receive a conditional warrant for loan assumption, to be redeemed pursuant to this act upon becoming employed as a full-time nursing faculty member at a California college or university or the equivalent of full-time service as a nursing faculty member employed part-time at two or more California colleges or universities.

(c) (1) The commission shall award loan assumption agreements to students with demonstrated academic ability and financial need, as determined by the commission pursuant to Article 1.5 (commencing with Section 69503).

(2) The applicant shall have completed a baccalaureate degree program or be enrolled in an academic program leading to a baccalaureate level or a graduate level degree.

(3) The applicant shall be currently enrolled in or admitted to a program in which he or she will be enrolled on at least a half-time basis each academic term as defined by an eligible institution. The applicant shall agree to maintain satisfactory academic progress.

(4) The applicant shall have been judged by his or her postsecondary institution to have outstanding ability on the basis of criteria that may include, but need not be limited to, any of the following:

(A) Grade point average.

(B) Test scores.

(C) Faculty evaluations.

(D) Interviews.

(E) Other recommendations.

(5) In order to meet the costs of obtaining a graduate degree, the applicant shall have received, or be approved to receive, a loan under one or more of the following designated loan programs:

(A) The Federal Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.).

(B) The Federal Direct Loan Program.

(C) Any loan program approved by the commission.

(6) The applicant shall have agreed to teach nursing on a full-time basis at one or more accredited California colleges or universities for at least three consecutive years, or five part-time academic years, immediately after obtaining a graduate degree.

(7) An applicant who teaches on less than a full-time basis may participate in the program, but is not eligible for loan repayment until that person teaches for the equivalent of a full-time academic year.

(d) A person participating in the program pursuant to this section shall not receive more than one loan assumption agreement.

69616.2. The commission shall commence loan assumption payments pursuant to this article upon verification that the applicant has fulfilled all of the following:

(a) The applicant has received a graduate degree from an accredited, participating institution.

(b) The applicant has provided the equivalent of full-time nursing instruction at one or more regionally accredited California colleges or universities for one academic year or the equivalent.

(c) The applicant has met the requirements of the loan assumption agreement and all other conditions of this article.

69616.3. The terms of the loan assumptions granted under this article shall be as follows, subject to the specific terms of each loan assumption agreement:

(a) After a program participant has completed one academic year, or the equivalent of full-time teaching nursing studies, at one or more regionally accredited, eligible California colleges or universities, the commission shall assume up to eight thousand three hundred thirty-three dollars (\$8,333) of the outstanding liability of the participant under one or more of the designated loan programs.

(b) After the program participant has completed two consecutive academic years, or the equivalent of full-time teaching, at one or more regionally accredited California colleges or universities, the commission shall assume up to an additional eight thousand three hundred thirty-three dollars (\$8,333) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to sixteen thousand six hundred sixty-six dollars (\$16,666).

(c) After a program participant has completed three consecutive academic years, or the equivalent of full-time teaching, at one or more regionally accredited California colleges or universities, the commission shall assume up to an additional eight thousand three hundred thirty-three dollars (\$8,333) of the outstanding liability of the participant under one or more of the designated loan programs, for a total loan assumption of up to twenty-five thousand dollars (\$25,000).

69616.4. (a) Except as provided in subdivision (b), if a program participant fails to complete a minimum of three consecutive academic years of teaching as required by this article under the terms of the agreement pursuant to paragraph (6) of subdivision (c) of Section 69616.1, the participant shall repay loan forgiveness benefits previously provided through this program and resume responsibility for any remaining loan obligations.

(b) Notwithstanding subdivision (a), if a program participant becomes unable to complete one of the three consecutive years of teaching service due to a serious illness, pregnancy, or other natural causes, the participant shall receive a deferral of the resumption of full liability for the loan for a period not to exceed one academic year.

69616.5. (a) The commission shall accept nominations from accredited colleges and universities made pursuant to this article.

(b) The commission shall choose from among those nominations deemed financially needy with outstanding student loans pursuant to Article 1.5 (commencing with Section 69503) based upon criteria that may include the following:

(1) Grades at the undergraduate level in a subject field related to nursing.

(2) Grades in the undergraduate program.

(3) Aptitude for graduate work in the field of nursing.

(4) General aptitude for graduate study.

(5) Critical human resource needs.

(c) The commission may develop additional criteria for the selection of award recipients consistent with the purposes of this article.

69616.6. The commission shall administer this article, and shall adopt rules and regulations for that purpose. The rules and regulations shall include, but need not be limited to, provisions regarding the period of time for which a warrant shall remain valid and the development of projections for funding purposes. In developing these rules and regulations, the commission shall solicit the advice of representatives from postsecondary education institutions, the Office of Statewide Health Planning and Development, and the nursing community.

69616.7. The commission shall work to develop a streamlined application process for participation in the program set forth in this article.

69616.8. The commission shall report annually to the Legislature on this program. The report shall include, but not be limited to, all of the following:

(a) The total number of loan assumption agreements offered, by education level and institution.

(b) The number of loan assumption agreements paid out, by education level and institution.

(c) The number of loan assumption agreements that are redeemed, by year of service (year one through year three).

(d) The annual and cumulative attrition rate of participants, by education level and institution.

69616.9. Notwithstanding any other law, in any fiscal year, the commission shall award no more than the number of warrants that are authorized by the Governor and the Legislature in the annual Budget Act for that year for the assumption of loans pursuant to this article.

69617. It is the intent of the Legislature that, commencing with the 2006-07 fiscal year, funding necessary for the administration of the student loan assumption program implemented pursuant to this article shall be included within the annual budget of the commission.

SEC. 21. Section 84754.5 is added to the Education Code, to read:

84754.5. Pursuant to provisions of Chapter 581 of the Statutes of 2004, the board of governors provided the Governor and the Legislature recommendations regarding the design of a workable structure for the annual evaluation of district-level performance in meeting statewide educational outcome priorities. The Legislature recognizes that these recommendations were based on a study process that included input from institutional representatives of community college districts, nationally regarded experts in community college accountability, the Department of Finance, the Office of the Legislative Analyst, community college organizations, and other interested parties. In enacting this section the Legislature hereby establishes a program for the annual reporting and evaluation of district-level performance in achieving priority educational outcomes consistent with the intent of Chapter 581 of the Statutes of 2004. The program includes the following components:

(a) As a condition of receiving specified funds in the annual Budget Act to encourage district-level accountability efforts, community college districts shall provide data, in a format and according to a schedule to be specified by the Office of the Chancellor of the California Community Colleges, for the purpose of the annual report to the Legislature specified in subdivision (b) and for purposes of providing the means for both

internal and external assessment of the district's educational offerings in meeting the high-priority educational goals of the state. The chancellor shall withhold, delay, or reduce funds specified in the annual Budget Act to encourage district-level accountability efforts from a district that fails to provide needed data by specified deadlines. If a district's failure to report by specified deadlines results in the omission of required data from, or inclusion of erroneous data in, the annual report required by subdivision (b), the chancellor shall reduce that district's funding as specified in regulations for the implementation of this section.

(b) With data available through its management information system and other data provided pursuant to subdivision (a), and utilizing resources provided for this purpose in the annual Budget Act, the chancellor shall prepare an annual report to the Legislature, the Governor, the Department of Finance, and the Office of the Legislative Analyst evaluating the achievement of educational outcomes for each community college district and, as warranted, each college. This report shall be provided to the Legislature annually on or before March 31, beginning in 2007. Preliminary data reported from the districts shall be provided to the Department of Finance and the Office of the Legislative Analyst by January 31 of each year, beginning in 2007. For each district, and college as warranted, the report shall: (1) include performance data for the immediately preceding fiscal year, reflecting all measures specified in subdivision (c); (2) compare each district's and college's achievement with peer groups within the system as applicable to specific metrics; and (3) compare each district's and college's achievements with that of the system as a whole. The report shall further include a profile with summary background information on each district's or college's educational programs, missions, students, and service area demographics.

(c) (1) The report shall include, but not be limited to, district or college-level performance on outcome measures in the following categories:

(A) Student progress and achievement: degrees, certificates, and transfers.

(B) Student progress and achievement: vocational, occupational, and workforce development.

(C) Pre-collegiate improvement, including basic skills and English-as-a-second language.

(2) The specific measures to be included in the report shall reflect the April 2005 board of governors recommendations as refined and amended in consultation with the Department of Finance and the Office of the Legislative Analyst, and shall be periodically reviewed, in consultation with the Department of Finance and the Office of the Legislative Analyst, and, if necessary, modified by the chancellor. It is the intent of the

Legislature that specific performance metrics and annual reporting requirements may be specified in annual Budget Acts, if warranted, by changes in state needs, legislative priorities, or the availability of data.

(d) As a condition of receiving specified funds in the annual Budget Act, each community college district board of trustees shall annually review and adopt its contribution to the segmentwide annual report as part of a regularly scheduled and noticed public meeting at which public comment shall be invited.

(e) The board of governors shall adopt regulations that it deems necessary to carry out this section no sooner than 30 days after notification in writing by the chancellor to the Director of Finance and the Chairperson of the Joint Legislative Budget Committee.

SEC. 22. Section 17581.5 of the Government Code is amended to read:

17581.5. (a) A school district may not be required to implement or give effect to the statutes, or portion thereof, identified in subdivision (b) during any fiscal year and for the period immediately following that fiscal year for which the Budget Act has not been enacted for the subsequent fiscal year if all of the following apply:

(1) The statute or portion thereof, has been determined by the Legislature, the commission, or any court to mandate a new program or higher level of service requiring reimbursement of school districts pursuant to Section 6 of Article XIII B of the California Constitution.

(2) The statute, or portion thereof, has been specifically identified by the Legislature in the Budget Act for the fiscal year as being one for which reimbursement is not provided for that fiscal year. For purposes of this paragraph, a mandate shall be considered to have been specifically identified by the Legislature only if it has been included within the schedule of reimbursable mandates shown in the Budget Act and it is specifically identified in the language of a provision of the item providing the appropriation for mandate reimbursements.

(b) This section applies only to the following mandates:

(1) The School Bus Safety I (CSM-4433) and II (97-TC-22) mandates (Chapter 642 of the Statutes of 1992; Chapter 831 of the Statutes of 1994; and Chapter 739 of the Statutes of 1997).

(2) The School Crimes Reporting II mandate (97-TC-03; and Chapter 759 of the Statutes of 1992 and Chapter 410 of the Statutes of 1995).

(3) Investment reports (96-358-02; and Chapter 783 of the Statutes of 1995 and Chapters 156 and 749 of the Statutes of 1996).

(4) County treasury oversight committees (96-365-03; and Chapter 784 of the Statutes of 1995 and Chapter 156 of the Statutes of 1996).

(5) Grand jury proceedings mandate (98-TC-27; and Chapter 1170 of the Statutes of 1996, Chapter 443 of the Statutes of 1997, and Chapter 230 of the Statutes of 1998).

SEC. 23. Section 1529.2 of the Health and Safety Code is amended to read:

1529.2. (a) In addition to the foster parent training provided by community colleges, foster family agencies shall provide a program of training for their certified foster families.

(b) (1) Every licensed foster parent shall complete a minimum of 12 hours of foster parent training, as prescribed in paragraph (3), before the placement of any foster children with the foster parent. In addition, a foster parent shall complete a minimum of eight hours of foster parent training annually as prescribed in paragraph (4). No child shall be placed in a foster family home unless these requirements are met by the persons in the home who are serving as the foster parents.

(2) (A) Upon the request of the foster parent for a hardship waiver from the postplacement training requirement or a request for an extension of the deadline, the county may, at its option, on a case-by-case basis, waive the postplacement training requirement or extend any established deadline for a period not to exceed one year, if the postplacement training requirement presents a severe and unavoidable obstacle to continuing as a foster parent. Obstacles for which a county may grant a hardship waiver or extension are:

- (i) Lack of access to training due to the cost or travel required.
- (ii) Family emergency.

(B) Before a waiver or extension may be granted, the foster parent should explore the opportunity of receiving training by video or written materials.

(3) The initial preplacement training shall include, but not be limited to, training courses that cover all of the following:

- (A) An overview of the child protective system.
- (B) The effects of child abuse and neglect on child development.
- (C) Positive discipline and the importance of self-esteem.
- (D) Health issues in foster care.
- (E) Accessing education and health services available to foster children.

(F) The right of a foster child to have fair and equal access to all available services, placement, care, treatment, and benefits, and to not be subjected to discrimination or harassment on the basis of actual or perceived race, ethnic group identification, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability, or HIV status.

(4) The postplacement annual training shall include, but not be limited to, training courses that cover all of the following:

(A) Age-appropriate child development.

(B) Health issues in foster care.

(C) Positive discipline and the importance of self-esteem.

(D) Emancipation and independent living skills if a foster parent is caring for youth.

(E) The right of a foster child to have fair and equal access to all available services, placement, care, treatment, and benefits, and to not be subjected to discrimination or harassment on the basis of actual or perceived race, ethnic group identification, ancestry, national origin, color, religion, sex, sexual orientation, gender identity, mental or physical disability, or HIV status.

(5) Foster parent training may be attained through a variety of sources, including community colleges, counties, hospitals, foster parent associations, the California State Foster Parent Association's Conference, adult schools, and certified foster parent instructors.

(6) A candidate for placement of foster children shall submit a certificate of training to document completion of the training requirements. The certificate shall be submitted with the initial consideration for placements and provided at the time of the annual visit by the licensing agency thereafter.

(c) Nothing in this section shall preclude a county from requiring county-provided preplacement or postplacement foster parent training in excess of the requirements in this section.

SEC. 24. Section 270 of the Public Utilities Code, as amended by Section 1 of Chapter 216 of the Statutes of 2004, is amended to read:

270. (a) The following funds are hereby created in the State Treasury:

(1) The California High-Cost Fund-A Administrative Committee Fund.

(2) The California High-Cost Fund-B Administrative Committee Fund.

(3) The Universal Lifeline Telephone Service Trust Administrative Committee Fund.

(4) The Deaf and Disabled Telecommunications Program Administrative Committee Fund.

(5) The Payphone Service Providers Committee Fund.

(6) The California Teleconnect Fund Administrative Committee Fund.

(b) Moneys in the funds are the proceeds of rates and are held in trust for the benefit of ratepayers and to compensate telephone corporations for their costs of providing universal service. Moneys in the funds may only be expended pursuant to this chapter and upon appropriation in the annual Budget Act or upon supplemental appropriation. Any

appropriation from the California High-Cost Administrative Committee Fund-B for the purposes of the grant program established in Section 276.5 of the Public Utilities Code regarding rural telecommunications infrastructure, may not be made until all of the following events have occurred:

(1) The United States Supreme Court has decided *Iowa Utilities Board v. Federal Communications Commission* (219 F.3d 744 (8th Cir.); certiorari granted January 22, 2001).

(2) The commission recalculates the statewide average cost to serve a residential line stated in Decision 96-10-066, as it determines to be appropriate.

(3) The commission is current on all claims made by carriers for service provided in high-cost areas, except for those claims that the commission is in the process of investigating, contesting, or disallowing.

(c) Moneys in each fund may not be appropriated, or in any other manner transferred or otherwise diverted, to any other fund or entity, except as provided for in Sections 276 and 276.5 of the Public Utilities Code and Sections 19325 and 19325.1 of the Education Code.

(d) 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. 25. Section 270 of the Public Utilities Code, as amended by Section 2 of Chapter 216 of the Statutes of 2004, is amended to read:

270. (a) The following funds are hereby created in the State Treasury:

(1) The California High-Cost Fund-A Administrative Committee Fund.

(2) The California High-Cost Fund-B Administrative Committee Fund.

(3) The Universal Lifeline Telephone Service Trust Administrative Committee Fund.

(4) The Deaf and Disabled Telecommunications Program Administrative Committee Fund.

(5) The Payphone Service Providers Committee Fund.

(6) The California Teleconnect Fund Administrative Committee Fund.

(b) Moneys in the funds are the proceeds of rates and are held in trust for the benefit of ratepayers and to compensate telephone corporations for their costs of providing universal service. Moneys in the funds may only be expended pursuant to this chapter and upon appropriation in the annual Budget Act or upon supplemental appropriation.

(c) Moneys in each fund may not be appropriated, or in any other manner transferred or otherwise diverted, to any other fund or entity, except as provided in Sections 19325 and 19325.1 of the Education Code.

(d) This section shall become operative on January 1, 2006.

SEC. 26. Section 903.7 of the Welfare and Institutions Code is amended to read:

903.7. (a) There is in the State Treasury the Foster Children and Parent Training Fund. The moneys contained in the fund shall be used exclusively for the purposes set forth in this section.

(b) For each fiscal year beginning with the 1981-82 fiscal year, except as provided in Sections 15200.1, 15200.2, 15200.3, 15200.8, and 15200.81, and Section 17704 of the Family Code, the Department of Child Support Services shall determine the amount equivalent to the net state share of foster care collections attributable to the enforcement of parental fiscal liability pursuant to Sections 903, 903.4, and 903.5. On July 1, 1982, and every three months thereafter, the department shall notify the Chancellor of the Community Colleges, the Department of Finance, and the Superintendent of Public Instruction of the above-specified amount. The Department of Child Support Services shall authorize the quarterly transfer of any portion of this amount for any particular fiscal year exceeding three million seven hundred fifty thousand dollars (\$3,750,000) of the net state share of foster care collections to the Treasurer for deposit in the Foster Children and Parent Training Fund, except that, commencing with the 2002-03 fiscal year, a total of not more than three million dollars (\$3,000,000) may be transferred to the fund in any fiscal year.

(c) (1) If sufficient moneys are available in the Foster Children and Parent Training Fund, up to three million dollars (\$3,000,000) shall be allocated for the support of foster parent training programs conducted in community colleges. The maximum amount authorized to be allocated pursuant to this subdivision shall be adjusted annually by a cost-of-living increase each year based on the percentage given to discretionary education programs. Funds for the training program shall be provided in a separate budget item in that portion of the Budget Act pertaining to the Chancellor of the California Community Colleges, to be deposited in a separate bank account by the Chancellor of the California Community Colleges.

(2) The chancellor shall use these funds exclusively for foster parent training, as specified by the chancellor in consultation with the California State Foster Parents Association and the State Department of Social Services.

(3) The plans for each foster parent training program shall include the provision of training to facilitate the development of foster family homes and small family homes to care for no more than six children who have special mental, emotional, developmental, or physical needs.

(4) The State Department of Social Services shall facilitate the participation of county welfare departments in the foster parent training program. The California State Foster Parents Association, or the local chapters thereof, and the State Department of Social Services shall identify training participants and shall advise the chancellor on the form, content, and methodology of the training program. Funds shall be paid monthly to the foster parent training program until the maximum amount of funds authorized to be expended for that program is expended. No more than 10 percent or seventy-five thousand dollars (\$75,000) of these moneys, whichever is greater, shall be used for administrative purposes; of the 10 percent or seventy-five thousand dollars (\$75,000), no more than ten thousand dollars (\$10,000) shall be expended to reimburse the State Department of Social Services for its services pursuant to this paragraph.

(d) Beginning with the 1983-84 fiscal year, and each fiscal year thereafter, after all allocations for foster parent training in community colleges have been made, any moneys remaining in the Foster Children and Parent Training Fund may be allocated for foster children services programs pursuant to Chapter 11.3 (commencing with Section 42920) of Part 24 of the Education Code.

(e) (1) The Controller shall transfer moneys from the Foster Children and Parent Training Fund to the Chancellor of the California Community Colleges and the Superintendent of Public Instruction as necessary to fulfill the requirements of subdivisions (c) and (d).

(2) After the maximum amount authorized in any fiscal year has been transferred to the Chancellor of the California Community Colleges and the Superintendent of Public Instruction, the Controller shall transfer any remaining funds to the General Fund for expenditure for any public purpose.

(f) This section shall be operative until June 30, 2005, and thereafter is operative only if specified in the annual Budget Act or in another statute.

SEC. 27. The Superintendent of Public Instruction shall reduce funding for basic aid school districts from the categorical education funds appropriated in Section 2.00 of the Budget Act of 2005 by a total of one million one hundred twenty-six thousand dollars (\$1,126,000). The reduction shall be calculated as follows:

(a) The Superintendent shall calculate a reduction for each school district that was a basic aid school district in the 2004-05 fiscal year that is proportionate to its revenue limit as determined at the second principal apportionment of the 2004-05 fiscal year that will achieve the amount of savings specified in this section.

(b) (1) On or before September 15, 2005, the Superintendent shall notify each school district of the reduction amount calculated for that district pursuant to subdivision (a).

(2) On or before December 1, 2005, each school district shall notify the Superintendent of the specific categorical education programs in which the reductions for that district shall be applied and the amount of the reduction for each program, provided that no reduction may be made to a program identified as requiring a maintenance of effort. The Superintendent shall withhold or recover the identified amount of funds as necessary.

(3) This section does not obligate the state to refund or repay reductions made pursuant to this section. A decision by a school district to reduce funding pursuant to this section for a state-mandated local program shall constitute a waiver of the subvention of funds that the school district is otherwise entitled to pursuant to Section 6 of Article XIII B of the California Constitution in the amount so reduced, and that decision shall be made only after the school district first considers reductions to voluntary categorical education programs.

(c) If a school district does not receive property tax revenue sufficient to fully fund its revenue limit during the 2005-06 fiscal year, as determined at the second principal apportionment for the 2005-06 fiscal year, any reductions to that district's categorical education funding by this section shall be restored.

(d) No later than June 26, 2006, the Superintendent shall report to the Controller and the Director of Finance the amount to be reduced from each categorical education program and identify the corresponding item of appropriation in the Budget Act of 2005 to be reduced. The final reductions shall equal the total amount to be reduced pursuant to subdivision (a), less the amount restored pursuant to subdivision (c). On June 30, 2006, the amounts appropriated by the Budget Act of 2005 in the items identified by the Superintendent are hereby reduced by the amounts reported by the Superintendent. The amounts so reduced shall revert to the General Fund. The reductions pursuant to this subdivision shall be reductions in the amount appropriated for purposes of Section 8 of Article XVI of the California Constitution for the 2005-06 fiscal year.

(e) For purposes of this section, "basic aid school district" means a school district that does not receive from the state, for any fiscal year in which the section is applied, an apportionment of state funds pursuant to subdivision (h) of Section 42238 of the Education Code.

SEC. 28. Notwithstanding Sections 42238.1 and 42238.15 of the Education Code or any other law, the cost-of-living adjustment for Items 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-158-0001,

6110-161-0001, 6110-189-0001, 6110-190-0001, 6110-196-0001, 6110-232-0001, 6110-234-0001, 6110-244-0001, and 6110-246-0001 of Section 2.00 of the Budget Act of 2005, and those items identified in subdivision (b) of Section 12.40 of the Budget Act of 2005, shall be 4.23 percent. All funds appropriated in the items identified in this section are in lieu of the amounts that would otherwise be appropriated pursuant to any other law.

SEC. 29. Notwithstanding any other law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-161-0001, 6110-190-0001, and 6110-211-0001 of Section 2.00 of the Budget Act of 2004 (Ch. 208, Stats. 2004) shall be available for liquidation through July 31, 2007, and after that date, all remaining unexpended funds in those items shall revert to the Proposition 98 Reversion Account.

SEC. 30. Notwithstanding any other law, the funds appropriated pursuant to Items 6110-103-0001, 6110-104-0001, 6110-105-0001, 6110-156-0001, 6110-161-0001, 6110-190-0001, 6110-211-0001, and 6110-243-0001 of Section 2.00 of the Budget Act of 2005 (Ch. __, Stats. 2005) shall be available for liquidation through July 31, 2008, and after that date, all remaining unexpended funds in those items shall revert to the Proposition 98 Reversion Account.

SEC. 31. (a) (1) The sum of six hundred five million ninety-four thousand dollars (\$605,094,000) is hereby appropriated from the General Fund in accordance with the following schedule:

(2) Of the amount appropriated in paragraph (1), the following amounts are appropriated for expenditure during the 2006-07 fiscal year.

(A) The sum of six million two hundred twenty-seven thousand dollars (\$6,227,000) to the State Department of Education for apprenticeship programs to be expended consistent with the requirements specified in Item 6110-103-0001 of Section 2.00 of the Budget Act of 2005.

(B) The sum of sixty-three million three hundred ninety-one thousand dollars (\$63,391,000) to the State Department of Education for supplemental instruction to be expended consistent with the requirements specified in Item 6110-104-0001 of Section 2.00 of the Budget Act of 2005. Of the amount appropriated by this subparagraph, fifty-one million sixty-one thousand dollars (\$51,061,000) shall be expended consistent with Schedule (1) of Item 6110-104-0001 of Section 2.00 of the Budget Act of 2005, and twelve million three hundred thirty thousand dollars (\$12,330,000) shall be expended consistent with Schedule (2) of that item.

(C) The sum of twenty-six million seven hundred twenty-six thousand dollars (\$26,726,000) to the State Department of Education for the Pupil Retention Block Grant to be expended consistent with the requirements

specified in Item 6110-243-0001 of Section 2.00 of the Budget Act of 2005.

(D) The sum of thirty-nine million six hundred thirty thousand dollars (\$39,630,000) to the State Department of Education for regional occupational centers and programs to be expended consistent with the requirements specified in Schedule (1) of Item 6110-105-0001 of Section 2.00 of the Budget Act of 2005.

(E) The sum of fifty-two million five hundred eighty-three thousand dollars (\$52,583,000) to the State Department of Education for home-to-school transportation to be expended consistent with the requirements specified in Schedule (1) of Item 6110-111-0001 of Section 2.00 of the Budget Act of 2005.

(F) The sum of four million two hundred ninety-four thousand dollars (\$4,294,000) to the State Department of Education for the Gifted and Talented Pupil Program to be expended consistent with the requirements specified in Item 6110-124-0001 of Section 2.00 of the Budget Act of 2005.

(G) The sum of forty-five million eight hundred ninety-six thousand dollars (\$45,896,000) to the State Department of Education for adult education to be expended consistent with the requirements specified in Schedule (1) of Item 6110-156-0001 of Section 2.00 of the Budget Act of 2005.

(H) The sum of four million seven hundred fifty-one thousand dollars (\$4,751,000) to the State Department of Education for community day schools to be expended consistent with the requirements specified in Item 6110-190-0001 of Section 2.00 of the Budget Act of 2005.

(I) The sum of five million nine hundred forty-seven thousand dollars (\$5,947,000) to the State Department of Education for categorical block grants for charter schools to be expended consistent with the requirements specified in Item 6110-211-0001 of Section 2.00 of the Budget Act of 2005.

(J) The sum of thirty-eight million seven hundred twenty thousand dollars (\$38,720,000) to the State Department of Education for the School Safety Block Grant to be expended consistent with the requirements specified in Schedule (1) of Item 6110-228-0001 of Section 2.00 of the Budget Act of 2005.

(K) The sum of one hundred million one hundred eighteen thousand dollars (\$100,118,000) to the State Department of Education for Targeted Instructional Improvement Grant Program to be expended consistent with the requirements specified in Item 6110-246-0001 of Section 2.00 of the Budget Act of 2005.

(L) The sum of two hundred million dollars (\$200,000,000) to the Board of Governors of the California Community Colleges for

apportionments, to be expended in accordance with the requirements specified in Schedule (1) of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2005.

(b) (1) Of the amount appropriated in paragraph (1) of subdivision (a), the following amounts are appropriated for the 1995-96, 1996-97, and 2002-03 fiscal years, as specified in paragraphs (2) and (3):

(A) The sum of sixteen million eight hundred eleven thousand dollars (\$16,811,000) to the Controller to pay for prior year state obligations for K-12 and community college mandate claims and interest. The Controller shall use funds to pay for the oldest claims of those no longer subject to audit pursuant to subdivision (a) of Section 17558.5 of the Government Code, including accrued interest. No payments shall be made from the funds on any claims for the Standardized Testing and Reporting (STAR) Program, schoolsite councils, Brown Act reform, School Bus Safety II, or the removal of chemicals. The Controller shall provide reimbursement of claims and interest in accordance with the following schedule:

(i) The sum of six million eight hundred eleven thousand dollars (\$6,811,000) for reimbursement of claims filed by school districts and county offices of education.

(ii) The sum of ten million dollars (\$10,000,000) for reimbursement of claims filed by community college districts.

(2) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, six million eight hundred eleven thousand dollars (\$6,811,000) of the appropriation made by paragraph (1) of 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 1995-96 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 1995-96 fiscal year.

(3) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, nine million twenty-nine thousand dollars (\$9,029,000) of the appropriations made in paragraph (1) of subdivision (a) shall be deemed to be "General Fund" revenues appropriated to community college districts, as defined in subdivision (d) of Section 41202 of the Education Code, for the 1996-97 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 1996-97 fiscal year.

(4) For purposes of making the computations required by Section 8 of Article XVI of the California Constitution, nine hundred seventy-one thousand dollars (\$971,000) of the appropriations made in of paragraph (1) of subdivision (a) shall be deemed to be "General Fund" revenues appropriated to community college districts, as defined in subdivision (d) of Section 41202 of the Education Code, for the 2002-03 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 2002-03 fiscal year.

(c) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriations made by subparagraphs (A) to (K), inclusive, of paragraph (2) of subdivision (a) shall be deemed to be "General Fund revenues appropriated for school districts," as defined in subdivision (c) of Section 41202 of the Education Code, for the 2006-07 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 2006-07 fiscal year.

(d) For the purposes of making the computations required by Section 8 of Article XVI of the California Constitution, the appropriation made by subparagraph (L) of paragraph (2) of subdivision (a) shall be deemed to be "General Fund revenues appropriated for community college districts," as defined in subdivision (d) of Section 41202 of the Education Code, for the 2006-07 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 2006-07 fiscal year.

SEC. 32. Notwithstanding paragraph (1) of subdivision (d) of Section 41207 of the Education Code, the funds appropriated pursuant to subdivision (b) of Section 31 of this act shall be deemed to be in partial satisfaction of the outstanding balance of the Proposition 98 minimum funding obligation for the 1995-96, 1996-97, and 2002-03 fiscal years determined pursuant to Section 41207 of the Education Code and shall be in lieu of the amount that would otherwise be appropriated pursuant to subdivision (d) of that section for the 2006-07 fiscal year and in lieu of one hundred one million eight hundred eleven thousand dollars (\$101,811,000) the amount that would otherwise be appropriated pursuant to subdivision (d) of that section for the 2007-08 fiscal year.

SEC. 33. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of

Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2005 at the earliest time possible, it is necessary that this act take effect immediately.

CHAPTER 74

An act to amend Sections 1721.5, 2154.4, 2499, 2529.5, 2534, 2568, 2687, 2894, 2981, 3455, 3520, 3771, 4974, 4984.6, 4994, 5683, 6980.81, 6980.82, 7599.71, 7599.74, 7886, 9872, and 17206 of the Business and Professions Code, to amend Section 1789.30 of the Civil Code, to repeal Article 13 (commencing with Section 14095) of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code, to add Section 4101.3 to the Food and Agricultural Code, to amend Sections 7076, 11011, 11044, 11260, 14612.2, 14670, 15849.6, 15863, 16427, 22877, 68085, 68085.5, 69926.5, and 71386 of, to amend and repeal Sections 11139.8 and 14840 of, and to add Sections 9147.5, 11544, 12587.1, 14982, 15849.7, 68085.6, 68085.7, and 68085.8 to, the Government Code, to amend Sections 50517.10, 50601, 50603, 50710.1, and 53533 of the Health and Safety Code, to amend Section 96.7 of the Labor Code, to amend Section 1401 of, to amend and repeal Section 999.7 of, and to add Sections 1402 and 1403 to, the Military and Veterans Code, to amend Section 1214.1 of the Penal Code, to amend Section 6611 of, to amend and repeal Sections 10115.5, 10116, and 10359 of, and to add Section 10111 to, the Public Contract Code, to add Section 42102 to the Public Resources Code, to amend Section 5003.2 of the Public Utilities Code, to amend Sections 97.76, 6479.3, 19183, and 19701 of, and to add Sections 18631.7 and 19523.5 to, the Revenue and Taxation Code, to add Section 9619 to the Unemployment Insurance Code, to add Chapter 3.2 (commencing with Section 18220) to Part 6 of Division 9 of the Welfare and Institutions Code, and to amend Section 16 of Chapter 876 of the Statutes of 2003, relating to state government, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 2005. Filed with
Secretary of State July 19, 2005.]

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

SECTION 1. Section 1721.5 of the Business and Professions Code is amended to read:

1721.5. All funds received by the State Treasurer under the authority of this chapter which relate to dental auxiliaries shall be placed in the State Dental Auxiliary Fund for the purposes of administering this chapter as it relates to dental auxiliaries.

SEC. 2. Section 2154.4 of the Business and Professions Code is amended to read:

2154.4. (a) The Medically Underserved Account is hereby created in the Contingent Fund of the Medical Board of California.

(b) The sum of three million four hundred fifty thousand dollars (\$3,450,000) is hereby authorized to be expended from the Contingent Fund of the Medical Board of California on this program. These moneys are appropriated as follows:

(1) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2003. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2003–04 fiscal year for operating expenses necessary to manage this program.

(2) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2004. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2004–05 fiscal year for operating expenses necessary to manage this program.

(3) One million one hundred fifty thousand dollars (\$1,150,000) shall be transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account on July 1, 2005. Of this amount, one hundred fifty thousand dollars (\$150,000) shall be used by the Medical Board of California in the 2005–06 fiscal year for operating expenses necessary to manage this program.

(c) Funds placed into the Medically Underserved Account shall be used by the board to repay the loans per agreements made with physicians.

(1) Funds paid out for loan repayment may have a funding match from foundation or other private sources.

(2) Loan repayments may not exceed one hundred five thousand dollars (\$105,000) per individual licensed physician.

(3) Loan repayments may not exceed the amount of the educational loans incurred by the physician applicant.

(d) Notwithstanding Section 11005 of the Government Code, the board may seek and receive matching funds from foundations and private sources to be placed into the Medically Underserved Account. The board also may contract with an exempt foundation for the receipt of matching funds to be transferred to the Medically Underserved Account for use by this program.

(e) Funds in the Medically Underserved Account are continuously appropriated for the repayment of loans per agreements made between the board and the physicians.

SEC. 3. Section 2499 of the Business and Professions Code is amended to read:

2499. There is in the State Treasury the Board of Podiatric Medicine Fund. Notwithstanding Section 2445, the division shall report to the Controller at the beginning of each calendar month for the month preceding the amount and source of all revenue received by it on behalf of the board, pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit into the fund. All revenue received by the board and the division from fees authorized to be charged relating to the practice of podiatric medicine shall be deposited in the fund as provided in this section, and shall be used to carry out the provisions of this chapter relating to the regulation of the practice of podiatric medicine.

SEC. 4. Section 2529.5 of the Business and Professions Code is amended to read:

2529.5. Each person to whom registration is granted under the provisions of this chapter shall pay into the Contingent Fund of the Medical Board of California a fee to be fixed by the Division of Licensing at a sum not in excess of one hundred dollars (\$100).

The registration shall expire after two years. The registration may be renewed biennially at a fee to be fixed by the division at a sum not in excess of fifty dollars (\$50). Students seeking to renew their registration shall present to the division evidence of their continuing student status.

The money in the Contingent Fund of the Medical Board of California shall be used for the administration of this chapter.

SEC. 5. Section 2534 of the Business and Professions Code is amended to read:

2534. The board shall report to the Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit in the Speech-Language Pathology and Audiology Board Fund, which fund is hereby created to carry out the purposes of this chapter.

SEC. 6. Section 2568 of the Business and Professions Code is amended to read:

2568. The board shall report to the Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit in the Dispensing Opticians Fund, which fund is created to carry out the provisions of this chapter.

SEC. 7. Section 2687 of the Business and Professions Code is amended to read:

2687. All fees earned by the board and all fines and forfeitures of bail to which the board is entitled shall be reported at the beginning of each month, for the month preceding, to the State Controller. At the same time, the entire amount of these collections shall be paid into the State Treasury and shall be credited to the Physical Therapy Fund.

This fund shall be for the use of the board to pay all salaries and all other expenses necessarily incurred in carrying into effect the provisions of this chapter.

SEC. 8. Section 2894 of the Business and Professions Code is amended to read:

2894. All money in the Vocational Nursing and Psychiatric Technicians Fund shall be used to carry out the provisions of this chapter, including the promotion of nursing education in this state, and for the refund, in accordance with law, of license fees or other moneys paid into the Vocational Nursing and Psychiatric Technicians Fund under the provisions of this chapter.

Claims against the Vocational Nursing and Psychiatric Technicians Fund shall be audited by the Controller, and shall be paid by the Treasurer upon warrants drawn by the Controller.

SEC. 9. Section 2981 of the Business and Professions Code is amended to read:

2981. The money in the Psychology Fund shall be used for the administration of this chapter.

SEC. 10. Section 3455 of the Business and Professions Code is amended to read:

3455. There is established in the State Treasury the Hearing Aid Dispensers Fund. All fees collected pursuant to this chapter shall be paid by the bureau into the fund. All money in the Hearing Aid Dispensers Fund shall be used to carry out the purposes of this chapter.

SEC. 11. Section 3520 of the Business and Professions Code is amended to read:

3520. Within 10 days after the beginning of each calendar month the board shall report to the Controller the amount and source of all collections made under this chapter and at the same time pay all those sums into the State Treasury, where they shall be credited to the Physician

Assistant Fund, which fund is hereby created. All money in the fund shall be used to carry out the purpose of this chapter.

SEC. 12. Section 3771 of the Business and Professions Code is amended to read:

3771. Within 10 days after the beginning of each calendar month, the board shall report to the Controller the amount and source of all collections made from persons licensed or seeking to be licensed under this chapter, and all fines and forfeitures to which the board is entitled, and at the same time, pay all these sums into the State Treasury, where they shall be credited to the Respiratory Care Fund, which is hereby created to carry out the purposes of this chapter.

SEC. 13. Section 4974 of the Business and Professions Code is amended to read:

4974. The board shall report to the Controller at the beginning of each month for the month preceding the amount and source of all revenue received by it pursuant to this chapter, and shall pay the entire amount thereof to the Treasurer for deposit in the Acupuncture Fund, which fund is created to carry out the provisions of this chapter.

SEC. 14. Section 4984.6 of the Business and Professions Code is amended to read:

4984.6. (a) The Behavioral Sciences Fund shall be used for the purposes of carrying out and enforcing the provisions of this chapter.

(b) The board shall keep any records as will reasonably ensure that funds expended in the administration of each licensing or registration category shall bear a reasonable relation to the revenue derived from each category, and shall so notify the department no later than May 31 of each year.

(c) Surpluses, if any, may be used in such a way so as to bear a reasonable relation to the revenue derived from each category, and may include, but not be limited to, expenditures for education and research related to each of the licensing or registration categories.

SEC. 15. Section 4994 of the Business and Professions Code is amended to read:

4994. All moneys in the Behavioral Sciences Fund shall be expended by the board for the purposes of the programs under its jurisdiction.

SEC. 16. Section 5683 of the Business and Professions Code is amended to read:

5683. The money paid into the California Architects Board-Landscape Architects Fund shall be used for expenditure in the manner prescribed by law to defray the expenses of the board and in carrying out and enforcing the provisions of this chapter.

SEC. 17. Section 6980.81 of the Business and Professions Code is amended to read:

6980.81. (a) The bureau shall report each month to the Controller the amount and source of all revenue received pursuant to this chapter and shall pay the entire amount thereof into the State Treasury for credit to the Private Security Services Fund.

(b) All moneys paid into the Private Security Services Fund pursuant to subdivision (a) shall be used for the purposes of this chapter.

SEC. 18. Section 6980.82 of the Business and Professions Code is amended to read:

6980.82. The director shall furnish one copy of the licensing law and rules and regulations to any applicant or licensee without charge. The director shall charge and collect a fee equivalent to the cost of producing such laws, rules and regulations, manuals, or guides, plus sales tax for each additional copy which may be furnished on request to any applicant or licensee, and for each copy furnished on request to any other person. All moneys derived pursuant to this section, except for any sales tax collected, shall be used to cover the costs of producing copies of these laws, rules and regulations, manuals, or guides. All moneys collected for sales tax shall be remitted to the State Board of Equalization.

SEC. 19. Section 7599.71 of the Business and Professions Code is amended to read:

7599.71. The director shall furnish one copy of any issue or edition of the licensing law, rules and regulations, manuals, or guides to any applicant or licensee without charge. The director shall charge and collect a fee equivalent to the cost of producing such laws, rules and regulations, manuals, or guides, plus sales tax for each additional copy which may be furnished on request to any applicant or licensee, and for each copy furnished on request to any other person. All moneys derived, pursuant to this section except for any sales tax collected shall be used to cover the costs of producing copies of such laws, rules and regulations, manuals or guides. All moneys collected for sales tax shall be remitted to the State Board of Equalization.

SEC. 20. Section 7599.74 of the Business and Professions Code is amended to read:

7599.74. All money derived from Section 7591.9 shall be used to support the bureau's enforcement program.

SEC. 21. Section 7886 of the Business and Professions Code is amended to read:

7886. The money paid into the Geology and Geophysics Fund shall be used by the board to carry out the provisions of this chapter.

SEC. 22. Section 9872 of the Business and Professions Code is amended to read:

9872. The money in the Electronic and Appliance Repair Fund necessary for the administration of this chapter shall be used for such purposes.

SEC. 23. Section 17206 of the Business and Professions Code is amended to read:

17206. Civil Penalty for Violation of Chapter

(a) Any person who engages, has engaged, or proposes to engage in unfair competition shall be liable for a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation, which 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, by any district attorney, by any county counsel authorized by agreement with the district attorney in actions involving violation of a county ordinance, by any city attorney of a city, or city and county, having a population in excess of 750,000, with the consent of the district attorney, by a city prosecutor in any city having a full-time city prosecutor, or, with the consent of the district attorney, by a city attorney in any city and county, in any court of competent jurisdiction.

(b) The court shall impose a civil penalty for each violation of this chapter. In assessing the amount of the civil penalty, the court shall consider any one or more of the relevant circumstances presented by any of the parties to the case, including, but not limited to, the following: the nature and seriousness of the misconduct, the number of violations, the persistence of the misconduct, the length of time over which the misconduct occurred, the willfulness of the defendant's misconduct, and the defendant's assets, liabilities, and net worth.

(c) If the action is brought by the Attorney General, one-half of the penalty collected shall be paid to the treasurer of the county in which the judgment was entered, and one-half to the General Fund. If the action is brought by a district attorney or county counsel, the penalty collected shall be paid to the treasurer of the county in which the judgment was entered. Except as provided in subdivision (e), if the action is brought by a city attorney or city prosecutor, one-half of the penalty collected shall be paid to the treasurer of the city in which the judgment was entered, and one-half to the treasurer of the county in which the judgment was entered. The aforementioned funds shall be for the exclusive use by the Attorney General, the district attorney, the county counsel, and the city attorney for the enforcement of consumer protection laws.

(d) The Unfair Competition Law Fund is hereby created as a special account within the General Fund in the State Treasury. The portion of penalties that is payable to the General Fund or to the Treasurer recovered by the Attorney General from an action or settlement of a claim made by the Attorney General pursuant to this chapter or Chapter 1

(commencing with Section 17500) of Part 3 shall be deposited into this fund. Moneys in this fund, upon appropriation by the Legislature, shall be used by the Attorney General to support investigations and prosecutions of California's consumer protection laws, including implementation of judgments obtained from such prosecutions or investigations and other activities which are in furtherance of this chapter or Chapter 1 (commencing with Section 17500) of Part 3.

(e) If the action is brought at the request of a board within the Department of Consumer Affairs or a local consumer affairs agency, the court shall determine the reasonable expenses incurred by the board or local agency in the investigation and prosecution of the action.

Before any penalty collected is paid out pursuant to subdivision (c), the amount of any reasonable expenses incurred by the board shall be paid to the Treasurer for deposit in the special fund of the board described in Section 205. If the board has no such special fund, the moneys shall be paid to the Treasurer. The amount of any reasonable expenses incurred by a local consumer affairs agency shall be paid to the general fund of the municipality or county that funds the local agency.

(f) If the action is brought by a city attorney of a city and county, the entire amount of the penalty collected shall be paid to the treasurer of the city and county in which the judgment was entered for the exclusive use by the city attorney for the enforcement of consumer protection laws. However, if the action is brought by a city attorney of a city and county for the purposes of civil enforcement pursuant to Section 17980 of the Health and Safety Code or Article 3 (commencing with Section 11570) of Chapter 10 of Division 10 of the Health and Safety Code, either the penalty collected shall be paid entirely to the treasurer of the city and county in which the judgment was entered or, upon the request of the city attorney, the court may order that up to one-half of the penalty, under court supervision and approval, be paid for the purpose of restoring, maintaining, or enhancing the premises that were the subject of the action, and that the balance of the penalty be paid to the treasurer of the city and county.

SEC. 24. Section 1789.30 of the Civil Code is amended to read:

1789.30. (a) (1) Every check casher, as applicable to the services provided, shall post a complete, detailed, and unambiguous schedule of all fees for (A) cashing checks, drafts, money orders, or other commercial paper serving the same purpose, (B) the sale or issuance of money orders, and (C) the initial issuance of any identification card. Each check casher shall also post a list of valid identification which is acceptable in lieu of identification provided by the check casher. The information required by this section shall be clear, legible, and in letters not less than one-half

inch in height. The information shall be posted in a conspicuous location in the unobstructed view of the public within the check cashier's premises.

(2) Every check cashier who cashes a check, or a series of checks, in the aggregate amount that exceeds ten thousand dollars (\$10,000) for the same person in the same calendar year, whether in a single transaction or in multiple transactions, shall file a return required by Section 18631.7 of the Revenue and Taxation Code.

(b) (1) Except as provided in paragraph (2), this section shall become operative December 31, 2004.

(2) Paragraph (2) of subdivision (a) shall apply to checks cashed on or after January 1, 2006.

SEC. 25. Article 13 (commencing with Section 14095) of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code is repealed.

SEC. 26. Section 4101.3 is added to the Food and Agricultural Code, to read:

4101.3. (a) Notwithstanding any other provision of law, the California Science Center is hereby authorized to enter into a site lease with the California Science Center Foundation, a California Nonprofit Corporation, with the approval of the State and Consumer Services Agency, Department of Finance, and the Department of General Services, for the purpose of the foundation developing, constructing, equipping, furnishing, and funding the project known as Phase II of the California Science Center. The overall construction cost and scope shall be consistent with the amount authorized in 2002 Budget Act, provided that nothing in this section shall prevent the foundation from expending additional nonstate funds to complete Phase II provided that the additional expenditures do not result in additional state operation and maintenance costs. Any additional expenditure of nonstate funds by the foundation shall not increase the state's contribution.

(b) For the purpose of carrying out subdivision (a), all of the following shall apply:

(1) In connection with the development described in subdivision (a), above, the foundation may, in its determination, select the most qualified construction manager/general contractor to oversee and manage the work and prepare the competitive bid packages for all major subcontractors to be engaged in the construction of Phase II Project. Any construction manager/general contractor selected shall be required to have a California general contractor's license.

(2) Prior to commencement of construction of the Phase II Project, the California Science Center shall enter into a lease-purchase agreement upon approval by the Department of Finance with the foundation on terms that are compatible with the Phase I Project financing. The term of the lease-purchase agreement shall be a term not to exceed 25 years.

Lease payments on behalf of the state shall be commensurate with the twenty-two million nine hundred forty-five thousand two hundred sixty-three dollars (\$22,945,263), (nineteen million one hundred thirty-seven thousand dollars (\$19,137,000) plus 19.9 percent augmentation authority) construction cost allocation of the state. Lease payments may also include any cost of financing that the foundation may incur related to tax exempt financing. The California Science Center shall be authorized to direct the State Controller's Office to send the rental payments under the lease-purchase agreement directly to the foundation's bond trustee.

(3) The foundation shall ensure that the Phase II Project is inspected during construction by the state in the manner consistent with state infrastructure projects. The foundation shall also indemnify and defend and save harmless the Department of General Services for any and all claims and losses accruing and resulting from or arising out of the foundation's use of the state's plans and specifications. The foundation and the California Science Center, upon consultation with the Director of the Department of General Services and the Department of Finance shall agree on a reasonable level of state oversight throughout the construction of the Phase II Project in order to assist the foundation in the completion of the project within the intended scope and cost.

(4) At the end of the term of the site lease and the lease-purchase agreement unencumbered title to the land and improvements shall return to the State of California with jurisdiction held by the California Science Center.

SEC. 26.5. Section 7076 of the Government Code is amended to read:

7076. (a) (1) The department shall provide technical assistance to the enterprise zones designated pursuant to this chapter with respect to all of the following activities:

(A) Furnish limited onsite assistance to the enterprise zones when appropriate.

(B) Ensure that the locality has developed a method to make residents, businesses, and neighborhood organizations aware of the opportunities to participate in the program.

(C) Help the locality develop a marketing program for the enterprise zone.

(D) Coordinate activities of other state agencies regarding the enterprise zones.

(E) Monitor the progress of the program.

(F) Help businesses to participate in the program.

(2) Notwithstanding existing law, the provision of services in subparagraphs (A) to (F), inclusive, shall be a high priority of the department.

(3) The department may, at its discretion, undertake other activities in providing management and technical assistance for successful implementation of this chapter.

(b) The applicant shall be required to begin implementation of the enterprise zone plan contained in the final application within six months after notification of final designation or the enterprise zone shall lose its designation.

(c) The department may establish, charge, and collect a fee as reimbursement for the costs of its administration of this chapter. The department shall assess each enterprise zone a fee of not more than ten dollars (\$10) for each application it accepts for issuance of a certificate pursuant to subdivision (c) of Section 17053.74 of the Revenue and Taxation Code and subdivision (c) of Section 23622.7 of the Revenue and Taxation Code. The enterprise zone administrator may collect this fee at the time it accepts an application for issuance of a certificate. This subdivision shall become inoperative on January 1, 2007, and shall have no force or effect on or after that date.

(d) Any fee assessed and collected pursuant to subdivision (c) shall be refundable if the certificate issued by the local government pursuant to subdivision (c) of Section 17053.74 of the Revenue and Taxation Code and subdivision (c) of Section 23622.7 of the Revenue and Taxation Code is not accepted by the Franchise Tax Board.

SEC. 27. Section 9147.5 is added to the Government Code, to read:
9147.5. (a) Notwithstanding Section 7550.5, the Director of Homeland Security, in collaboration with the State Department of Health Services, shall, on or before February 1 of each year, report to the chairperson of the Joint Legislative Budget Committee, and the chairperson of the budget committee of each house of the Legislature, on their respective expenditures of federal homeland security and bioterrorism funds.

(b) The report shall include all of the following information:

(1) Descriptions of grant expenditures and coordination activities at the state and local level that have occurred over the past fiscal year.

(2) How those activities met the state's strategic goals and objectives.

(3) Funding amounts awarded to state and local agencies.

(4) Funding levels by grant and grant year, designating which funds have been expended or encumbered, or remain unencumbered.

(5) Any challenges encountered by state or local agencies that hindered their expenditure of the funds.

(6) Areas of focus for the upcoming fiscal year.

(c) Nothing in this section shall be construed to require the Director of Homeland Security or the State Department of Health Services to disclose or include classified information.

SEC. 28. Section 11011 of the Government Code is amended to read:

11011. (a) On or before December 31st of each year, each state agency shall make a review of all proprietary state lands, other than tax-deeded land, land held for highway purposes, lands under the jurisdiction of the State Lands Commission, land that has escheated to the state or that has been distributed to the state by court decree in estates of deceased persons, and lands under the jurisdiction of the State Coastal Conservancy, over which it has jurisdiction to determine what, if any, land is in excess of its foreseeable needs and report thereon in writing to the Department of General Services. These lands shall include, but not be limited to, the following:

(1) Land not currently being utilized, or currently being underutilized, by the state agency for any existing or ongoing state program.

(2) Land for which the state agency has not identified any specific utilization relative to future programmatic needs.

(3) Land not identified by the state agency within its master plans for facility development.

(b) Jurisdiction of all land reported as excess shall be transferred to the Department of General Services, when requested by the director thereof, for sale or disposition under this section or as may be otherwise authorized by law.

(c) The Department of General Services shall report to the Legislature annually, the land declared excess and request authorization to dispose of the land by sale or otherwise.

(d) The Department of General Services shall review and consider reports submitted to the Director of General Services pursuant to Section 66907.12 of the Government Code and Section 31104.3 of the Public Resources Code prior to recommending or taking any action on surplus land, and shall also circulate the reports to all agencies that are required to report excess land pursuant to this section. In recommending or determining the disposition of surplus lands, the Director of General Services may give priority to proposals by the state that involve the exchange of surplus lands for lands listed in those reports.

(e) Except as otherwise provided by any other provision of law, whenever any land is reported as excess pursuant to this section, the Department of General Services shall determine whether or not the use of the land is needed by any other state agency. If the Department of General Services determines that any land is needed by any other state agency it may transfer the jurisdiction of this land to the other state

agency upon the terms and conditions as it may deem to be for the best interests of the state.

(f) When authority is granted for the sale or other disposition of lands declared excess, and the Department of General Services has determined that the use of the land is not needed by any other state agency, the Department of General Services shall sell the land or otherwise dispose of the same pursuant to the authorization, upon any terms and conditions and subject to any reservations and exceptions as the Department of General Services may deem to be for the best interests of the state. The Department of General Services shall report to the Legislature annually, with respect to each parcel of land authorized to be sold under this section, giving the following information:

- (1) A description or other identification of the property.
- (2) The date of authorization.
- (3) With regard to each parcel sold after the next preceding report, the date of sale and price received, or the value of the land received in exchange.
- (4) The present status of the property, if not sold or otherwise disposed of at the time of the report.

(g) Except as otherwise specified by law, the net proceeds received from any real property disposition, including the sale, lease, exchange, or other means, that is received pursuant to this section shall be paid into the Deficit Recovery Bond Retirement Sinking Fund Subaccount, established pursuant to subdivision (f) of Section 20 of Article XVI of the California Constitution, until the time that the bonds issued pursuant to the Economic Recovery Bond Act (Title 18 (commencing with Section 99050)), approved by the voters at the March 2, 2004, statewide primary election, are retired. Thereafter, the net proceeds received pursuant to this section shall be deposited in the Special Fund for Economic Uncertainties.

For purposes of this section, net proceeds shall be defined as proceeds less any outstanding loans from the General Fund, or outstanding reimbursements due to the Property Acquisition Law Money Account for costs incurred prior to June 30, 2005, related to the management of the state's real property assets, including, but not limited to, surplus property identification, legal research, feasibility statistics, activities associated with land use, and due diligence.

(h) The Director of Finance may approve loans from the General Fund to the Property Acquisition Law Money Account, which is hereby created in the State Treasury, for the purposes of supporting the management of the state's real property assets.

(i) Any rentals or other revenues received by the department from real properties, the jurisdiction of which has been transferred to the

Department of General Services under this section, shall be deposited in the Property Acquisition Law Money Account and shall be available for expenditure by the Department of General Services upon appropriation by the Legislature.

(j) Nothing contained in this section shall be construed to prohibit the sale, letting, or other disposition of any state lands pursuant to any law now or hereafter enacted authorizing the sale, letting, or disposition.

(k) Subdivisions (a) to (f), inclusive, of this section shall be inoperative from August 16, 2004, until July 1, 2005, with the exception of subdivisions (g) to (j), inclusive, which shall take effect retroactively, beginning November 3, 2004.

SEC. 29. Section 11044 of the Government Code is amended to read:

11044. (a) The Legal Services Revolving Fund is hereby created in the State Treasury. The Department of Justice shall administer this fund. Moneys in the fund, upon appropriation by the Legislature, shall be used by the Attorney General for investigation and litigation activities taken on behalf of the state agencies employing the legal services of the department and for investigation and litigation activities funded through judgments or settlements.

(b) For state agencies, departments, or programs that are charged for the costs of legal services rendered by the Attorney General, the Attorney General shall charge an amount sufficient to recover the costs incurred in providing the legal services. These funds shall be deposited into the Legal Services Revolving Fund. Except as approved by the Department of Finance, charges for legal services may not be made against the General Fund, but may be made against any other fund or special account in the General Fund.

(c) Upon the request of the Attorney General in the form prescribed by the Controller, the Controller shall transfer the amount of the charges for services rendered from the agency's appropriation to the appropriation for the support of the Attorney General's office, provided that the Attorney General shall not request an amount which, when added to previous charges in the same fiscal year, exceeds the amount budgeted by the state agency for Attorney General legal services. Payments for these charges shall be credited to and in augmentation of the appropriation for the support of the Attorney General's office from which the cost of the services was or will be paid.

(d) A state agency that has a dispute regarding charges for legal services provided by the Attorney General shall notify the Attorney General, in writing, of the dispute and the basis for it. The Attorney General shall immediately provide a credit to the state agency in the subsequent billing or billings for the amount of the charges in dispute. No further transfer of funds shall occur with respect to the services for

which charges are disputed until the dispute is resolved by the Attorney General, subject to the approval of the Department of Finance.

SEC. 30. Section 11139.8 of the Government Code is amended to read:

11139.8. (a) Notwithstanding any other provision of law, commencing January 1, 2003, each state department or agency awarding a contract or procuring goods or services shall, and each local agency receiving state funds may, collect information and report to the Governor and the Legislature on the level of participation by minority, women, and disabled veteran-owned business enterprises in contract and procurement activities as identified in this section. The reports shall be submitted annually, on or before July 1 of each year, and shall include dollar values of contract awards for the following categories of contractors:

- (1) Construction.
- (2) Architecture and engineering and other professional services.
- (3) Procurement of materials, supplies, and equipment.
- (4) Information technology procurements.

(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.

SEC. 31. Section 11260 of the Government Code is amended to read:

11260. After work is performed, services are rendered, or materials or equipment are furnished pursuant to advances or transfers made under Sections 11257 and 11258, the Controller shall process transfers from time to time as requested by the state agency that performed the work. Any agency receiving an advance or transfer under Section 11257 or 11258 shall remain fully accountable therefor to the Controller who shall audit as provided in Section 12410.

SEC. 32. Section 11544 is added to the Government Code, to read:

11544. (a) The Department of Technology Services Revolving Fund, hereafter known as the fund, is hereby created within the State Treasury. The fund shall be administered by the director, pursuant to the department's plan of operations, to receive all revenues from the sale of technology or technology services provided for in this chapter and all other moneys properly credited to the board and department from any other source, and, subject to appropriation by the Legislature, to pay all costs arising from this chapter, including, but not limited to, operating and other expenses of the board and department and costs associated with approved information technology projects, and to establish reserves. At the discretion of the director, segregated, dedicated accounts within the fund may be established.

- (b) The fund shall consist of all of the following:

(1) Moneys appropriated and made available by the Legislature for the purpose of this chapter.

(2) Any other moneys that may be made available to the department for the purpose of this chapter from any other source, including the return from investments of moneys by the Treasurer.

(c) The department may collect payments from public agencies for providing services to those agencies that the agencies have contracted with the department to provide. The department may require monthly payments by client agencies for the services the agencies have contracted the department to provide. Pursuant to Section 11255, the Controller shall transfer any amounts so authorized by the department, consistent with the annual budget of each department, to the fund. The department shall notify each affected state agency upon requesting the Controller to make the transfer.

(d) If the balance remaining in the fund at the end of any fiscal year exceeds 25 percent of the department's current fiscal year budget, the excess amount shall be used to reduce the billing rates for services rendered during the following fiscal year.

SEC. 33. Section 12587.1 is added to the Government Code, to read:

12587.1. (a) The Registry of Charitable Trusts Fund is hereby established in the State Treasury, to be administered by the Department of Justice.

(b) Notwithstanding any other provision of law, all registration fees, registration renewal fees, and late fees or other fees paid to the Department of Justice pursuant to this article, Section 2850 of the Probate Code, or Section 320.5 of the Penal Code, shall be deposited in the Registry of Charitable Trusts Fund.

(c) Moneys in the fund, upon appropriation by the Legislature, shall be used by the Attorney General solely to operate and maintain the Attorney General's Registry of Charitable Trusts and provide public access via the Internet to reports filed with the Attorney General.

SEC. 33.5. Section 14612.2 of the Government Code is amended to read:

14612.2. (a) Notwithstanding Chapter 7 (commencing with Section 14850) of Part 5.5 of Division 3 of Title 2 of, or Section 14901 of, the Government Code, no agency is required to use the Office of State Publishing for its printing needs and the Office of State Publishing may offer printing services to both state and other public agencies, including cities, counties, special districts, community college districts, the California State University, the University of California, and agencies of the United States government. When soliciting bids for printing services from the private sector, all state agencies shall also solicit a bid

from the Office of State Publishing when the project is anticipated to cost more than five thousand dollars (\$5,000).

(b) This section shall remain operative only until the effective date of the Budget Act of 2006 or July 1, 2006, whichever is later, 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. 34. Section 14670 of the Government Code is amended to read:

14670. (a) With the consent of the state agency concerned, the director may do any of the following:

(1) Let for a period of not to exceed five years, any real or personal property that belongs to the state, the letting of which is not expressly prohibited by law, if he or she deems the letting to be in the best interest of the state.

(2) Sublet any real or personal property leased by the state, the subletting of which is not expressly prohibited by law, if he or she deems the subletting to be in the best interest of the state.

(3) Let for a period not to exceed five years, and at less than fair market rental, any real property of the state to any public agency for use as nonprofit, self-help community vegetable gardens and related supporting activities, provided:

(A) Parcels let for those purposes shall not exceed five acres.

(B) Two or more contiguous parcels shall not be let for those purposes.

(C) Parcels shall be let subject to applicable local zoning ordinances.

(b) The Legislature finds and declares that any leases let at less than fair market rental pursuant to paragraph (3) of subdivision (a) shall be of broad public benefit.

(c) Any money received in connection with paragraph (1) of subdivision (a) shall be deposited in the Property Acquisition Law Money Account and shall be available to the department upon appropriation by the Legislature.

(d) All money received pursuant to paragraph (2) of subdivision (a) shall be accounted for to the Controller at the close of each month and on order of the Controller be paid into the State Treasury and credited to the appropriation from which the cost of the lease was paid.

SEC. 35. Section 14840 of the Government Code is amended to read:

14840. The department shall submit an annual report to the Legislature no later than January 1 of each year containing the following information:

(a) Upon request, an up-to-date list of eligible small business bidders by general procurement and construction contract categories, noting company names and addresses and also noting which small businesses also qualify as microbusinesses.

(b) By general procurement and construction contract categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(c) By awarding department and general procurement and construction categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(d) Any recommendations for changes in statutes or state policies to improve opportunities for small businesses and microbusinesses.

(e) A statistical summary of small businesses and microbusinesses certified for state contracting by the number of employees at the business for each of the following categories: 0–25, 26–50, 51–75, and 76–100.

(f) To the extent feasible, beginning in the year 2002, the number of contracts awarded by the department in the categories specified in subdivision (e).

(g) The number of contracts and dollar amounts awarded annually pursuant to Section 14838.5 to small businesses, microbusinesses, and disabled veteran business enterprises.

(h) 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. 36. Section 14982 is added to the Government Code, to read:

14982. (a) It is the intent of the Legislature that the Department of General Services, University of California, and the Public Employees Retirement System regularly meet and share information regarding each agency's procurement of prescription drugs in an effort to identify and implement opportunities for cost savings in connection with this procurement. It is the intent of the Legislature that the University of California and the Public Employees Retirement System cooperate with the department in order to reduce each agency's costs for prescription drugs.

(b) The department shall do all of the following:

(1) Share information on a regular basis with the University of California and the Public Employees Retirement System regarding each agency's procurement of prescription drugs, including, but not limited to, prices paid for the same or similar drugs and information regarding drug effectiveness.

(2) Identify opportunities for the department, the University of California, and the Public Employees Retirement System to consolidate drug procurement or engage in other joint activities that will result in cost savings in the procurement of prescription drugs.

(3) Participate in at least one independent association that develops information on the relative effectiveness of prescription drugs.

(4) No later than January 1, 2006, and annually thereafter, develop a work plan that includes, but is not limited to, a description of the department's annual activities to reduce the state's costs for prescription drugs and an estimate of cost savings.

(5) No later than January 10, 2006, and annually thereafter, report to the chairperson of the Joint Legislative Budget Committee and the chairs of the fiscal committees of the Legislature on any joint activities of the department, the University of California, and the Public Employees Retirement System in the last 12 months in connection with procurement of prescription drugs and any resulting cost savings. This report shall include the work plan described in paragraph (4).

(c) Nothing in this section shall be construed to require sharing of information that is prohibited by any other provision of law or contractual agreement, or the disclosure of information that may adversely affect potential drug procurement by any state agency.

SEC. 37. Section 15849.6 of the Government Code is amended to read:

15849.6. Notwithstanding any provision of this part to the contrary, the board may issue bonds, notes, or other obligations to finance the acquisition or construction of a public building, facility, or equipment as authorized by the Legislature, in the total amount authorized by the Legislature, and any additional amount authorized by the board to pay the cost of financing. This additional amount may include interest during acquisition or interest prior to, during, and for a period of six months after construction of the public building, facility, or equipment, interest payable on any interim loan for the public building, facility, or equipment from the General Fund pursuant to Section 15849.1 or from the Pooled Money Investment Account pursuant to Section 16312 or 16313, a reasonably required reserve fund, and the costs of issuance of permanent financing after completion of the construction or acquisition of the public building, facility, or equipment.

This section shall be applicable to, but not limited to, bonds, notes, or obligations of the board that were authorized by appropriations of the Legislature made prior to the effective date of this section.

SEC. 38. Section 15849.7 is added to the Government Code, to read:

15849.7. Notwithstanding any other provision of law, including, but not limited to, any specific grant of authority on or after June 30, 2001, the State Public Works Board may issue bonds, notes, or bond anticipation notes for any and all phases of any capital outlay project authorized to be financed pursuant to Chapter 5 (commencing with Section 15830).

SEC. 39. Section 15863 of the Government Code is amended to read:

15863. (a) The net proceeds of any sale made pursuant to Section 15862 shall be deposited in the Deficit Recovery Bond Retirement Sinking Fund Subaccount established pursuant to subdivision (f) of Section 20 of Article XVI of the California Constitution, until the time that the bonds issued pursuant to the Economic Recovery Bond Act (Title 18 (commencing with Section 99050)), approved by the voters at the March 2, 2004, statewide primary election, are retired. At that time, the net proceeds, as defined in subdivision (g) of Section 11011, received pursuant to this section shall be deposited in the Special Fund for Economic Uncertainties.

(b) All rents received by the Department of General Services pursuant to Section 15862 shall be deposited in the Property Acquisition Law Money Account and shall be available for expenditure by the Department of General Services upon appropriation.

SEC. 40. Section 16427 of the Government Code is amended to read:

16427. (a) For purposes of this article, "department" means the Department of Justice.

(b) The fund is under the control of the department. The department shall maintain accounting records pertaining to the fund, including subsidiary records of individual litigation deposits and the disbursements from the fund.

(c) The department shall file a claim with the Controller to pay out money in the fund to whomever and at the time the department directs. However, notwithstanding Section 13340, if a sum of money in the fund was deposited pursuant to order or direction of the court, that sum shall be paid to whomever and at the time the court directs. The department may expend revenue transferred from the fund to the Legal Services Revolving Fund only upon approval by the Department of Finance. The department shall submit a written application to the Department of Finance to request approval for the expenditure. The request shall be deemed approved if the Department of Finance neither approves nor disapproves the request within 30 days of receipt of the application.

(d) Any residue remaining in a deposit account after satisfaction of all court-directed claims, or payment of departmental expenditures for that account shall be transferred no later than July 1 of each fiscal year to the General Fund.

(e) The department shall prepare and submit to the chairperson of the Joint Legislative Budget Committee, the chairpersons of the fiscal committees of the Senate and the Assembly, and the Director of Finance, quarterly reports concerning the activity of the fund that detail the number of deposits received, the receipt of interest income, disbursements to claimants, and what amount, if any, was used for the litigation costs of the department.

SEC. 41. Section 22877 of the Government Code is amended to read: 22877. (a) As used in this section, the following definitions shall apply:

(1) "Coinsurance" means the provision of a health benefit plan design that requires the health benefit plan and state employee or annuitant to share the cost of hospital or medical expenses at a specified ratio.

(2) "Deductible" means the annual amount of out-of-pocket medical expenses that a state employee or annuitant must pay before the health benefit plan begins paying for expenses.

(3) "Program" means the Rural Health Care Equity Program.

(4) "Rural area" means an area in which there is no board-approved health maintenance organization plan available for enrollment by state employees or annuitants residing in the area.

(b) (1) The Rural Health Care Equity Program is hereby established for the purpose of funding the subsidization and reimbursement of premium costs, deductibles, coinsurance, and other out-of-pocket health care expenses paid by employees and annuitants living in rural areas that would otherwise be covered if the state employee or annuitant was enrolled in a board-approved health maintenance organization plan. The program shall be administered by the Department of Personnel Administration or by a third-party administrator approved by the Department of Personnel Administration in a manner consistent with all applicable state and federal laws. The board shall determine the rural area for each subsequent fiscal year, at the same time that premiums for health maintenance organization plans are approved.

(2) Separate accounts shall be maintained within the program for all of the following:

(A) Employees, as defined in subdivision (c) of Section 3513.

(B) Excluded employees, as defined in subdivision (b) of Section 3527.

(C) State annuitants.

(c) Moneys in the program shall be allocated to the respective accounts as follows:

(1) The contribution provided by the state with respect to each employee, as defined in subdivision (c) of Section 3513, who lives in a rural area and is otherwise eligible, shall be an amount determined through the collective bargaining process.

(2) The contribution provided by the state with respect to each excluded employee, as defined in subdivision (b) of Section 3527, who lives in a rural area and is otherwise eligible, shall be an amount equal to, but not to exceed, the amount contributed pursuant to paragraph (1).

(3) The contribution provided by the state with respect to each state annuitant who lives in a rural area, is not a Medicare participant, resides

in California, and is otherwise eligible, shall be an amount not to exceed five hundred dollars (\$500) per year.

(4) The contribution provided by the state with respect to each state annuitant who lives in a rural area, resides in California, participates in a supplement Medicare health benefit plan, and is otherwise eligible, shall be an amount equal to the Medicare Part B premiums incurred by the annuitant, not to exceed seventy-five dollars (\$75) per month. The program may not reimburse for penalty amounts.

(5) If an employee enters or leaves service with the state during a fiscal year, contributions for the employee shall be made on a pro rata basis. A similar computation shall be used for anyone entering or leaving the bargaining unit, including a person who enters the bargaining unit by promotion during a fiscal year.

(d) Each fund of the State Treasury, other than the General Fund, shall reimburse the General Fund for any sums allocated pursuant to subdivision (c) for employees whose compensation is paid from that fund. That reimbursement shall be accomplished using the following methodology:

(1) On or before December 1 of each year, the Department of Personnel Administration shall provide a list of active state employees who participated in the program during the previous fiscal year to each employing department.

(2) On or before January 15 of each year, each department that employed an active state employee identified by the Department of Personnel Administration as a participant in the program shall provide the Department of Personnel Administration with a list of the funds used to pay each employee's salary, along with the proportion of each employee's salary attributable to each fund.

(3) Using the information provided by the employing departments, the Department of Personnel Administration shall compile a list of program payments attributable to each fund. On or before February 15 of each year, the Department of Personnel Administration shall transmit this list to the Department of Finance.

(4) The Department of Finance shall certify to the Controller the amount to be transferred from the unencumbered balance of each fund to the General Fund.

(5) The Controller shall transfer to the General Fund from the unencumbered balance of each impacted fund the amount specified by the Department of Finance.

(6) To ensure the equitable allocation of costs, the Director of the Department of Personnel Administration or the Director of Finance may require an audit of departmental reports.

(e) For any sums allocated pursuant to subdivision (c) for annuitants, funds, other than the General Fund, shall be charged a fair share of the contribution provided by the state in accordance with the provisions of Article 2 (commencing with Section 11270) of Chapter 3 of Part 1 of Division 3. On or before July 31 of each year, the Department of Personnel Administration shall provide the Department of Finance with the total costs allocated for annuitants in the previous fiscal year. The reported costs may not include expenses that have been incurred but not claimed as of July 31.

(f) Notwithstanding any other provision of law and subject to the availability of funds, moneys within the program shall be disbursed for the benefit of eligible employees. The disbursements shall subsidize the preferred provider plan premiums for the employee by an amount equal to the difference between the weighted average of board-approved health maintenance organization premiums and the lowest board-approved preferred provider plan premium available under this part, and reimburse the employee for a portion or all of his or her incurred deductible, coinsurance, and other out-of-pocket health-related expenses that would otherwise be covered if the employee and his or her family members were enrolled in a board-approved health maintenance organization plan. These subsidies and reimbursements shall be provided as determined by the Department of Personnel Administration, which may include, but is not limited to, a supplemental insurance plan, a medical reimbursement account, or a medical spending account plan.

(g) Notwithstanding any other provision of law and subject to the availability of funds, moneys within the program shall be disbursed for the benefit of eligible annuitants. The disbursements shall either reimburse the annuitant, if not a Medicare participant, for some or all of the deductible incurred by the annuitant or a family member, not to exceed five hundred dollars (\$500) per fiscal year, or reimburse the annuitant, if a Medicare participant, for Medicare Part B premiums incurred by the annuitant, not to exceed seventy-five dollars (\$75) per month. The program may not reimburse for penalty amounts. These reimbursements shall be provided by the Department of Personnel Administration. Notwithstanding any other provision of law, any annuitant who cannot be located within a period of three months and whose disbursement is returned to the Controller as unclaimed is ineligible to participate in the program.

(h) Subject to subdivision (i), moneys remaining in an account of the program at the end of any fiscal year shall remain in the account for use in subsequent fiscal years, until the account is terminated. Moneys remaining in a program account upon termination, after payment of all

expenses and claims incurred prior to the date of termination, shall be deposited in the General Fund.

(i) Notwithstanding Section 13340, there is hereby continuously appropriated, in support of subdivision (f), moneys to reimburse eligible employees for a portion or all of his or her out-of-pocket health-related expenses in excess of one thousand five hundred dollars (\$1,500) per fiscal year. In no case shall the total expenditures from this appropriation exceed fifteen million three hundred thirty-six thousand dollars (\$15,336,000) for all fiscal years combined.

(j) The Legislature finds and declares that the program is established for the exclusive benefit of employees, annuitants, and family members.

(k) This section shall cease to be operative on January 1, 2008, or on an earlier date if the board makes a formal determination that health maintenance organization plans are no longer the most cost-effective health benefit plans offered by the board.

SEC. 42. 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 or the Trial Court Improvement Fund to fund administrative infrastructure within the Administrative Office of the Courts, such as legal services, financial services, information systems services, human resource services, and support services, for one or more participating courts upon appropriation of funding for these purposes in the annual Budget Act. The amount of appropriations from the Trial Court Improvement Fund under this subdivision may not exceed 20 percent of the amount deposited in the Trial Court Improvement Fund pursuant to subdivision (a) of Section 77205. 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 from the Trial Court Trust Fund 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 from the Trial Court Trust Fund 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, 68086, 72055, 72056, 72056.01, and 72060.

(2) Notwithstanding any other provision of law, except as specified in subdivision (d), this section applies to all fees and fines collected pursuant to Sections 116.390, 116.570, 116.760, 116.860, 177.5, 491.150, 704.750, 708.160, 724.100, 1134, 1161.2, and 1218 of the Code of Civil Procedure, Sections 26824, 26828, 26829, 26834, and 72059 of this code, and Sections 166 and 1214.1 of the Penal Code.

(3) 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.

(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) The Judicial Council shall reimburse the Controller for 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 that 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 1½ 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 quarterly 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.

(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.

SEC. 43. Section 68085.5 of the Government Code is amended to read:

68085.5. (a) Notwithstanding any other provision of law, except subdivision (h) and Section 68085.6, 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, except subdivision (h) and Section 68085.6, 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 subdivisions (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. Any payment to correct for an overpayment or underpayment made for the 2004–05 fiscal year, shall be paid to the appropriate party on or before November 15, 2005.

(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.

(6) Counties that have not paid amounts billed under this section for the 2003-04 or 2004-05 fiscal year shall pay the amounts still owing to the Trial Court Trust Fund on or before September 1, 2005. If payment is not received on or before September 1, 2005, it shall be considered delinquent and subject to the penalties set forth in Section 68085.

(7) Penalty amounts calculated under paragraph (6) shall be paid by the county or the city and county to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated.

(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 Code of Civil 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) 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.

(h) This section does not apply to fees and fines specified in subdivisions (a), (b), and (f) that are collected on or after 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. 44. Section 68085.6 is added to the Government Code, to read:

68085.6. (a) Commencing July 1, 2005, the counties' obligation to remit to the Trial Court Trust Fund each fiscal year the difference between thirty-one million dollars (\$31,000,000) and the amount remitted to the Trial Court Trust Fund under Section 68085.5 shall expire. The counties thereafter shall be obligated to remit to the Trial Court Trust Fund the following amounts:

- (1) In the 2005–06 fiscal year, twenty million dollars (\$20,000,000).
- (2) In the 2006–07 fiscal year, fifteen million dollars (\$15,000,000).
- (3) In the 2007–08 fiscal year, ten million dollars (\$10,000,000).
- (4) In the 2008–09 fiscal year, five million dollars (\$5,000,000).
- (5) In the 2009–10 fiscal year and thereafter, the obligation shall expire.

(b) If the amounts remitted annually to the Trial Court Trust Fund, pursuant to subdivision (a) of this section, and the amendments made to Section 68085.5 of the Government Code and Section 1214.1 of the Penal Code by the act that added this section, are less than the differences between thirty-one million dollars (\$31,000,000) and the amounts specified in paragraphs (1) to (5), inclusive, of subdivision (a), no additional state funds shall be appropriated to the courts to mitigate these revenue shortfalls.

(c) In the 2005–06 fiscal year, the amount described in paragraph (1) of subdivision (a) shall be remitted to the Trial Court Trust Fund in two equal installments on February 15, 2006, and May 15, 2006. In each subsequent fiscal year, the amount described in subdivision (a) shall be remitted to the Trial Court Trust Fund in four equal installments, due on October 1, January 1, April 1, and May 1. Each county shall pay the installments from all available resources, including the county's general fund.

(d) Any payment to correct for an overpayment or underpayment made in any fiscal year shall be paid to the appropriate party on or before November 15 of the subsequent fiscal year.

(e) All moneys required to be paid to the Trial Court Trust Fund under this section shall be considered delinquent if not paid by the dates specified in this section, and shall be subject to the penalties set forth in Section 68085.

(f) Penalty amounts calculated under subdivision (e) shall be paid by the county or the city and county to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated.

(g) The portion of the amount in subdivision (a) to be paid by each county shall be determined by the Administrative Office of the Courts

(AOC) and the California State Association of Counties (CSAC) with the following conditions:

(1) Any county that did not receive a reduction of county remittances for support of trial courts to compensate for loss of civil assessment revenue under Section 68085.7 shall not be required to make any payments under this section.

(2) No county's payment in any year, commencing in the 2005–06 fiscal year, shall be greater than 90 percent of the annual payment that county was required to pay toward the thirty-one million dollars (\$31,000,000) in subdivision (e) of Section 68085.5 as it read on January 1, 2004.

(3) The AOC and the CSAC shall determine the portion of the amounts in subdivision (a) to be paid by each county on or before October 31, 2005. If the AOC and the CSAC do not agree on the portions, they may request a mutually agreed-upon third party to arbitrate and determine the portion for each county. The portions shall be determined on or before December 31, 2005.

(h) On or before June 30, 2006, the AOC and the CSAC shall agree upon a methodology to determine whether the growth in revenue to the Trial Court Trust Fund created by the transfer of revenues under this section and Section 68085.7 has significantly exceeded projected levels so that a reduction in the counties' obligation under paragraph (4) of subdivision (a) should be recommended to the Legislature.

(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. 45. Section 68085.7 is added to the Government Code, to read:

68085.7. (a) Notwithstanding any other provision of law, Section 68085.5 does not apply to the following fees and fines collected on or after July 1, 2005: any fees and fines specified in subdivision (a) or (b) of Section 68085.5, Section 177.5 or 1218 of the Code of Civil Procedure, or Section 166 or 1214.1 of the Penal Code. Commencing July 1, 2005, these fees and fines shall be distributed as provided by Section 68085 or, if no provision is made in Section 68085, the section that provides for the fee or fine.

(b) Commencing July 1, 2005, in each fiscal year, the amount of each county's annual remittance to the state Trial Court Trust Fund under paragraph (2) of subdivision (b) of Section 77201.1 shall be reduced by the amount that the county received from civil assessments under Section 1214.1 of the Penal Code, after deducting the cost of collecting those civil assessments as defined in subdivision (f), in the 2003–04 fiscal year. The reduction provided by this subdivision for the 2005–06 fiscal year shall apply only to a county that transmits to the Trial Court Trust Fund any money received by the county between July 1, 2005 and the

effective date of this section that would have been transmitted to the Trial Court Trust Fund pursuant to subdivision (a), and the amendments to Section 68085 of this code and Section 1214.1 of the Penal Code, if this section had been effective on July 1, 2005.

(c) The amount of the reduction under this section for each county shall be determined by agreement between the Administrative Office of the Courts (AOC) and the California State Association of Counties (CSAC). Each county and each superior court shall exchange relevant factual information to determine and jointly report to the AOC and the CSAC the total amount the county received from civil assessments for the 2003–04 fiscal year, both gross and net after costs, on or before August 31, 2005. If the court and the county do not agree on the amount, the court and the county shall each report the amount each believes is correct to the AOC and the CSAC on or before August 31, 2005.

(d) The AOC and the CSAC shall agree on the amount of the reduction for each county under this section on or before October 31, 2005. If a court or county disagrees with the amount agreed to by the AOC and the CSAC for that county, the court or county may appeal to the AOC and the CSAC for an adjustment. The AOC and the CSAC shall determine whether to make any requested adjustment.

(e) If the AOC and the CSAC do not agree on the amount of the reduction for a county, they may request a mutually agreed-upon third party to arbitrate and determine the amount. The amount shall be determined on or before December 31, 2005.

(f) Guidelines of the Controller shall apply to the determination of revenues from civil assessments under Section 1214.1 of the Penal Code. The costs of collecting civil assessments applied in determining net civil assessments are only those costs used to collect those civil assessments.

SEC. 46. Section 68085.8 is added to the Government Code, to read:

68085.8. (a) On or before December 31, 2005, the Administrative Office of the Courts (AOC) and the California State Association of Counties (CSAC) shall complete an initial review of the impact upon individual counties and courts of the changes in revenue distributions and payment obligations under Sections 68085.6, and 68085.7 for the purpose of correcting inequities that may result from these changes. The AOC and CSAC shall work with counties and courts to develop and implement procedures to correct inequities resulting from either the implementation of these changes or any changes in the provision of services or benefits under any of the following circumstances:

(1) Institution of new civil assessment programs after the 2003–04 fiscal year.

(2) Substantial impacts on memoranda of understanding or other agreements that are existing or pending as of June 10, 2005, or practices

in effect at that time, which agreements and practices contemplate the use of revenues transferred under the act that added this section.

(3) The demonstration by clear evidence that the information used as the basis for determining a reduction under Section 68085.7, or for determining a county's obligation under Section 68085.6, results in an inequity, and that the inequity imposes an undue hardship on the court or county.

(b) Inequities may be corrected by one or more of the following mechanisms:

(1) Adjustment of the reduction under subdivision (b) of Section 68085.7.

(2) Adjustment of the amount of a county's obligation under subdivision (a) of Section 68085.6.

(3) Adjustment of allocations to a trial court to the Trial Court Trust Fund under subdivision (a) of Section 68085.

(4) If necessary, with agreement of the court and county, adjustments of the rights and duties of the parties under memoranda of understanding or other agreements or practices.

The adjustments under paragraphs (1) to (4), inclusive, may be temporary or permanent. Adjustments under this section shall be made only with the mutual agreement of the AOC and CSAC.

SEC. 47. Section 69926.5 of the Government Code is amended 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) In addition to the surcharge in subdivision (a), a surcharge of twenty dollars (\$20) is added to the total filing fee collected in a case pursuant to Section 26820.4, 26826, or 26827, a surcharge of twenty dollars (\$20) is added to the total filing fee collected in a limited civil case pursuant to Section 72055 or 72056 where the amount demanded, excluding attorney's fees and costs, is in excess of ten thousand dollars (\$10,000), and a surcharge of ten dollars (\$10) is added to the total filing fee collected in a limited civil case pursuant to Section 72055 or 72056 where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000), or less. The surcharges in this subdivision shall be collected in cases filed from January 1, 2004, to June 30, 2006, inclusive. The purpose of this surcharge is to stabilize funding for court security at the current level and is not intended to increase the funding available for court security in the 2004-05 and 2005-06 fiscal years. This subdivision shall become inoperative on July 1, 2006, or upon the enactment of a uniform filing fee, whichever is earlier.

(c) Notwithstanding any other provision of law, the surcharges collected pursuant to subdivisions (a) and (b) 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.

SEC. 48. Section 71386 of the Government Code is amended to read:

71386. (a) Each superior court shall adopt a written policy, consistent with rules adopted by the Judicial Council, governing the acceptance of checks and money orders in payment of any fees, fines, or bail deposits. The policy shall permit clerks to accept checks and money orders under conditions that tend to assure their validity.

(b) A court shall accept a personal check, bank cashier's check, or money order for payment of any fee or fine, or for a deposit of bail for any offense that is not declared to be a felony, provided the check or money order meets the criteria established in subdivision (a). However, no court shall be required to accept a check in excess of three hundred dollars (\$300) from a defendant in custody as a deposit of bail for any alleged violation of the Penal Code.

(c) The acceptance of a check pursuant to this section constitutes payment of the obligation owed to the payee public agency to the extent of the amount of the check as of the date of acceptance when, but not before, the check is duly paid.

(d) If any check offered in payment pursuant to this section is returned to the payee without payment, a reasonable charge for the returned check not to exceed the actual costs incurred may be imposed to recover the processing and collection costs. This charge may be added to, and become part of, any underlying obligation other than an obligation that constitutes a lien on real property, or a different method of payment for that payment and future payments by that person may be prescribed. If the costs are incurred by the county, the charges imposed by a court for a returned check shall be retained by the treasurer of the county and be deposited in the county general fund. If the costs are incurred by the court, the charges imposed for a returned check shall be distributed to the court.

SEC. 49. Section 50517.10 of the Health and Safety Code is amended to read:

50517.10. (a) The department shall use the funds allocated pursuant to clause (ii) of subparagraph (A) of paragraph (4) of subdivision (a) of Section 53533 to fund a program that uses innovative, cost-effective mechanisms to provide migrant farmworkers with affordable, durable, low-maintenance housing options. It is the intent of the Legislature that the department conduct outreach and provide technical assistance to facilitate expedient use of these funds. For the purpose of this subdivision, the department may assist housing projects that meet the following criteria:

(1) Are located on sites that permit occupancy by agricultural employees pursuant to Section 17021.5 or 17021.6.

(2) Consist of alternative housing types that meet state and federal standards for livability and durability, including manufactured housing, factory-built housing, other forms of prefabricated housing, motel conversions, and dormitory- and barracks-style housing in which residents share common cooking and sanitary facilities.

(3) Provide affordable replacement housing alternatives for migrant farmworkers who face displacement from existing labor camps, mobilehome parks, or other housing because of the existence of conditions that are a danger to the health and safety of the residents due to overcrowding, lack of adequate infrastructure, or substantial violations of health and safety standards or because of the retirement or fallowing of agricultural land.

(4) Consist of a migrant housing center in which migrant farmworkers are provided with job, child care, educational, medical, and other social service referrals.

(5) Consist of any other type of migrant housing permitted by this chapter.

(6) Consist of new migrant farmworker housing centers or other new migrant housing authorized by Chapter 8.5 (commencing with Section 50710). The department shall, to the maximum extent possible, develop new migrant housing within developed areas of agricultural communities and near essential social services such as schools, transportation, and health care.

(b) In providing financing for purposes of subdivision (a), the department may do any of the following:

(1) Make no-interest deferred loans to agricultural employers who assume responsibility for paying or securing the operating costs of migrant housing assisted pursuant to this section, with payment deferred until the housing is no longer used to house migrant farmworkers for at least 90 days each year or 20 years, whichever is less, with up to one-half of the loan being forgivable after 20 years and a proportionately lower percentage of the loan being forgivable for periods of occupancy of 10 years to 20 years.

(2) Make loans or grants to local agencies, nonprofit entities, or limited partnerships or to joint ventures of agricultural employers and local agencies or nonprofit entities.

(3) Permit the housing to be used by persons other than migrant farmworkers, when not in use by migrant farmworkers.

(4) Waive the requirement that the applicant make a matching contribution.

(5) Permit the applicant to deposit funds in a reserve account to defray unanticipated cost increases or revenue shortfalls to the extent necessary to maintain the fiscal integrity of the housing or to cure or avoid a default on any loan or other obligation.

(6) Permit as eligible costs, the cost of development, redevelopment, acquisition, rehabilitation, land purchase, options to buy land, professional services, permit and application fees and bonding, site preparation, water, sewer, and associated infrastructure development, improvements to common areas, reasonable consulting fees, permanent financing, and reserves.

(7) Establish maximum rent levels by type of housing and an annual rent adjustment formula using an inflation index adopted by the department.

(c) In addition to the purposes specified in subdivision (a) of Section 50517.5, the department may make grants and loans under the Joe Serna, Jr. Farmworker Housing Grant Program to local public entities and nonprofit corporations in order to establish capitalized operating reserves for short-term occupancy housing for migrant farmworker households, purchase land for, and construct, housing structures for short-term occupancy by migrant farmworker households, lease or purchase existing structures for short-term occupancy by migrant farmworker households, and, where the department determines that extraordinary or emergency circumstances exist, directly rent or lease housing for short-term occupancy by migrant farmworker households.

SEC. 50. Section 50601 of the Health and Safety Code is amended to read:

50601. (a) The Preservation Opportunity Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, all money in the fund is continuously appropriated to the department without regard to fiscal years for the purposes of this chapter and for costs incurred in administering the program. The combined administrative expenses of the department and the agency shall not exceed 5 percent of the funds deposited in the fund for the purposes of this chapter.

(b) The following shall be paid into the fund:

(1) Any money appropriated and made available by the Legislature for purposes of the fund.

(2) Any money that the department or the agency receives in repayment of loans from the fund, including interest therefrom, except as provided in subdivision (f) of Section 50603.

(3) Any other money that may be made available to the department for the purposes of this chapter from any other source.

SEC. 51. Section 50603 of the Health and Safety Code is amended to read:

50603. (a) There is hereby created the Preservation Opportunity Program.

(b) The department shall contract with the agency for the administration of this section, and the agency shall establish the terms upon which loans may be made consistent with this section.

(c) A project shall meet all of the following requirements to be eligible for a loan:

(1) It shall be an assisted housing development.

(2) The borrower shall, in conjunction with this loan, receive a loan from the agency's Preservation Acquisition Program for the acquisition of this project.

(3) The borrower shall agree to obligate itself and any successors in interest to maintain the affordability of the assisted housing development for households of very low, low, or moderate income for a term of not less than 30 years. To the extent economically feasible, the development shall be continuously occupied in the approximate percentages that those households have occupied that development as of the date of acquisition by the purchaser or the approximate percentages specified in existing federal, state, or locally imposed use restrictions, whichever is higher. This obligation shall be recorded at the close of escrow in the office of the county recorder of the county in which the development is located. In addition, the regulatory agreement shall contain provisions requiring the renewal of rental subsidies, if they are available and are provided at a level sufficient to maintain the project's fiscal viability. Nothing in this paragraph shall be construed to require the future income restriction of units unrestricted under the new regulatory agreement required by this subdivision.

(d) Projects that meet the requirements of subdivision (c) shall be evaluated for funding based on their ability to address the following priorities:

(1) First priority shall be given to projects whose rent restrictions have expired or are eligible to expire within two years of application for a loan under this program.

(2) Second priority shall be given to projects with rent restrictions expiring within five years.

(e) The loans for assisted housing developments under this section shall include the following terms:

(1) The agency shall determine the term of the loan. A loan may not exceed a term of two years, unless the agency determines, in its discretion, that a longer term is required to do both of the following:

(A) To preserve the affordability of a project.

(B) To ensure the financial viability of a project.

(2) The rate of interest shall not exceed 3 percent per annum on the unpaid balance for that portion of the loan made with General Fund or general obligation bond moneys. The rate of interest for portions of the loan made with non-General Fund, nongeneral obligation bond moneys shall be established by the agency.

(3) Simple interest shall accrue but be deferred until loan maturity or transfer of the property.

(4) Any other terms and provisions that the agency may deem proper.

(f) Notwithstanding paragraph (2) of subdivision (b) of Section 50601, with the exception of five million dollars (\$5,000,000), all money that the agency receives in repayment of loans made with funds from the Housing and Emergency Shelter Trust Fund Act of 2002 shall be deposited into the Housing Rehabilitation Loan Fund created by Section 50661 for use in the Multifamily Housing Program. The five million dollars (\$5,000,000) remaining in the Preservation Opportunity Fund and subsequent interest payments on loans made from this five million dollars (\$5,000,000) shall be made available for the purposes of the Preservation Opportunity Program through at least December 31, 2008, at which time the agency may, based on an analysis of need, either continue to make these funds available for the purposes of the Preservation Opportunity Program or transfer all remaining funds to the Housing Rehabilitation Loan Fund for use in the Multifamily Housing Program.

SEC. 52. Section 50710.1 of the Health and Safety Code is amended to read:

50710.1. (a) If all the development costs of any migrant farm labor center assisted pursuant to this chapter are provided by federal, state, or local grants, and if inadequate funds are available from any federal, state, or local service to write-down operating costs, the department may approve rents for that center that are in excess of rents charged in other centers assisted by the Office of Migrant Services. However, notwithstanding any other provision of law, commencing with the 2006 growing season, the department shall not increase rents for residents of any facility assisted by the Office of Migrant Services to a level that exceeds 30 percent of the average annualized household incomes of residents of the facility without specific legislative authorization. Prior to approving these rents, the department shall consider the adequacy of evidence presented by the entity operating the center that the rents reimburse actual, reasonable, and necessary costs of operation.

(b) At the end of each fiscal year, any entity operating a migrant farm labor center pursuant to this chapter may establish a reserve account comprised of the excess funds provided through the annual operating

contract received from the department if the department certifies there is no need to address reasonable general maintenance requirements or repairs, rehabilitation, and replacement needs of the requesting migrant farm labor center which affect the immediate health and safety of residents. The cumulative balance of the reserve account shall not exceed 10 percent of the annual operating funds annually committed to the entity by the department. Funds in the reserve account shall be used only for capital improvements such as replacing or repairing structural elements, furniture, fixtures, or equipment of the migrant farm labor center, the replacement or repair of which are reasonably required to preserve the migrant farm labor center. Withdrawals from the reserve account shall be made only upon the written approval of the department of the amount and nature of expenditures.

(c) A migrant farm labor center governed by this chapter may be operated for an extended period prior to or beyond the standard 180-day period after approval by the department, provided that all of the following conditions are satisfied:

(1) No additional subsidies provided by the department are used for the operation or administration of the migrant farm center during the extended occupancy period except to the extent that state funds are appropriated or authorized for the purpose of funding all or part of the cost of subsidizing extended occupancy periods during the first 14 days only.

(2) Rents are not to be increased above the rents charged during the standard 180-day occupancy period unless the department finds that an increase is necessary to cover the difference between reasonable operating costs necessary to keep the center open during the extended occupancy period and the amount of state funds available pursuant to paragraph (1) and any contributions from agricultural employers or other federal, local, or private sources. These contributions shall not be used to reduce the amount of state funds that otherwise would be made available to the center to subsidize rents during an extended occupancy period.

(3) In no event shall the rent during the extended occupancy period exceed the average daily operating cost of the center, less any subsidy funds available pursuant to paragraph (1) or (2). With respect to an extended occupancy beyond the standard 180-day period, households representing at least 25 percent of the units in the center shall have indicated their desire and intention to remain in residency by signing a petition to the local entity to keep the center open for an extended period at rents that are the same or higher than rents during the regular period of occupancy. Each household shall receive a clear bilingual notice describing the extended occupancy options attached to the lease.

The Legislature finds and declares that because the number of residents may be substantially reduced during the extended occupancy period, a rent increase may be necessary to cover operating costs. It is the intent of the Legislature that the public sector, private sector, and farmworkers should each play an important role in ensuring the financial viability of this important source of needed housing.

(4) An extended occupancy period is requested by an entity operating the migrant farm labor center and received by the department no earlier than 30 days and no later than 15 days prior to the center's scheduled opening or closing date. The department shall notify the entity and petitioning residents of the final decision no later than seven days prior to the center's scheduled opening or closing date. During the extended occupancy period, occupancy shall be limited to migrant farmworkers and their families who resided or intended to reside at a migrant center during the regular period of occupancy.

(5) Before approving or denying an early opening or an extension and establishing the rents for the extended occupancy period, both of which shall be within the sole discretion of the department, the department shall take into consideration all of the following factors:

(A) The structural and physical condition of the center, including water and sewer pond capacity and the capacity and willingness of the local entity to operate the center during the extended occupancy period.

(B) Whether local approvals are required, and whether there are competing demands for the use of the center's facilities.

(C) Whether there is adequate documentation that there is a need for residents of the migrant center to continue work in the area, as confirmed by the local entity.

(D) The climate during the extended occupancy period.

(E) The amount of subsidy funds available that can be allocated to each center to subsidize rents below the operating costs and the cost of operating each center during the extended occupancy period.

(F) The extended occupancy period is deemed necessary for the health and safety of the migrant farmworkers and their families.

(G) Other relevant factors affecting the migrant farmworkers and their families and the operation of the centers.

(6) The rents collected during the extended occupancy period shall be remitted to the department. However, based on financial records to the satisfaction of the department, the department may reduce the amount to be remitted by an amount it determines the local entity has expended during the extended occupancy period that is not being reimbursed by department funds.

(7) The occupancy during the extended occupancy period represents a new tenancy and is not subject to existing and statutory and regulatory

limitations governing rents. Prior to the beginning of the extended occupancy period, residents shall be provided at least two days' advance written notice of any rent increase and of the expected length of the extended occupancy period, including the scheduled date of the beginning of the extended occupancy period and closure of the center. Prior to being eligible for residency during the extended occupancy period, residents shall sign rental documents deemed necessary by the department.

(d) The Legislature finds and declares that variable annual climates and changing agricultural techniques create an inability to accurately predict the end of a harvest season for the purposes of housing migrant farmworkers and their families. Because of these factors, in any part of this state, and in any specific year, one or more migrant farmworker housing centers governed by this chapter need to open early or remain open for up to two additional weeks to allow the residents to provide critical assistance to growers in harvesting crops while also fulfilling work expectations that encouraged them to migrate to the areas of the centers. In addition, if the centers close prematurely or open late, the migrant farmworkers often must remain or reside in the areas to work for up to two weeks. During this time they will not be able to obtain decent, safe, and affordable housing and the health and safety of their families and the surrounding community will be threatened.

The Legislature therefore finds and declares that, for the purposes of any public or private right, obligation, or authorization related to the use of property and improvements thereon as a 180-day migrant center, an extended use of any housing center governed by this chapter pursuant to this section is deemed to be the same as the 180-day use generally authorized by this chapter.

(e) Because of the presumed income levels of the occupants of migrant farm labor centers, an entity operating a migrant farm labor center shall be deemed eligible for the California Alternative Rates for Energy program established pursuant to Sections 382 and 739.1 of the Public Utilities Code. Any savings from a reduction in energy rates shall be passed on to the occupants of the migrant farm labor center.

SEC. 53. Section 53533 of the Health and Safety Code is amended to read:

53533. (a) Money deposited in the fund from the sale of bonds pursuant to this part shall be allocated for expenditure in accordance with the following schedule:

(1) Nine hundred ten million dollars (\$910,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, except for the following:

(A) Fifty million dollars (\$50,000,000) shall be transferred to the Preservation Opportunity Fund and, notwithstanding Section 13340 of the Government Code, is continuously appropriated without regard to fiscal years for the preservation of at-risk housing pursuant to Chapter 5 (commencing with Section 50600) of Part 2.

(B) Twenty million dollars (\$20,000,000) shall be used for nonresidential space for supportive services, including, but not limited to, job training, health services, and child care within, or immediately proximate to, projects to be funded under the Multifamily Housing Program. This funding shall be in addition to any applicable per-unit or project loan limits and may be in the form of a grant. Service providers shall ensure that services are available to project residents on a priority basis over the general public.

(C) Twenty-five million dollars (\$25,000,000) shall be used for matching grants to local housing trust funds pursuant to Section 50843.

(D) Fifteen million dollars (\$15,000,000) shall be used for student housing through the Multifamily Housing Program, subject to the following provisions:

(i) The department shall give first priority for projects on land owned by a University of California or California State University campus. Second priority shall be given to projects located within one mile of a University of California or California State University campus that is suffering from a severe shortage of housing and limited availability of developable land as determined by the department. Those determinations shall be set forth in the Notice of Funding Availability and shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(ii) All funds shall be matched on a one-to-one basis from private sources or by the University of California or California State University. For the purposes of this subparagraph, "University of California" includes the Hastings College of the Law.

(iii) Occupancy for the units shall be restricted to students enrolled on a full-time basis in the University of California or California State University.

(iv) Income eligibility pursuant to the Multifamily Housing Program shall be established by verification of the combined income of the student and his or her family.

(v) Any funds not used for this purpose within 24 months of the date that the funds are made available shall be awarded pursuant to subdivision (a) for the Downtown Rebound Program as set forth in paragraph (1) of subdivision (c) of Section 50898.2.

(E) Any funds not encumbered for the purposes set forth in this paragraph, except subparagraph (D), within 30 months of availability

shall revert to the Housing Rehabilitation Loan Fund created by Section 50661 for general use in the Multifamily Housing Program.

(2) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Emergency Housing and Assistance Fund to be expended for the Emergency Housing and Assistance Program authorized by Chapter 11.5 (commencing with Section 50800 of Part 2).

(3) One hundred ninety-five million dollars (\$195,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for supportive housing projects under the Multifamily Housing Program authorized by Chapter 6.7 (commencing with Section 50675) of Part 2, to serve individuals and households moving from emergency shelters or transitional housing or those at risk of homelessness.

(4) Two hundred million dollars (\$200,000,000) shall be transferred to the Joe Serna, Jr. Farmworker Housing Grant Fund to be expended for farmworker housing programs authorized by Chapter 3.2 (commencing with Section 50517.5) of Part 2, except for the following:

(A) Twenty-five million dollars (\$25,000,000) shall be used for projects that serve migratory agricultural workers as defined in subdivision (i) of Section 7602 of Title 25 of the California Code of Regulations. If, after July 1, 2003, funds remain after the approval of all feasible applications, the department shall be deemed an eligible recipient for the purposes of reconstructing migrant centers operated through the Office of Migrant Services pursuant to Chapter 8.5 (commencing with Section 50710) that would otherwise be scheduled for closure due to health or safety considerations or are in need of significant repairs to ensure the health and safety of the residents. Of the dollars allocated by this subparagraph, the department shall receive fifteen million dollars (\$15,000,000) for these purposes subject to the following conditions and requirements:

(i) The amount available to the department as a recipient shall be limited to ten million seven hundred thousand dollars (\$10,700,000) prior to September 1, 2006. The department may receive up to four million three hundred thousand dollars (\$4,300,000) in additional funds after that date and prior to July 1, 2007, to the extent that unencumbered funds are available.

(ii) The department shall make at least eight million one hundred fifty-nine thousand dollars (\$8,159,000) available for flexible loans and grants for projects that serve migratory agricultural workers pursuant to subdivision (a) of Section 50517.10. These funds shall be available for encumbrance until September 1, 2006.

(iii) Any funds allocated by this subparagraph remaining unencumbered on July 1, 2007, shall revert for general use in the Joe Serna, Jr. Farmworker Housing Grant Program.

(B) Twenty million dollars (\$20,000,000) shall be used for developments that also provide health services to the residents. Recipients of these funds shall be required to provide ongoing monitoring of funded developments to ensure compliance with the requirements of the Joe Serna, Jr. Farmworker Housing Grant Program. Projects receiving funds through this allocation shall be ineligible for funding through the Joe Serna, Jr. Farmworker Housing Grant Program.

(C) Except as provided in subparagraph (A) funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the Joe Serna, Jr. Farmworker Housing Grant Program.

(5) Two hundred five million dollars (\$205,000,000) shall be transferred to the Self-Help Housing Fund. Notwithstanding Section 13340 of the Government Code and Section 50697.1, these funds are hereby continuously appropriated without regard to fiscal years to the department to be expended for the purposes of the CalHome Program authorized by Chapter 6 (commencing with Section 50650) of Part 2, except for the following:

(A) Seventy-five million dollars (\$75,000,000) shall be transferred to the Building Equity and Growth in Neighborhoods Fund to be used for the Building Equity and Growth in Neighborhoods (BEGIN) Program pursuant to Chapter 4.5 (commencing with Section 50860) of Part 1.

(B) Five million dollars (\$5,000,000) shall be used to provide grants to cities, counties, cities and counties, and nonprofit organizations to provide grants for lower income tenants with disabilities for the purpose of making exterior modifications to rental housing in order to make that housing accessible to persons with disabilities. For the purposes of this subparagraph, "exterior modifications" includes modifications that are made to entryways or to common areas of the structure or property. The program provided for under this subparagraph shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of the Government Code.

(C) Ten million dollars (\$10,000,000) shall be expended for construction management under the California Self-Help Housing Program pursuant to subdivision (b) of Section 50696.

(D) Any funds not encumbered for the purposes set forth in this paragraph within 30 months of availability shall revert for general use in the CalHome Program.

(6) Five million dollars (\$5,000,000) shall be transferred to the Housing Rehabilitation Loan Fund to be expended for capital expenditures in support of local code enforcement and compliance programs. This allocation shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Title 2 of

the Government Code. If the moneys allocated pursuant to this paragraph are not expended within three years after being transferred, the department may, in its discretion, transfer the moneys to the Housing Rehabilitation Loan Fund to be expended for the Multifamily Housing Program.

(7) Two hundred ninety million dollars (\$290,000,000) shall be transferred to the Self-Help Housing Fund. Notwithstanding Section 50697.1, these funds are hereby continuously appropriated to the agency to be expended for the purposes of the California Homebuyer's Downpayment Assistance Program authorized by Chapter 11 (commencing with Section 51500) of Part 3, except for the following:

(A) Fifty million dollars (\$50,000,000) shall be transferred to the School Facilities Fee Assistance Fund as provided by subdivision (a) of Section 51453 to be used for the Homebuyer Down Payment Assistance Program of 2002 established by Section 51451.5.

(B) Eighty-five million dollars (\$85,000,000) shall be transferred to the California Housing Loan Insurance Fund to be used for purposes of Part 4 (commencing with Section 51600). The agency may transfer these moneys as often as quarterly in amounts that shall not exceed the dollar amount of new insurance written by the agency during the preceding quarter for loans for the purchase of homes made to owner-occupant borrowers with incomes not exceeding 120 percent of the area median income, divided by the risk-to-capital ratio required for the maintenance of satisfactory credit ratings from nationally recognized credit rating services.

(C) (i) Twelve million five hundred thousand dollars (\$12,500,000) shall be reserved for downpayment assistance to low-income first-time home buyers who, as documented to the agency by a nonprofit organization certified and funded to provide home ownership counseling by a federally funded national nonprofit corporation, are purchasing a residence in a community revitalization area targeted by the nonprofit organization and who has received home ownership counseling from the nonprofit organization. Community revitalization areas shall be limited to targeted neighborhoods identified by qualified nonprofit organizations as those neighborhoods in need of economic stimulation, renovation, and rehabilitation through efforts that include increased home ownership opportunities for low-income families.

(ii) Effective January 1, 2004, 50 percent of the funds available pursuant to clause (i) shall be available for downpayment assistance in an amount not to exceed 6 percent of the home sales price.

(iii) After 12 months of availability, if more than 50 percent of the funds set aside pursuant to clause (ii) have been encumbered, the agency shall discontinue that program and make all remaining funds available

for downpayment assistance pursuant to clause (i). If, however, less than 50 percent of the funds allocated pursuant to clause (ii) are encumbered after that 12-month period, the agency may, at its sole discretion, either make all remaining funds provided pursuant to clause (i) available for the purpose of clause (ii), or may continue to implement clause (ii) until all of the funds allocated for that purpose as of January 1, 2004, have been encumbered.

(D) Twenty-five million dollars (\$25,000,000) shall be used for downpayment assistance pursuant to Section 51505. After 18 months of availability, if the agency determines that the funds set aside pursuant to this section will not be utilized for purposes of Section 51505, these funds shall be available for the general use of the agency for the purposes of the California Homebuyer's Downpayment Assistance Program, but may also continue to be available for the purposes of Section 51505.

(E) Funds not utilized for the purposes set forth in subparagraphs (B) and (C) within 30 months shall revert for general use in the California Homebuyer's Downpayment Assistance Program.

(8) One hundred million dollars (\$100,000,000) shall be transferred to the Jobs Housing Improvement Account to be expended as capital grants to local governments for increasing housing pursuant to enabling legislation. If the enabling legislation fails to become law in the 2001-02 Regular Session of the Legislature, the specified allocation for this program shall be void and the funds shall revert for general use in the Multifamily Housing Program as specified in paragraph (1) of subdivision (a).

(b) No portion of the money allocated pursuant to this section may be expended for project operating costs, except that this section does not preclude expenditures for operating costs from reserves required to be maintained by or on behalf of the project sponsor.

(c) The Legislature may, from time to time, amend the provisions of law related to programs to which funds are, or have been, allocated pursuant to this section for the purpose of improving the efficiency and effectiveness of the program, or for the purpose of furthering the goals of the program.

(d) The Bureau of State Audits shall conduct periodic audits to ensure that bond proceeds are awarded in a timely fashion and in a manner consistent with the requirements of this part, and that awardees of bond proceeds are using funds in compliance with applicable provisions of this part.

SEC. 54. Section 96.7 of the Labor Code is amended to read:

96.7. The Labor Commissioner, after investigation and upon determination that wages or monetary benefits are due and unpaid to any worker in the State of California, may collect such wages or benefits

on behalf of the worker without assignment of such wages or benefits to the commissioner.

(a) The Labor Commissioner shall act as trustee of all such collected unpaid wages or benefits, and shall deposit such collected moneys in the Industrial Relations Unpaid Wage Fund.

(b) The Labor Commissioner shall make a diligent search to locate any worker for whom the Labor Commissioner has collected unpaid wages or benefits.

(c) All wages or benefits collected under this section shall be remitted to the worker, his lawful representative, or to any trust or custodial fund established under a plan to provide health and welfare, pension, vacation, retirement, or similar benefits from the Industrial Relations Unpaid Wage Fund.

(d) Any unpaid wages or benefits collected by the Labor Commissioner pursuant to this section shall be retained in the Industrial Relations Unpaid Wage Fund until remitted pursuant to subdivision (c), or until deposited in the General Fund.

(e) The Controller shall, at the end of each fiscal year, transfer to the General Fund the unencumbered balance, less six months of expenditures as determined by the Director of Finance, in the Industrial Relations Unpaid Wage Fund.

(f) All wages or benefits collected under this section which cannot be remitted from the Industrial Relations Unpaid Wage Fund pursuant to subdivision (c) because money has been transmitted to the General Fund shall be paid out of the General Fund from funds appropriated for that purpose.

SEC. 55. Section 999.7 of the Military and Veterans Code is amended to read:

999.7. (a) (1) On January 1 of each year, each awarding department shall report to the Governor, the Legislature, the Department of General Services, and the Department of Veterans Affairs on the level of participation by disabled veteran business enterprises in contracts identified in this article for the previous fiscal year.

(2) If the awarding department has not met the established goals for that year, the awarding department shall report to the Legislature, the Department of General Services, and the Department of Veterans Affairs the reasons for the awarding department's inability to achieve the goals and shall identify steps it shall take in an effort to achieve the goals.

(b) On April 1 of each year, the Department of General Services shall prepare for the Governor, the Legislature, and the Department of Veterans Affairs a statewide statistical summary detailing each awarding department's goal achievement and a statewide total of those goals.

(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.

SEC. 56. Section 1401 of the Military and Veterans Code is amended to read:

1401. (a) For the purposes of Section 1400, the Shasta County Board of Supervisors may join with other northern California counties including, but not limited to, the Counties of Colusa, Del Norte, Glenn, Humboldt, Lassen, Mendocino, Modoc, Plumas, Shasta, Sierra, Siskiyou, Tehama, and Trinity, to design, develop, and construct the cemetery.

(b) All moneys received for the design, development, and construction of the cemetery shall be deposited in the Northern California Veterans Cemetery Master Development Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, money in the fund is continuously appropriated to the department for the purpose of designing, developing, constructing, and equipping the cemetery. Moneys appropriated by the Legislature for these purposes shall also be deposited in the fund.

(c) (1) All moneys received for the maintenance of the cemetery, including moneys received pursuant to subdivision (b) of Section 1400, shall be deposited in the Northern California Veterans Cemetery Perpetual Maintenance Fund, which is hereby created in the State Treasury. Any state funding for the annual maintenance of the cemetery shall be appropriated by the Legislature in the annual Budget Act.

(2) It is estimated that, after the construction of the cemetery, four hundred fifty thousand dollars (\$450,000) should be appropriated annually by the state or the participating northern California counties, or both, to the department for the operating costs of the cemetery.

(3) Total expenditures for operations and maintenance should not be more than six hundred thousand dollars (\$600,000) per fiscal year, as appropriated in the annual Budget Act.

SEC. 57. Section 1402 is added to the Military and Veterans Code, to read:

1402. (a) Proposals for the construction, placement, or donation of monuments and memorials to the cemetery shall be subject to review by an advisory committee comprised of the cemetery administrator, representatives from the County of Shasta, local veterans' service organizations, and others as approved by the director.

(b) All proposals for the construction, placement, or donation of monuments and memorials to the cemetery shall be subject to the approval of the director.

(c) The department shall adopt regulations for the policies and procedures to be followed with respect to the design, placement, and

approval of monuments and memorials proposed to be placed on the cemetery grounds.

SEC. 58. Section 1403 is added to the Military and Veterans Code, to read:

1403. (a) Notwithstanding Section 11005 of the Government Code, the cemetery administrator, subject to the approval of the director, may accept donations of personal property, including cash or other gifts, to be used for the maintenance or beautification of the cemetery.

(b) Cash donations shall be deposited into the Northern California Veterans Cemetery Perpetual Maintenance Fund and shall be expended for the maintenance and repair of the facility or, subject to the approval of the director, for a specified cemetery maintenance or beautification project designated by the donor.

(c) Notwithstanding Section 13340 of the Government Code, donations deposited to the credit of the Northern California Veterans Cemetery Perpetual Maintenance Fund as authorized by this section shall be continuously appropriated to the department, without regard to fiscal year.

SEC. 59. Section 1214.1 of the Penal Code is amended to read:

1214.1. (a) In addition to any other penalty in infraction, misdemeanor, or felony cases, the court may impose a civil assessment of up to three hundred dollars (\$300) against any defendant who fails, after notice and without good cause, to appear in court for any proceeding authorized by law or who fails to pay all or any portion of a fine ordered by the court. This assessment shall be deposited in the Trial Court Trust Fund, as provided in Section 68085 of the Government Code.

(b) The assessment shall not become effective until at least 10 calendar days after the court mails a warning notice to the defendant by first-class mail to the address shown on the notice to appear or to the defendant's last known address. If the defendant appears within the time specified in the notice and shows good cause for the failure to appear or for the failure to pay a fine, the court shall vacate the assessment.

(c) If a civil assessment is imposed under this section, no bench warrant or warrant of arrest shall be issued with respect to the failure to appear at the proceeding for which the assessment is imposed or the failure to pay the fine. An outstanding, unserved bench warrant or warrant of arrest for a failure to appear or for a failure to pay a fine shall be recalled prior to the subsequent imposition of a civil assessment.

(d) The assessment imposed under subdivision (a) shall be subject to the due process requirements governing defense and collection of civil money judgments generally.

(e) Each court and county shall maintain the collection program that was in effect on July 1, 2005, unless otherwise agreed to by the court

and county. If a court and a county do not agree on a plan for the collection of civil assessments imposed pursuant to this section after the implementation of Sections 68085.6 and 68085.7 of the Government Code, the court or the county may request arbitration by a third party mutually agreed upon by the Administrative Director of the Courts and the California State Association of Counties.

(f) Notwithstanding any other provision of law, upon direction of the Administrative Office of the Courts, the court shall deposit the money collected under this section as soon as practicable after collection and on a regular basis into a bank account specified by the Administrative Office of the Courts. The deposits shall be made as required by rules adopted by and financial policies and procedures authorized by the Judicial Council under subdivision (a) of Section 77206 of the Government Code. Within 15 days after the end of the month in which the money is collected, the court shall provide the Administrative Office of the Courts with a report of the money collected as specified by the Administrative Office of the Courts. The money shall be transmitted to the Controller for deposit in the Trial Court Trust Fund by the Administrative Office of the Courts.

SEC. 60. Section 6611 of the Public Contract Code is amended to read:

6611. (a) Notwithstanding any other provision of law, the Department of General Services may, relative to contracts for goods, services, information technology, and telecommunications, use a negotiation process if the department finds that one or more of the following conditions exist:

(1) The business need or purpose of a procurement or contract can be further defined as a result of a negotiation process.

(2) The business need or purpose of a procurement or contract is known by the department, but a negotiation process may identify different types of solutions to fulfill this business need or purpose.

(3) The complexity of the purpose or need suggests a bidder's costs to prepare and develop a solicitation response are extremely high.

(4) The business need or purpose of a procurement or contract is known by the department, but negotiation is necessary to ensure that the department is receiving the best value or the most cost-efficient goods, services, information technology, and telecommunications.

(b) When it is in the best interests of the state, the department may negotiate amendments to the terms and conditions, including scope of work, of existing contracts for goods, services, information technology, and telecommunications, whether or not the original contract was the result of competition, on behalf of itself or another state agency.

(c) (1) The department shall establish the procedures and guidelines for the negotiation process described in subdivision (a), which procedures and guidelines shall include, but not be limited to, a clear description of the methodology that will be used by the department to evaluate a bid for the procurement goods, services, information technology, and telecommunications.

(2) The procedures and guidelines described in paragraph (1) may include provisions that authorize the department to receive supplemental bids after the initial bids are opened. If the procedures and guidelines include these provisions, the procedures and guidelines shall specify the conditions under which supplemental bids may be received by the department.

SEC. 61. Section 10111 is added to the Public Contract Code, to read:

10111. Commencing January 1, 2007, the department shall make available a report on contracting activity containing the following information:

(a) A listing of consulting services contracts that the state has entered into during the previous fiscal year. The listing shall include the following:

- (1) The name and identification number 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 noncompetitive bid contract, and why the contract was a noncompetitive bid 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.

(b) The report shall also include a separate listing of consultant contracts completed during that fiscal year, with the same information specified in subdivision (a).

(c) The information specified in subdivisions (a) and (b) 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.

(d) The level of participation, by agency, of disabled veteran business enterprises in statewide contracting and shall include dollar values of contract award for the following categories:

- (1) Construction.
- (2) Architectural, engineering, and other professional services.
- (3) Procurement of materials, supplies, and equipment.
- (4) Information technology procurements.

Additionally, the report shall include a statistical summary detailing each awarding department's goal achievement and a statewide total of those goals.

(e) The level of participation by small business in state contracting including:

(1) Upon request, an up-to-date list of eligible small business bidders by general procurement and construction contract categories, noting company names and addresses and also noting which small businesses also qualify as microbusinesses.

(2) By general procurement and construction contract categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(3) By awarding department and general procurement and construction categories, statistics comparing the small business and microbusiness contract participation dollars to the total state contract participation dollars.

(4) Any recommendations for changes in statutes or state policies to improve opportunities for small businesses and microbusinesses.

(5) A statistical summary of small businesses and microbusinesses certified for state contracting by the number of employees at the business for each of the following categories: 0-5, 26-50, 51-75, and 76-100.

(6) To the extent feasible, beginning in the year 2008, the number of contracts awarded by the department in the categories specified in paragraph (5).

(7) The number of contracts and dollar amounts awarded annually pursuant to Section 14838.5 of the Government Code to small businesses, microbusinesses, and disabled veteran business enterprises.

(f) The level of participation of business enterprises, by race, ethnicity, and gender of owner, in contracts as identified in Section 2051 of the Government Code, to the extent that the information has been voluntarily reported to the department. In addition, the report shall contain the levels of participation of business enterprises, by race, ethnicity, and gender of owner, for the following categories of contracts, to the extent that the information has been voluntarily reported to the department:

- (1) Construction.
- (2) Purchases of materials, supplies, or equipment.

(3) Professional services.

SEC. 62. Section 10115.5 of the Public Contract Code is amended to read:

10115.5. (a) Notwithstanding Section 7550.5 of the Government Code, on January 1 of each year, each awarding department shall report to the Governor and the Legislature on the level of participation by minority, women, and disabled veteran business enterprises in contracts as identified in this article for the fiscal year beginning July 1 and ending June 30. In addition, the report shall contain the levels of participation by minority, women, and disabled veteran business enterprises for the following categories of contracts:

- (1) Construction.
- (2) Purchases of materials, supplies, and equipment.
- (3) Professional services.
- (4) All contracts for a dollar amount of less than twenty-five thousand dollars (\$25,000).

(b) If the established goals are not being met, the awarding department shall report the reasons for its inability to achieve the standards and identify remedial steps it shall take.

(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.

SEC. 63. Section 10116 of the Public Contract Code is amended to read:

10116. (a) On January 1, of each year, each awarding department shall report to the Governor and the Legislature on the level of participation of business enterprises, by race, ethnicity, and gender of owner to the extent that information has been voluntarily reported to the awarding department in contracts as identified in this article for the fiscal year beginning July 1 and ending June 30. In addition, the report shall contain the levels of participation of business enterprises, by race, ethnicity, and gender of owner, for the following categories of contracts:

- (1) Construction.
- (2) Purchases of materials, supplies, or equipment.
- (3) Professional services.
- (4) All contracts for a dollar amount of less than twenty-five thousand dollars (\$25,000).

(b) Awarding departments are prohibited from using the data compiled under this section to discriminate or provide a preference in the awarding of any contracts.

(c) Contractors are prohibited from using the information compiled under this section to discriminate or provide a preference in the

solicitation or acceptance of bids for subcontracting, or for materials or equipment, on the basis of race, color, sex, ethnic origin, or ancestry.

(d) 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. 64. 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.

(g) 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. 65. Section 42102 is added to the Public Resources Code, to read:

42102. There is hereby created, in the State Treasury, the Chrome Plating Pollution Prevention Fund, for the sole purpose of receiving deposits of state, federal, or local government money, and other public or private money, for expenditure, upon appropriation by the Legislature, by the Business, Transportation and Housing Agency.

SEC. 66. Section 5003.2 of the Public Utilities Code is amended to read:

5003.2. (a) Notwithstanding Section 5003.1, the commission shall require every highway carrier otherwise subject to Section 5003.1 for whom the commission does not establish minimum or maximum rates, or require rates to be on file with the commission, to pay a fee equal to one-tenth of 1 percent of the amount of gross operating revenue.

(b) When a household goods carrier pursuant to Section 5137 elects to transport under its household goods carrier permit used office, store, and institution furniture and fixtures, notwithstanding Section 5003.1, the fee on the gross operating revenue derived from transporting those items shall be one-tenth of 1 percent.

(c) The commission may raise the fee imposed by Section 5003.1 upon those persons and corporations subject to that section for whom the commission establishes minimum or maximum rates or requires rates to be on file, up to a maximum of seven-tenths of 1 percent of gross operating revenue, if the commission decides this increase is necessary to maintain adequate financing for the Transportation Rate Fund.

SEC. 67. Section 97.76 of the Revenue and Taxation Code is amended to read:

97.76. (a) On or before September 1, 2004, the Controller shall determine the countywide vehicle license fee adjustment amount, as defined in Section 97.70, for the 2004–05 fiscal year and the vehicle license fee adjustment amount, as defined in Section 97.70, for each city, county, and city and county for the 2004–05 fiscal year, and notify the county auditor of these amounts.

(b) On or before October 15, 2005, in consultation with the Bureau of State Audits, the Controller shall determine the amount specified in clause (i) of subparagraph (B) of paragraph (1) of subdivision (c) of Section 97.70 for each city, county, and city and county and notify the county auditor of these amounts.

SEC. 68. Section 6479.3 of the Revenue and Taxation Code is amended to read:

6479.3. (a) Any person whose estimated tax liability under this part averages ten thousand dollars (\$10,000) or more per month, as determined by the board pursuant to methods of calculation prescribed by the board, shall remit amounts due by an electronic funds transfer under procedures prescribed by the board. Any person who collects use tax on a voluntary basis is not required to remit amounts due by electronic funds transfer.

(b) Any person whose estimated tax liability under this part averages less than ten thousand dollars (\$10,000) per month or any person who voluntarily collects use tax may elect to remit amounts due by electronic funds transfer with the approval of the board. The election shall be operative for a minimum of one year.

(c) Any person remitting amounts due pursuant to subdivision (a) or (b) shall perform electronic funds transfer in compliance with the due dates set forth in Article 1 (commencing with Section 6451) and Article 1.1 (commencing with Section 6470). Payment is deemed complete on the date the electronic funds transfer is initiated, if settlement to the state's demand account occurs on or before the banking day following the date the transfer is initiated. If settlement to the state's demand account does not occur on or before the banking day following the date the transfer is initiated, payment is deemed to occur on the date settlement occurs.

(d) Any person remitting taxes by electronic funds transfer shall, on or before the due date of the remittance, file a return for the preceding reporting period in the form and manner prescribed by the board. Any person who fails to timely file the required return shall pay a penalty of 10 percent of the amount of taxes, exclusive of prepayments, with respect to the period for which the return is required.

(e) (1) Except as provided in paragraph (2), any person required to remit taxes pursuant to this article who remits those taxes by means other than appropriate electronic funds transfer shall pay a penalty of 10 percent of the taxes incorrectly remitted.

(2) A person required to remit prepayments pursuant to this article who remits a prepayment by means other than an appropriate electronic funds transfer shall pay a penalty of 6 percent of the prepayment amount incorrectly remitted.

(f) Except as provided in Sections 6476 and 6477, any person who fails to pay any tax to the state or any amount of tax required to be collected and paid to the state, except amounts of determinations made by the board under Article 2 (commencing with Section 6481) or Article 3 (commencing with Section 6511), within the time required shall pay a penalty of 10 percent of the tax or amount of tax, in addition to the tax or amount of tax, plus interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the date on which the tax or the amount of tax required to be collected became due and payable to the state until the date of payment.

(g) In determining whether a person's estimated tax liability averages ten thousand dollars (\$10,000) or more per month, the board may consider tax returns filed pursuant to this part and any other information in the board's possession.

(h) Except as provided in subdivision (i), the penalties imposed by subdivisions (d), (e), and (f) shall be limited to a maximum of 10 percent of the taxes due, exclusive of prepayments, for any one return. Any person remitting taxes by electronic funds transfer shall be subject to the penalties under this section and not Section 6591.

(i) The penalties imposed with respect to paragraph (2) of subdivision (e) and Sections 6476 and 6477 shall be limited to a maximum of 6 percent of the prepayment amount.

(j) The board shall promulgate regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code for purposes of implementing this section.

SEC. 69. Section 18631.7 is added to the Revenue and Taxation Code, to read:

18631.7. (a) Any check casher engaged in the trade or business of cashing checks that, in the course of that trade or business, cashes checks totaling more than ten thousand dollars (\$10,000) in one transaction or two or more transactions for the same person within the calendar year, shall file an informational return with the Franchise Tax Board with respect to that transaction or transactions.

(b) The return required in subdivision (a) shall be filed no later than 90 days after the end of the calendar year and in the form and manner prescribed by the Franchise Tax Board, and shall, at a minimum, contain both of the following:

(1) The name, address, taxpayer identification number, and any other identifying information of the person presenting the check that the Franchise Tax Board deems necessary.

(2) The amount and date of the transaction or transactions.

(c) For purposes of this section both of the following definitions apply:

(1) "Check casher" means any person as defined under Section 1789.31 of the Civil Code.

(2) "Checks" includes warrants, drafts, money orders, and other commercial paper serving the same purpose.

(d) With respect to a person who fails to file the report required by this section or fails to include all of the information required to be shown on that report, both of the following apply:

(1) Sections 6721 and 6724 of the Internal Revenue Code, as those sections read on January 1, 2005, apply, except that the "Franchise Tax Board" is substituted for the "secretary" in each place it appears in those sections.

(2) If the failure was willful, the person is guilty of a felony and, upon conviction thereof, shall be fined not more than twenty-five thousand dollars (\$25,000) or, in the case of a corporation, not more than one hundred thousand dollars (\$100,000), or imprisoned not more than one year, or both, together with the costs of prosecution.

SEC. 70. Section 19183 of the Revenue and Taxation Code is amended to read:

19183. (a) (1) A penalty shall be imposed for failure to file correct information returns, as required by this part, and that penalty shall be determined in accordance with Section 6721 of the Internal Revenue Code.

(2) Section 6721(e) of the Internal Revenue Code is modified to the extent that the reference to Section 6041A(b) of the Internal Revenue Code shall not apply.

(b) (1) A penalty shall be imposed for failure to furnish correct payee statements as required by this part, and that penalty shall be determined in accordance with Section 6722 of the Internal Revenue Code.

(2) Section 6722(c) of the Internal Revenue Code is modified to the extent that the references to Sections 6041A(b) and 6041A(e) of the Internal Revenue Code shall not apply.

(c) A penalty shall be imposed for failure to comply with other information reporting requirements under this part, and that penalty shall be determined in accordance with Section 6723 of the Internal Revenue Code.

(d) (1) The provisions of Section 6724 of the Internal Revenue Code relating to waiver, definitions, and special rules, shall apply, except as otherwise provided.

(2) Section 6724(d)(1) of the Internal Revenue Code is modified as follows:

(A) The following references are substituted:

(i) Subdivision (a) of Section 18640, in lieu of Section 6044(a)(1) of the Internal Revenue Code.

(ii) Subdivision (a) of Section 18644, in lieu of Section 6050A(a) of the Internal Revenue Code.

(B) References to Sections 4093(c)(4), 4093(e), 4101(d), 6041(b), 6041A(b), 6045(d), 6051(d), and 6053(c)(1) of the Internal Revenue Code shall not apply.

(C) The term “information return” shall also include both of the following:

(i) The return required by paragraph (1) of subdivision (i) of Section 18662.

(ii) The return required by subdivision (a) of Section 18631.7.

(3) Section 6724(d)(2) of the Internal Revenue Code is modified as follows:

(A) The following references are substituted:

(i) Subdivision (b) of Section 18640, in lieu of Section 6044(e) of the Internal Revenue Code.

(ii) Subdivision (b) of Section 18644, in lieu of Section 6050A(b) of the Internal Revenue Code.

(B) References to Sections 4093(c)(4)(B), 6031(b), 6037(b), 6041A(e), 6045(d), 6051(d), 6053(b), and 6053(c) of the Internal Revenue Code shall not apply.

(C) The term “payee statement” shall also include the statement required by paragraph (2) of subdivision (i) of Section 18662.

(e) In the case of each failure to provide a written explanation as required by Section 402(f) of the Internal Revenue Code, at the time prescribed therefor, unless it is shown that the failure is due to reasonable cause and not to willful neglect, there shall be paid, on notice and demand of the Franchise Tax Board and in the same manner as tax, by the person failing to provide that written explanation, an amount equal to ten dollars (\$10) for each failure, but the total amount imposed on that person for all those failures during any calendar year shall not exceed five thousand dollars (\$5,000).

(f) Any penalty imposed by this part shall be paid on notice and demand by the Franchise Tax Board and in the same manner as tax.

SEC. 71. Section 19523.5 is added to the Revenue and Taxation Code, to read:

19523.5. (a) If the United States Secretary of the Treasury has, under the authority of Section 330(b) of Subchapter II of Chapter 3 of Subtitle 1 of Title 31 of the United States Code, suspended or disbarred a person from practice before the United States Department of the Treasury, the Franchise Tax Board shall, after notice and opportunity for a proceeding, suspend or disbar that person from practice before the Franchise Tax Board during the period of federal suspension or disbarment, unless the

action of the United State Secretary of the Treasury was clearly erroneous.

(b) For purposes of this section, both of the following definitions apply:

(1) "Practice" or "practices" means all matters connected with a presentation to the Franchise Tax Board or any of its officers or employees relating to a taxpayer's rights, privileges, or liabilities under laws or regulations administered by the Franchise Tax Board.

(2) "Presentations" means, but is not limited to, preparing and filing documents, corresponding and communicating with the Franchise Tax Board, and representing a client at conferences, hearings, and meetings.

(c) (1) Every person who practices before the Franchise Tax Board and is suspended or disbarred from practice before the United States Department of the Treasury shall notify the Franchise Tax Board, in writing, within 45 days of the issuance of a final order disbaring or suspending the person pursuant to Section 10.80 of Subpart D of Part 10 of Subtitle A of Title 31 of the Code of Federal Regulations, revised as of July 26, 2002.

(2) Any person that fails to notify the Franchise Tax Board pursuant to paragraph (1) shall be subject to a penalty of five thousand dollars (\$5,000).

(d) The written notice required by subdivision (c) shall concede the accuracy of the federal action, or state the reason or reasons why the federal action is clearly erroneous.

(e) Any person that has been suspended or disbarred from practice before the Franchise Tax Board may seek review of that determination by bringing an action pursuant to Section 1085 of the Code of Civil Procedure.

(f) The Franchise Tax Board may prescribe any regulations necessary to carry out the purposes of this section.

(g) This section shall be effective for final federal orders of disbarment or suspension issued on or after the enactment date of this act.

SEC. 72. Section 19701 of the Revenue and Taxation Code is amended to read:

19701. Any person who does any of the following is liable for a penalty of not more than five thousand dollars (\$5,000):

(a) With or without intent to evade any requirement of Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part or any lawful requirement of the Franchise Tax Board, repeatedly over a period of two years or more, fails to file any return or to supply any information required, or who, with or without that intent, makes, renders, signs, or verifies any false or fraudulent return or statement, or supplies any false or fraudulent information,

resulting in an estimated delinquent tax liability of at least fifteen thousand dollars (\$15,000).

(b) Aids, abets, advises, encourages, or counsels any person to evade the tax imposed by Part 10 (commencing with Section 17001) or Part 11 (commencing with Section 23001) by not filing any return or supplying any information required under Part 10 (commencing with Section 17001), Part 11 (commencing with Section 23001), or this part, or, by making, rendering, signing, or verifying any false or fraudulent return or statement, or by supplying false or fraudulent information.

(c) Under this part, is required to pay any estimated tax or tax, who willfully fails to pay that estimated tax or tax, at the time or times required by law or regulations.

The penalty shall be recovered in the name of the people in any court of competent jurisdiction. Counsel for the Franchise Tax Board may, upon request of the district attorney or other prosecuting attorney, assist the prosecuting attorney in presenting the law or facts to recover the penalty at the trial of a criminal proceeding for violation of this section.

That person is also guilty of a misdemeanor and shall upon conviction be fined not to exceed five thousand dollars (\$5,000) or be imprisoned not to exceed one year, or both, at the discretion of the court, together with costs of investigation and prosecution. The preceding sentence shall not apply to any person who is mentally incompetent, or suffers from dementia, Alzheimer's disease, or similar condition.

(d) For purposes of subdivision (a), the president of a corporation, or the chief operating officer, is the person presumed to be responsible for filing any return or supplying information required from that corporation.

SEC. 73. Section 9619 is added to the Unemployment Insurance Code, to read:

9619. (a) (1) To the extent that funds are appropriated for this purpose in the annual Budget Act, the department may award grants to regional collaboratives for the creation of regional nursing simulation laboratories that will allow additional nursing students to have access to clinical educational facilities. No single grant made under this section may exceed two hundred and fifty thousand dollars (\$250,000).

(2) During the 2005-06 fiscal year, all grants made under this section shall be made for the creation of regional nursing simulation laboratories that serve rural areas.

(b) The department shall administer grants made under this section, and shall establish procedures and criteria for the awarding of those grants.

SEC. 74. Chapter 3.2 (commencing with Section 18220) is added to Part 6 of Division 9 of the Welfare and Institutions Code, to read:

CHAPTER 3.2. JUVENILE PROBATION FUNDING

18220. (a) (1) The Department of Corrections and Rehabilitation, commencing July 1, 2005, shall administer funds appropriated for the purposes of this chapter and allocated pursuant to this section.

(2) For purposes of this chapter, “department” means the Department of Corrections and Rehabilitation.

(b) (1) The department shall administer this chapter, including the establishment of agreements with all county probation departments that receive funding under this chapter.

(2) (A) Subject to the availability of funds in the annual Budget Act, the department shall be responsible for allocating funds to counties.

(B) Commencing with the 2005-06 fiscal year, the department shall allocate one hundred sixty-eight million seven hundred thirteen thousand dollars (\$168,713,000) among counties based on the allocation schedule specified in this subparagraph. In any year in which the total amount appropriated by the Legislature for the purposes of this section differs from the total amount provided in the 2004-05 fiscal year, the amount appropriated shall be apportioned to counties based on the 2004-05 fiscal year allocation schedule as follows:

Alameda	\$6,667,935
Alpine	\$584
Amador	\$100,667
Butte	\$538,712
Calaveras	\$103,092
Colusa	\$57,526
Contra Costa	\$4,493,504
Del Norte	\$197,338
El Dorado	\$508,807
Fresno	\$3,635,282
Glenn	\$90,484
Humboldt	\$286,072
Imperial	\$572,419
Inyo	\$241,575
Kern	\$4,333,734
Kings	\$647,746
Lake	\$314,736
Lassen	\$91,671
Los Angeles	\$67,713,506
Madera	\$404,791
Marin	\$631,365
Mariposa	\$22,394

Mendocino	\$333,240
Merced	\$584,419
Modoc	\$36,005
Mono	\$12,013
Monterey	\$1,018,813
Napa	\$593,942
Nevada	\$209,805
Orange	\$14,270,138
Placer	\$450,012
Plumas	\$46,127
Riverside	\$5,438,322
Sacramento	\$3,602,070
San Benito	\$360,418
San Bernardino	\$5,856,862
San Diego	\$9,463,866
San Francisco	\$3,232,706
San Joaquin	\$1,493,704
San Luis Obispo	\$1,013,424
San Mateo	\$3,201,176
Santa Barbara	\$2,794,054
Santa Clara	\$9,799,213
Santa Cruz	\$1,033,949
Shasta	\$694,367
Sierra	\$6,168
Siskiyou	\$126,526
Solano	\$1,748,360
Sonoma	\$2,200,569
Stanislaus	\$889,952
Sutter	\$226,793
Tehama	\$243,674
Trinity	\$58,342
Tulare	\$2,381,471
Tuolumne	\$119,136
Ventura	\$2,900,636
Yolo	\$429,067
Yuba	\$189,721
Total	\$168,713,000

(C) Commencing with the 2005-06 fiscal year, the department shall allocate thirty-two million seven hundred thousand dollars (\$32,700,000) among counties that operate juvenile camps and ranches based on the number of occupied beds in each camp as of 12:01 a.m. each day, up to

the Corrections Standards Authority rated maximum capacity, as determined by the Corrections Standards Authority.

18221. (a) Subject to the availability of funds for the purposes described in this section, funds provided pursuant to subparagraphs (B) and (C) of paragraph (2) of subdivision (b) of Section 18220 may be used to serve children who are habitual truants, runaways, at risk of being wards of the court under Section 601 or 602, or under juvenile court supervision or supervision of the probation department. Funds may be used to serve parents or other family members of these children if serving them will promote increased self-sufficiency, personal responsibility, and family stability for the child. Services shall be provided pursuant to a family service plan. When a family is served by multiple public agencies or in need of services from multiple public agencies, the family service plan shall be developed through an interdisciplinary approach that shall include representatives from agencies that provide services to the family or that may be required to implement the service plan.

- (b) Services authorized under this section include all of the following:
- (1) Educational advocacy and attendance monitoring.
 - (2) Mental health assessment and counseling.
 - (3) Home detention.
 - (4) Social responsibility training.
 - (5) Family mentoring.
 - (6) Parent peer support.
 - (7) Life skills counseling.
 - (8) Direct provision of, and referral to, prevocational and vocational training.
 - (9) Family crisis intervention.
 - (10) Individual, family, and group counseling.
 - (11) Parenting skills development.
 - (12) Drug and alcohol education.
 - (13) Respite care.
 - (14) Counseling, monitoring, and treatment.
 - (15) Gang intervention.
 - (16) Sex and health education.
 - (17) Anger management, violence prevention, and conflict resolution.
 - (18) Aftercare services as juveniles transition back into the community and reintegrate into their families.
 - (19) Information and referral regarding the availability of community services.
 - (20) Case management.
 - (21) Therapeutic day treatment.

(22) Transportation related to any of the services described in this subdivision.

(23) Emergency and temporary shelter.

SEC. 75. Section 16 of Chapter 876 of the Statutes of 2003 is amended to read:

Sec. 16. The investigation and enforcement of the provisions contained in Sections 1 to 15, inclusive, of this act shall be accomplished without any duplication of effort on the part of the Attorney General and the Commissioner of Corporations. To the extent that the Attorney General exercises this authority, no General Fund budget augmentations shall be made for this purpose.

SEC. 75.5. (a) The ReadyReturn pilot program, available to taxpayers filing the simplest tax returns with the Franchise Tax Board, may continue to operate as a pilot program during the 2005-06 fiscal year, unless later enacted legislation authorizes the continuation of the program.

(b) The ReadyReturn pilot program authorized herein shall be operated during the 2005-06 fiscal year in the same manner it was operated during the 2004-05 fiscal year.

SEC. 76. Section 11544 of the Government Code, as added by Section 1 of Governor's Reorganization Plan No. 2, submitted to the Legislature on May 9, 2005, is not operative.

SEC. 77. Sections 32 and 76 of this act shall only become operative if Governor's Reorganization Plan No. 2, submitted to the Legislature on May 9, 2005, goes into effect, and these sections shall become operative on the date that the plan becomes effective.

SEC. 78. The Legislature finds and declares that the changes made to existing law by Sections 49 and 51 of this act are consistent with subdivision (c) of Section 53533 and further the goals of the Joe Serna, Jr. Farmworker Housing Grant Program by making migrant farmworker housing available in a more efficient and effective manner.

SEC. 78.5. Notwithstanding any other provision of law, funds appropriated by Item 8180-101-0001 of Section 2.00 of Senate Bill 77 of the 2005-06 Regular Session shall be available for reimbursement of 100 percent of any extraordinary costs incurred by the County of Stanislaus related to the homicide trial in *People v. Peterson* (Super. Ct. No. 1056770). As used in this section, "costs incurred by the County of Stanislaus" do not include any costs paid by the Superior Court for which the Superior Court is responsible.

SEC. 79. (a) The Legislature finds and declares as follows:

(1) The Housing and Emergency Shelter Trust Fund Act of 2002 provided forty-five million dollars (\$45,000,000) for the purpose of funding projects through the Preservation Opportunity Program.

(2) It was the intention of the voters that funds provided through the Housing and Emergency Shelter Trust Fund Act of 2002 be used for projects that would have the greatest impact on the preservation of existing housing stock and programs that provide stable and affordable housing opportunities for the homeless and those at risk of homelessness. In order to effectuate this voter intent, any portion of these funds that remain unencumbered after 30 months revert to the Multifamily Housing Program. The Multifamily Housing Program has been oversubscribed and highly competitive.

(3) Rather than reverting to the Multifamily Housing Program, repayments of the short-term loans made through the Preservation Opportunity Program are deposited into the Preservation Opportunity Fund. However, the demand for funds for projects through the Preservation Opportunity Program has proven to be lower than originally anticipated. Therefore, there is a likelihood that the repayments of Preservation Opportunity Program loans may remain unused in the Preservation Opportunity Fund for extended periods of time.

(4) In passing the Housing and Emergency Shelter Trust Fund Act of 2002, the voters expressly reserved to the Legislature the authority to make program revisions where necessary for the effectiveness or efficiency in meeting the purposes of the various programs.

(b) Therefore, the Legislature determines that it is more efficient and effective to use the repayments of Preservation Opportunity Program loans for the high-demand Multifamily Housing Program.

SEC. 80. (a) On January 1, 2006, all moneys in the Hazardous Waste Reduction Loan Account created pursuant to Section 14096 of the Corporations Code shall be transferred to the Chrome Plating Pollution Prevention Fund created pursuant to Section 42102 of the Public Resources Code, and shall be subject to that section. Those moneys are subject to all encumbrances on those moneys made prior to January 1, 2005, and to all legal restrictions on their use other than by state statute.

(b) Any moneys paid on or after January 1, 2006, to the Hazardous Waste Reduction Loan Account, for a loan issued pursuant to former Article 13 (commencing with Section 14095) of Chapter 1 of Part 5 of Division 3 of Title 1 of the Corporations Code, shall be transferred to the Chrome Plating Pollution Prevention Fund created pursuant to Section 42102 of the Public Resources Code, and shall be subject to that section.

SEC. 80.5. Notwithstanding Section 95.35 of the Revenue and Taxation Code, the Director of Finance shall suspend the State-County Property Tax Administration Grant Program in the 2006-07 fiscal year.

SEC. 81. Sections 65 and 80 of this act shall become operative only if legislation is enacted and becomes operative on or after June 1, 2005, but before July 1, 2006, that requires the funds transferred pursuant to

Section 80 of this act to be expended for environmental control technologies for chrome and metal plating related activities.

SEC. 82. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 83. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to make the necessary statutory changes to implement the Budget Act of 2005 at the earliest possible time, it is necessary that this act take effect immediately.

CHAPTER 75

An act to amend Sections 467.1, 6322.1, 6324, 6325, and 6326 of, to add Sections 470.5 and 470.6 to, to repeal Sections 470.3 and 6323 of, and to repeal and add Sections 6321 and 6322 of, the Business and Professions Code, to amend Section 2924j of the Civil Code, to amend Sections 116.390, 116.745, 116.760, 116.820, 116.860, 177.5, 209, 403.060, 411.20, 425.10, 491.150, 683.150, 704.750, 708.160, 724.100, 1134, 1161.2, 1174.25, 1174.3, and 1218 of, to add Sections 116.232 and 411.21 to, to repeal Section 116.910 of, and to repeal and add Sections 116.230 and 573 of, the Code of Civil Procedure, to amend Section 1852 of the Family Code, to amend Section 31622 of the Food and Agricultural Code, to amend Sections 24353, 26820, 26831, 26837, 26840.3, 26857, 27293, 54985, 68084, 68085, 68086, 68090.8, 68101, 68511.3, 68926.1, 69953.5, 70375, 70402, 71386, 77009, 77200, 77205, and 77209 of, to amend the headings of Chapter 6 (commencing with Section 71002) and Chapter 8 (commencing with Section 72004) of Title 8 of, to amend and renumber Sections 26820.4, 26823, 26824, 26826, 26826.1, 26826.3, 26826.4, 26827.5, 26827.6, 26827.7, 26832.1, 26833.5, 26835.1, 26838, 26857.5, 26862, 76236, and 76238 of, to amend, renumber, and repeal Sections 26827, 72055, and 72056 of, to amend and repeal Section 69926.5 of, to add Sections 68084.1, 68085.1, 68085.2, 68085.3, 68085.4, 68086.1, and 77207.5 to, to add Chapter 5.8 (commencing with Section 70600) to Title 8 of, and to repeal Sections

24350.5, 26820.6, 26820.7, 26822.3, 26826.2, 26827.1, 26827.4, 26828, 26829, 26830, 26832, 26833.1, 26834, 26836.1, 26837.1, 26840.4, 26841, 26850.1, 26851.1, 26852.1, 26853.1, 26855.4, 26856, 26859, 26863, 68087, 68087.1, 68090.7, 70373, 70373.5, 72054, 72056.01, 72056.1, 72059, 72060, 72061, and 72073 of, the Government Code, to amend Sections 100430, 103470, and 103730 of the Health and Safety Code, to amend Section 98.2 of the Labor Code, to amend Sections 1835, 2343, 7660, and 13201 of the Probate Code, and to amend Sections 14607.6 and 40230 of the Vehicle Code, relating to courts, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 2005. Filed with
Secretary of State July 19, 2005.]

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

SECTION 1. The Legislature finds and declares as follows:

(a) Stable and predictable funding is critical to the independence of the judicial branch. Civil fees are an important part of funding the court system.

(b) The civil fee increases and surcharges that were approved in three previous state budgets in order to fund court operations have not generated expected revenues and have made filing fee schedules difficult for court users to understand.

(c) Local fees and surcharges on court filing fees have created confusion, difficulty in administration, and lack of uniformity in fees in different counties across the state.

(d) The creation of a uniform civil fee structure will streamline and simplify civil fees, provide for uniformity in different counties, address the funding shortfall occurring under the current fee structure, and significantly improve financial stability, accountability, and predictability in the courts.

(e) The uniform civil fee structure seeks to eliminate confusion about the proper fee amounts to be paid, significantly ease the administrative workload in collecting and distributing fees, and provide a small amount of additional funding for important judicial branch functions, including technology infrastructure and court facilities.

(f) New distributions to the Equal Access Fund will provide increased funding to qualified legal services projects and support centers to be used for legal services in civil matters for indigent persons.

(g) Fee waivers and partial fee waivers will remain available for people who cannot afford court fees.

(h) The uniform civil fee structure is intended to maintain the revenue stream to programs and groups that receive funding from court filing fees under existing law.

(i) Dispute resolution programs and county law libraries will continue to receive the same revenue per filing fee as they do under existing law. Authority for counties to increase those revenues during the period of moratorium on fee increases will be preserved.

(j) It is the intent of the Legislature not to increase any fees established in this act before January 1, 2008, except that the Legislature may consider changes to implement recommendations of the Task Force on County Law Libraries, changes to the graduated filing fee for petitions in probate proceedings under subdivision (a) of Section 70650 of the Government Code, and establishment of a new fee for small claims cases with more than five thousand dollars (\$5,000) at issue if legislation is enacted to increase the jurisdictional limit.

SEC. 2. Section 467.1 of the Business and Professions Code is amended to read:

467.1. (a) A program funded pursuant to this chapter shall be operated pursuant to contract with the county and shall comply with all of the requirements of this chapter and the rules and regulations of the advisory council.

(b) Counties may establish a program of grants to public entities and nonpartisan nonprofit corporations for the establishment and continuance of programs to be operated under the requirements of this chapter and the standards developed by the advisory council. The board of supervisors of a county in which, because of the county's size, the distribution authorized by Section 470.5 is insufficient to establish a county program may enter into an agreement with the board of supervisors of one or more other such counties to establish a program authorized by this chapter on a regional basis.

SEC. 3. Section 470.3 of the Business and Professions Code is repealed.

SEC. 4. Section 470.5 is added to the Business and Professions Code, to read:

470.5. (a) On and after January 1, 2006, as described in Section 68085.1 of the Government Code, the Administrative Office of the Courts shall make monthly distributions from superior court filing fees for the support of dispute resolution programs under this chapter in each county that has acted to establish a program. The amount distributed in each county shall be equal to the following:

(1) From each first paper filing fee collected by the court as provided under Section 70611 or 70612, subdivision (a) of Section 70613, subdivision (a) of Section 70614, or Section 70670 of the Government

Code, and each first paper or petition filing fee collected by the court in a probate matter as provided under Section 70650, 70651, 70652, 70653, or 70655 of the Government Code, the same amount as was required to be collected for the support of dispute resolution programs in that county as of December 31, 2005, when a fee was collected for the filing of a first paper in a civil action under Section 26820.4 of the Government Code.

(2) From each first paper filing fee in a limited civil case collected by the court as provided under subdivision (b) of Section 70613 or subdivision (b) of Section 70614 of the Government Code, and each first paper or petition filing fee collected by the court in a probate matter as provided under Section 70654, 70656, or 70658 of the Government Code, the same amount as was required to be collected for the support of dispute resolution programs in that county as of December 31, 2005, when a fee was collected for the filing of a first paper in a civil action under Section 72055 of the Government Code where the amount demanded, excluding attorney's fees and costs, was ten thousand dollars (\$10,000) or less.

(b) Distributions under this section shall be used only for the support of dispute resolution programs authorized by this chapter. The county shall deposit the amounts distributed under this section in an account created and maintained for this purpose by the county. Records of these distributions shall be available for inspection by the public upon request.

(c) After January 1, 2006, a county that does not already have a distribution from superior court filing fees under this section and that establishes a dispute resolution program authorized by this chapter may approve a distribution under this section. A county that already has a distribution under this section may change the amount of the distribution. The total amount to be distributed for the support of dispute resolution programs under this section may not exceed eight dollars (\$8) per filing fee.

(d) The county may make changes under subdivision (c) to be effective January 1 or July 1 of any year, on and after January 1, 2006. The county shall provide the Administrative Office of the Courts with a copy of the action of the board of supervisors that establishes the change at least 15 days before the date that the change goes into effect.

SEC. 5. Section 470.6 is added to the Business and Professions Code, to read:

470.6. A county may carry over moneys received from distributions under Section 470.5 and from the fees for the support of dispute resolution programs authorized by this chapter that were added to fees for filing a first paper in a civil action in superior court under the laws in effect before January 1, 2006.

SEC. 6. Section 6321 of the Business and Professions Code is repealed.

SEC. 7. Section 6321 is added to the Business and Professions Code, to read:

6321. (a) On and after January 1, 2006, as described in Section 68085.1 of the Government Code, the Administrative Office of the Courts shall make monthly distributions from superior court filing fees to the law library fund in each county in the amounts described in this section and Section 6322.1. From each first paper filing fee as provided under Section 70611, 70612, 70613, 70614, or 70670 of the Government Code, each first paper or petition filing fee in a probate matter as provided under Section 70650, 70651, 70652, 70653, 70654, 70655, 70656, or 70658 of the Government Code, Section 103470 of the Health and Safety Code, or Section 7660 of the Probate Code, each filing fee for a small claim or limited civil case appeal as provided under Section 116.760 of the Code of Civil Procedure or Section 70621 of the Government Code, and each vehicle forfeiture petition fee as provided under subdivision (e) of Section 14607.6 of the Vehicle Code, that is collected in each of the following counties, the amount indicated in this subdivision shall be paid to the law library fund in that county:

Jurisdiction	Amount
Alameda.....	\$31.00
Alpine.....	4.00
Amador.....	20.00
Butte.....	29.00
Calaveras.....	26.00
Colusa.....	17.00
Contra Costa.....	29.00
Del Norte.....	20.00
El Dorado.....	26.00
Fresno.....	31.00
Glenn.....	20.00
Humboldt.....	40.00
Imperial.....	20.00
Inyo.....	20.00
Kern.....	21.00
Kings.....	23.00
Lake.....	23.00
Lassen.....	25.00
Los Angeles.....	18.00
Madera.....	26.00
Marin.....	32.00

Mariposa.....	27.00
Mendocino.....	26.00
Merced.....	23.00
Modoc.....	20.00
Mono.....	20.00
Monterey.....	25.00
Napa.....	20.00
Nevada.....	23.00
Orange.....	29.00
Placer.....	29.00
Plumas.....	20.00
Riverside.....	26.00
Sacramento.....	44.00
San Benito.....	20.00
San Bernardino.....	23.00
San Diego.....	35.00
San Francisco.....	36.00
San Joaquin.....	23.00
San Luis Obispo.....	31.00
San Mateo.....	32.50
Santa Barbara.....	35.00
Santa Clara.....	26.00
Santa Cruz.....	29.00
Shasta.....	20.00
Sierra.....	20.00
Siskiyou.....	26.00
Solano.....	26.00
Sonoma.....	29.00
Stanislaus.....	18.00
Sutter.....	7.00
Tehama.....	20.00
Trinity.....	20.00
Tulare.....	29.00
Tuolumne.....	20.00
Ventura.....	26.00
Yolo.....	29.00
Yuba.....	7.00

(b) If a board of supervisors in any county acted during the 2005 calendar year to increase the law library fee in that county, the amount distributed to the law library in that county under subdivision (a) shall be increased by the amount that the board of supervisors acted to increase the fee, up to three dollars (\$3).

SEC. 8. Section 6322 of the Business and Professions Code is repealed.

SEC. 9. Section 6322 is added to the Business and Professions Code, to read:

6322. (a) It is the intent of the Legislature that the change in the method of distributing funds to law libraries from fees collected by the superior courts under the Uniform Civil Fees and Standard Fee Schedule Act of 2005 will not result in undue financial hardship for any law library. On and after January 1, 2006, any law library that experiences undue financial hardship from the change in the method of distributing funding to law libraries may request a one-time advance from the Administrative Office of the Courts. The Administrative Office of the Courts shall provide the advance within 15 days after the request is received, but no earlier than February 1, 2006, if all of the following conditions are met:

(1) The law library board of trustees certifies that the law library is experiencing financial hardship caused by an increase in the time between collection of a fee by the court and the receipt of the money by the law library fund resulting from the implementation of the new distribution method for money received from superior court filing fees.

(2) The law library board of trustees certifies that the law library is operating under this chapter.

(3) The Administrative Office of the Courts receives the request on or before February 15, 2006.

(b) The amount of the advance shall be equal to one-twelfth of the law library's total receipts from superior court fees for the 2003-04 fiscal year.

(c) The funding for the advance shall be provided from amounts deposited into the bank account established by the Administrative Office of the Courts under subdivision (b) of Section 68085.1 of the Government Code. The advance shall be returned within 30 days if a law library ceases to operate or the responsibility for the law library is transferred from the law library board of trustees.

SEC. 10. Section 6322.1 of the Business and Professions Code is amended to read:

6322.1. (a) Until the end of the moratorium described in Section 70601 of the Government Code, the board of supervisors of any county may increase, as provided in this section, the amount distributed to its county law library fund from the uniform filing fees listed in Section 6321 whenever it determines that the increase is necessary to defray the expenses of the law library.

Any increase in the amount distributed to the law library fund in any county under this subdivision shall not be effective until January 1 of the next year after the adoption by the board of supervisors of the

increase. The amount of the increase in any calendar year shall be no greater than three dollars (\$3) over the previous calendar year. A copy of the action of the board of supervisors that establishes the increase shall be provided to the Administrative Office of the Courts as soon as it becomes available but no later than December 15 of the year before the increased distribution goes into effect.

(b) Distribution changes after January 1, 2008, shall be determined by the process described in Section 70601 of the Government Code.

(c) (1) In an action or proceeding in which a claim for money damages falls within the monetary jurisdiction of the small claims court and is filed by an assignee who is prohibited from filing or maintaining a claim pursuant to Section 116.420 of the Code of Civil Procedure, the uniform filing fee shall be reduced by fifteen dollars (\$15) to one hundred sixty-five dollars (\$165) if the complaint contains a declaration under penalty of perjury, executed by the party requesting the reduction in fees, that the case qualifies for the lower fee because the claim for money damages will not exceed the monetary jurisdiction of small claims court and is filed by an assignee of the claim.

(2) When the uniform filing fee is reduced as provided under this subdivision, the amount distributed from each uniform filing fee to the law library fund in the county shall be as follows:

Jurisdiction	Amount
Alameda.....	\$12.00
Alpine.....	1.00
Amador.....	6.00
Butte.....	12.00
Calaveras.....	7.00
Colusa.....	12.00
Contra Costa.....	8.00
Del Norte.....	6.00
El Dorado.....	9.00
Fresno.....	9.00
Glenn.....	6.00
Humboldt.....	12.00
Imperial.....	12.00
Inyo.....	6.00
Kern.....	12.00
Kings.....	12.00
Lake.....	12.00
Lassen.....	12.00
Los Angeles.....	5.00
Madera.....	12.00

Marin.....	12.00
Mariposa.....	4.00
Mendocino.....	12.00
Merced.....	12.00
Modoc.....	6.00
Mono.....	6.00
Monterey.....	10.00
Napa.....	12.00
Nevada.....	7.00

Orange.....	8.00
Placer.....	7.00
Plumas.....	6.00
Riverside.....	12.00
Sacramento.....	8.50
San Benito.....	6.00
San Bernardino.....	12.00
San Diego.....	12.00
San Francisco.....	12.00
San Joaquin.....	10.00
San Luis Obispo.....	12.00
San Mateo.....	12.00
Santa Barbara.....	12.00
Santa Clara.....	8.00
Santa Cruz.....	12.00
Shasta.....	8.50
Sierra.....	9.00
Siskiyou.....	8.00
Solano.....	9.00
Sonoma.....	12.00
Stanislaus.....	6.50
Sutter.....	1.00
Tehama.....	9.00
Trinity.....	6.00
Tulare.....	12.00
Tuolumne.....	2.00
Ventura.....	12.00
Yolo.....	10.00
Yuba.....	7.00

The increases described in subdivision (a) do not apply to the law library distributions in this subdivision.

(3) Notwithstanding subdivision (d) of Section 68085.4 of the Government Code, when the uniform filing fee is reduced as provided in this subdivision, the amounts distributed to dispute resolution programs, the State Court Facilities Construction Fund, the Judges' Retirement Fund, children's waiting rooms, and the Equal Access Fund shall remain as provided under subdivisions (b) and (c) of Section 68085.4 of the Government Code and shall not be changed. Only the amounts distributed to the Trial Court Trust Fund and the law libraries shall be adjusted. If the fee is further reduced below one hundred sixty-five dollars (\$165), as with a partial waiver or partial payment, the

proportional reductions described in subdivision (g) of Section 68085.1 of the Government Code shall apply.

(d) Distributions under this section to the law library fund in each county shall be used only for the purposes authorized by this chapter.

(e) As used in this section and Section 6321, "law library fund" includes a law library account described in the second paragraph of Section 6320.

SEC. 11. Section 6323 of the Business and Professions Code is repealed.

SEC. 12. Section 6324 of the Business and Professions Code is amended to read:

6324. The board of supervisors may appropriate from the county treasury for law library purposes such sums as may in their discretion appear proper. When so paid into the law library fund, those sums shall constitute a part of the fund and be used for the same purposes.

SEC. 13. Section 6325 of the Business and Professions Code is amended to read:

6325. The orders and demands of the trustees of the law library, when duly made and authenticated as hereinafter provided, shall be verified and audited by the auditing officer, and paid by the treasurer of the county out of the law library fund. Full entry and record shall be kept as in other cases.

SEC. 14. Section 6326 of the Business and Professions Code is amended to read:

6326. A revolving fund of not more than thirty thousand dollars (\$30,000) may be established from money in the law library fund, by resolution of the board of law library trustees, for expenditures of not exceeding three thousand dollars (\$3,000) each for purposes for which the law library fund may lawfully be expended. The board shall prescribe the procedure by which money may be drawn from the revolving fund, the records to be kept, and the manner in which reimbursements shall be made to the revolving fund by demand and order from the law library fund. All or any part of the money in the revolving fund may be deposited in a commercial account in a bank, subject to payments of not exceeding three thousand dollars (\$3,000) each by check on the signature of the secretary or any other person or persons designated by the board.

SEC. 15. 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 or, if a bank account has been established for moneys held in trust under paragraph (2) of subdivision (a) of Section 77009 of the Government Code, in that account, 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 Chapter 5.8 (commencing with Section 70600) of Title 8 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) The trustee, beneficiary, or counsel to the trustee or beneficiary, is not liable for providing to any person who is entitled to notice pursuant to this section, information set forth in, or a copy of, subdivision (h) of Section 2945.3.

SEC. 16. Section 116.230 of the Code of Civil Procedure, as amended by Section 1 of Chapter 159 of the Statutes of 2003, is repealed.

SEC. 17. Section 116.230 of the Code of Civil Procedure, as added by Section 2 of Chapter 159 of the Statutes of 2003, is repealed.

SEC. 18. Section 116.230 is added to the Code of Civil Procedure, to read:

116.230. (a) In a small claims case, the clerk of the court shall charge and collect only those fees authorized under this chapter.

(b) If the party filing a claim has filed 12 or fewer small claims in the state within the previous 12 months, the filing fee is the following:

(1) Thirty dollars (\$30) if the amount of the demand is one thousand five hundred dollars (\$1,500) or less.

(2) Fifty dollars (\$50) if the amount of the demand is more than one thousand five hundred dollars (\$1,500).

(c) If the party has filed more than 12 other small claims in the state within the previous 12 months, the filing fee is seventy-five dollars (\$75).

(d) Each party filing a claim shall file a declaration with the claim stating whether that party has filed more than 12 other small claims in the state within the last 12 months.

(e) The clerk of the court shall deposit fees collected under this section into a bank account established for this purpose by the Administrative Office of the Courts and maintained under rules adopted by or trial court financial policies and procedures authorized by the Judicial Council under subdivision (a) of Section 77206 of the Government Code. The deposits shall be made as required under Section 68085.1 of the Government Code and trial court financial policies and procedures authorized by the Judicial Council.

(f) The Administrative Office of the Courts shall distribute six dollars (\$6) of each thirty dollar (\$30) fee, eight dollars (\$8) of each fifty dollar (\$50) fee, and fourteen dollars (\$14) of each seventy-five dollar (\$75) fee collected under subdivision (b) or (c) to a special account in the county in which the court is located to be used for the small claims advisory services described in Section 116.940. Records of these moneys shall be available for inspection by the public on request.

(g) The remainder of the fees collected under subdivisions (b) and (c) shall be transmitted monthly to the Controller for deposit in the Trial Court Trust Fund.

(h) This section and Section 116.940 shall not be applied in any manner that results in a reduction of the level of services, or the amount of funds allocated for providing the services described in Section 116.940, that are in existence in each county during the 2004-05 fiscal year. Nothing in this section shall preclude the county from procuring other funding to comply with the requirements of Section 116.940.

SEC. 19. Section 116.230 is added to the Code of Civil Procedure, to read:

116.230. (a) In a small claims case, the clerk of the court shall charge and collect only those fees authorized under this chapter.

(b) If the party filing a claim has filed 12 or fewer small claims in the state within the previous 12 months, the filing fee is the following:

(1) Thirty dollars (\$30) if the amount of the demand is one thousand five hundred dollars (\$1,500) or less.

(2) Fifty dollars (\$50) if the amount of the demand is more than one thousand five hundred dollars (\$1,500) but less than or equal to five thousand dollars (\$5,000).

(3) Seventy-five (\$75) if the amount of the demand is more than five thousand dollars (\$5,000).

(c) If the party has filed more than 12 other small claims in the state within the previous 12 months, the filing fee is one hundred dollars (\$100).

(d) Each party filing a claim shall file a declaration with the claim stating whether that party has filed more than 12 other small claims in the state within the last 12 months.

(e) The clerk of the court shall deposit fees collected under this section into a bank account established for this purpose by the Administrative Office of the Courts and maintained under rules adopted by or trial court financial policies and procedures authorized by the Judicial Council under subdivision (a) of Section 77206 of the Government Code. The deposits shall be made as required under Section 68085.1 of the Government Code and trial court financial policies and procedures authorized by the Judicial Council.

(f) The Administrative Office of the Courts shall distribute six dollars (\$6) of each thirty dollar (\$30) fee, eight dollars (\$8) of each fifty dollar (\$50) fee, ten dollars (\$10) of each seventy-five dollar (\$75) fee, and fourteen dollars (\$14) of each one hundred dollar (\$100) fee collected under subdivision (b) or (c) to a special account in the county in which the court is located to be used for the small claims advisory services described in Section 116.940. Records of these moneys shall be available for inspection by the public on request.

(g) The remainder of the fees collected under subdivisions (b) and (c) shall be transmitted monthly to the Controller for deposit in the Trial Court Trust Fund.

(h) This section and Section 116.940 shall not be applied in any manner that results in a reduction of the level of services, or the amount of funds allocated for providing the services described in Section 116.940, that are in existence in each county during the 2004-05 fiscal year. Nothing in this section shall preclude the county from procuring other funding to comply with the requirements of Section 116.940.

SEC. 20. Section 116.232 is added to the Code of Civil Procedure, to read:

116.232. A fee of ten dollars (\$10) shall be charged and collected from the plaintiff for each defendant to whom the court clerk mails a copy of the claim under Section 116.340. This fee shall be distributed to the court in which it was collected.

SEC. 21. Section 116.390 of the Code of Civil Procedure is amended to read:

116.390. (a) If a defendant has a claim against a plaintiff that exceeds the jurisdictional limits stated in Sections 116.220 and 116.231, and the claim relates to the contract, transaction, matter, or event which is the subject of the plaintiff's claim, the defendant may commence an action against the plaintiff in a court of competent jurisdiction and request the small claims court to transfer the small claims action to that court.

(b) The defendant may make the request by filing with the small claims court in which the plaintiff commenced the action, at or before the time set for the hearing of that action, a declaration stating the facts concerning the defendant's action against the plaintiff with a true copy of the complaint so filed by the defendant against the plaintiff. The defendant shall cause a copy of the declaration and complaint to be personally delivered to the plaintiff at or before the time set for the hearing of the small claims action.

(c) In ruling on a motion to transfer, the small claims court may do any of the following: (1) render judgment on the small claims case prior to the transfer; (2) not render judgment and transfer the small claims case; (3) refuse to transfer the small claims case on the grounds that the

ends of justice would not be served. If the small claims action is transferred prior to judgment, both actions shall be tried together in the transferee court.

(d) When the small claims court orders the action transferred, it shall transmit all files and papers to the transferee court.

(e) The plaintiff in the small claims action shall not be required to pay to the clerk of the transferee court any transmittal, appearance, or filing fee unless the plaintiff appears in the transferee court, in which event the plaintiff shall be required to pay the filing fee and any other fee required of a defendant in the transferee court. However, if the transferee court rules against the plaintiff in the action filed in that court, the court may award to the defendant in that action the costs incurred as a consequence of the transfer, including attorney's fees and filing fees.

SEC. 22. Section 116.745 of the Code of Civil Procedure is amended to read:

116.745. The clerk shall collect a fee of twenty dollars (\$20) for the filing of a motion to vacate.

SEC. 23. Section 116.760 of the Code of Civil Procedure is amended to read:

116.760. (a) The appealing party shall pay a fee of seventy-five dollars (\$75) for filing a notice of appeal.

(b) A party who does not appeal shall not be charged any fee for filing any document relating to the appeal.

(c) The fee shall be distributed as follows:

(1) To the county law library fund, as provided in Section 6320 of the Business and Professions Code, the amount specified in Section 6321 and 6322.1 of the Business and Professions Code.

(2) To the Trial Court Trust Fund, the remainder of the fee.

SEC. 24. 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 subdivision (a) of Section 70626 of the Government Code shall be charged and collected by the clerk for the issuance of a writ of execution, or an abstract of judgment. The fee specified in Section 70617 of the Government Code shall be charged

for an application for an order of examination of a judgment debtor. The clerk shall immediately deposit all the fees collected under this section into a bank account established for this purpose by the Administrative Office of the Courts. The money shall be remitted to the State Treasury under rules adopted by, or trial court financial policies and procedures authorized by, the Judicial Council under subdivision (a) of Section 77206 of the Government Code. The Controller shall distribute the fees to the Trial Court Trust Fund as provided in Section 68085.1 of the Government Code.

(c) The prevailing party in any action subject to this chapter is entitled to the costs of enforcing the judgment and accrued interest.

SEC. 25. Section 116.860 of the Code of Civil Procedure is amended to read:

116.860. (a) A judgment debtor who desires to make payment to the court in which the judgment was entered may file a request to make payment, which shall be made on a form approved or adopted by the Judicial Council.

(b) Upon the filing of the request to make payment and the payment to the clerk of the amount of the judgment and any accrued interest and costs after judgment, plus any required fee authorized by this section, the clerk shall enter satisfaction of the judgment and shall remit payment to the judgment creditor as provided in this section.

(c) If partial payment of the judgment has been made to the judgment creditor, and the judgment debtor files the declaration and evidence of partial payment described in subdivision (d) of Section 116.850, the clerk shall enter satisfaction of the judgment upon receipt by the clerk of the balance owing on the judgment, including any accrued interest and costs after judgment, and the fee required by this section.

(d) If payment is made by means other than money order, certified or cashier's check, or cash, entry of satisfaction of the judgment shall be delayed for 30 days.

(e) The clerk shall notify the judgment creditor, at his or her last known address, that the judgment debtor has satisfied the judgment by making payment to the court. The notification shall explain the procedures which the judgment creditor has to follow to receive payment.

(f) For purposes of this section, "costs after judgment" consist of only those costs itemized in a memorandum of costs filed by the judgment creditor or otherwise authorized by the court.

(g) Payments that remain unclaimed for three years shall go to the superior court pursuant to Section 68084.1 of the Government Code.

(h) A fee of twenty dollars (\$20) shall be paid by the judgment debtor for the costs of administering this section.

SEC. 26. Section 116.910 of the Code of Civil Procedure is repealed.

SEC. 27. Section 177.5 of the Code of Civil Procedure is amended to read:

177.5. A judicial officer shall have the power to impose reasonable money sanctions, not to exceed fifteen hundred dollars (\$1,500), notwithstanding any other provision of law, payable to the court, for any violation of a lawful court order by a person, done without good cause or substantial justification. This power shall not apply to advocacy of counsel before the court. For the purposes of this section, the term "person" includes a witness, a party, a party's attorney, or both.

Sanctions pursuant to this section shall not be imposed except on notice contained in a party's moving or responding papers; or on the court's own motion, after notice and opportunity to be heard. An order imposing sanctions shall be in writing and shall recite in detail the conduct or circumstances justifying the order.

SEC. 28. Section 209 of the Code of Civil Procedure, as amended by Section 1 of Chapter 359 of the Statutes of 2003, is amended to read:

209. (a) Any prospective trial juror who has been summoned for service, and who fails to attend as directed or to respond to the court or jury commissioner and to be excused from attendance, may be attached and compelled to attend. Following an order to show cause hearing, the court may find the prospective juror in contempt of court, punishable by fine, incarceration, or both, as otherwise provided by law.

(b) In lieu of imposing sanctions for contempt as set forth in subdivision (a), the court may impose reasonable monetary sanctions, as provided in this subdivision, on a prospective juror who has not been excused pursuant to Section 204 after first providing the prospective juror with notice and an opportunity to be heard. If a juror fails to respond to the initial summons within 12 months, the court may issue a second summons indicating that the person failed to appear in response to a previous summons and ordering the person to appear for jury duty. Upon the failure of the juror to appear in response to the second summons, the court may issue a failure to appear notice informing the person that failure to respond may result in the imposition of money sanctions. If the prospective juror does not attend the court within the time period as directed by the failure to appear notice, the court shall issue an order to show cause. Payment of monetary sanctions imposed pursuant to this subdivision does not relieve the person of his or her obligation to perform jury duty.

(c) (1) The court may give notice of its intent to impose sanctions by either of the following means:

(A) Verbally to a prospective juror appearing in person in open court.

(B) The issuance on its own motion of an order to show cause requiring the prospective juror to demonstrate reasons for not imposing

sanctions. The court may serve the order to show cause by certified or first-class mail.

(2) The monetary sanctions imposed pursuant to subdivision (b) may not exceed two hundred fifty dollars (\$250) for the first violation, seven hundred fifty dollars (\$750) for the second violation, and one thousand five hundred dollars (\$1,500) for the third and any subsequent violation. Monetary sanctions may not be imposed on a prospective juror more than once during a single juror pool cycle. The prospective juror may be excused from paying sanctions pursuant to subdivision (b) of Section 204 or in the interests of justice. The full amount of any sanction paid shall be deposited in a bank account established for this purpose by the Administrative Office of the Courts and transmitted from that account monthly to the Controller for deposit in the Trial Court Trust Fund, as provided in Section 68085.1 of the Government Code. It is the intent of the Legislature that the funds derived from the monetary sanctions authorized in this section be allocated, to the extent feasible, to the family courts and the civil courts. The Judicial Council shall, by rule, provide for a procedure by which a prospective juror against whom a sanction has been imposed by default may move to set aside the default.

(d) On or before December 31, 2005, the Judicial Council shall report to the Legislature regarding the effects of the implementation of subdivisions (b) and (c). The report shall include, but not be limited to, information regarding any change in rates of response to juror summons, the amount of moneys collected pursuant to subdivision (c), the efficacy of the default procedures adopted in rules of court, and how, if at all, the Legislature may wish to alter this chapter to further attainment of its objectives.

(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. 29. Section 403.060 of the Code of Civil Procedure is amended to read:

403.060. (a) For reclassification of a case from a limited civil case to an unlimited civil case, a fee shall be charged as provided in Section 70619 of the Government Code. This reclassification fee shall be in addition to any other fee due for that appearance or filing in a limited civil case. No additional amounts shall be charged for appearance or filing fees paid prior to reclassification. After reclassification, the fees ordinarily charged in an unlimited case shall be charged.

(b) If a reclassification fee is required and is not paid at the time an amended complaint or other initial pleading, a cross-complaint, or a stipulation for reclassification is filed under Section 403.020, 403.030,

or 403.050, the clerk shall not reclassify the case and the case shall remain and proceed as a limited civil case.

(c) No fee shall be charged for reclassification of a case from an unlimited civil case to a limited civil case. The fees ordinarily required for filing or appearing in a limited civil case shall be charged at the time of filing a pleading that reclassifies the case. Parties are not entitled to a refund of the difference between any fees previously paid for appearance or filing in an unlimited civil case and the fees due in a limited civil case. After reclassification, the fees ordinarily charged in a limited civil case shall be charged.

SEC. 30. Section 411.20 of the Code of Civil Procedure is amended to read:

411.20. (a) If the clerk accepts for filing a complaint or other first paper, or any subsequent filing, and payment is made by check which is later returned without payment, the clerk shall, by mail, notify the party who tendered the check that (1) the check has been returned without payment, (2) the administrative charge specified in subdivision (g) has been imposed to reimburse the court for the costs of processing the returned check and providing the notice specified in this subdivision, and (3) the party has 20 days from the date of mailing of the notice within which to pay the filing fee and the administrative charge, except as provided in subdivision (e). The notice also shall state that the administrative charge and the filing fee shall be paid in cash, by certified check, or by other means specified by the court, but not by traveler's check or personal check. If the person who tendered the check is not a party to the action or proposed action, but only is acting on behalf of a party, the clerk shall notify not only the person who tendered the check, but also the party or that party's attorney if the party is represented. The clerk's certificate as to the mailing of notice pursuant to this section establishes a rebuttable presumption that the fees were not paid. This presumption is a presumption affecting the burden of producing evidence.

(b) The clerk shall void the filing if the party who tendered a returned check or on whose behalf a returned check was tendered has not paid the full amount of the fee and the administrative charge by a means specified in subdivision (a) within 20 days of the date on which the notice required by subdivision (a) was mailed. Any filing voided by this section can be disposed of immediately after the 20 days have elapsed without preserving a copy in the court records, notwithstanding Section 68152 of the Government Code.

(c) If an adverse party files a response to a complaint, paper or filing referred to in subdivision (a), together with a filing fee, and the original filing is voided pursuant to subdivision (b), the responsive filing is not required and shall be voided. The court shall, by mail, provide notice to

the parties or their attorneys that the initial paper and the response have been voided. The responding party's filing fee shall be refunded upon request, provided that the request for a refund is made within 20 days from the date on which the notice was mailed. Upon receipt of the request, the court shall refund the responding party's filing fee without imposing any administrative charge. A refund under this subdivision is available if the adverse party has filed only a responsive pleading, but not if the party has also filed a cross-complaint or other first paper seeking affirmative relief for which there is a filing fee.

(d) If an adverse party, or a person acting on behalf of the adverse party, tenders a check for a required filing fee that is later returned without payment, the procedures in subdivisions (a) and (b) shall apply.

(e) If any trial or other hearing is scheduled to be heard prior to the expiration of the 20-day period provided for in subdivision (a), the fee shall be paid prior to the trial or hearing. Failure of the party to pay the fee prior to the trial or hearing date shall cause the court to void the filing and proceed as if it had not been filed.

(f) If the clerk performs a service or issues any document for which a fee is required and payment is made by check which is later returned without payment, the court may order further proceedings suspended as to the party for whom the check was tendered. If the court so orders, the clerk shall, by mail, notify the party who tendered the check that proceedings have been suspended until the receipt of payment of the required fee and the administrative charge specified in subdivision (g), by cash cashier's check, or other means specified by the court, but not by personal check or traveler's check. If the person who tendered the check is not a party to the action or proposed action, but only is acting on behalf of a party, the clerk shall notify not only the person who tendered the check, but also the party or that party's attorney if the party is represented. The clerk's certificate as to the mailing of notice pursuant to this section establishes a rebuttable presumption that the fees were not paid. This presumption is a presumption affecting the burden of producing evidence.

(g) The clerk shall impose an administrative charge for providing notice that a check submitted for a filing fee has been returned without payment and for all related administrative, clerical, and other costs incurred under this section. The administrative charge shall, in each instance, be either twenty-five dollars (\$25) or a reasonable amount that does not exceed the actual cost incurred by the court, as determined by the court. The notices provided by the court under subdivisions (a) and (f) shall state the specific amount of the administrative charge that shall be paid to the court. Each administrative charge collected shall be

distributed to the court that incurred the charge as described in Section 68085.1 of the Government Code.

SEC. 31. Section 411.21 is added to the Code of Civil Procedure, to read:

411.21. (a) If a complaint or other first paper is accompanied by payment by check in an amount less than the required fee, the clerk shall accept the paper for filing, but shall not issue a summons until the court receives full payment of the required fee. The clerk shall, by mail, notify the party tendering the check that (1) the check was made out for an amount less than the required filing fee, (2) the administrative charge specified in subdivision (g) has been imposed to reimburse the court for the costs of processing the partial payment and providing the notice specified in this subdivision, and (3) the party has 20 days from the date of mailing of the notice within which to pay the remainder of the required fee and the administrative charge, except as provided in subdivision (f). The notice also shall state that payment of the administrative charge and the remainder of the required filing fee shall be in cash, by cashier's check, or by other means specified by the court but not by traveler's check or personal check. If the person who tendered the check is not a party to the action or proposed action, but only is acting on behalf of a party, the clerk shall notify not only the person who tendered the check, and also the party or that party's attorney, if the party is represented. The clerk's certificate as to the mailing of notice pursuant to this section establishes a rebuttable presumption that the fees were not paid. This presumption is a presumption affecting the burden of producing evidence. This subdivision does not apply to an unlawful detainer action.

(b) The clerk shall void the filing if the party who tendered a check in an amount less than the required filing fee or on whose behalf a check in an amount less than the required filing fee was tendered has not paid the full amount of the fee and the administrative charge by a means specified in subdivision (a) within 20 days of the date on which the notice required by subdivision (a) was mailed. Any filing voided by this section may be disposed of immediately after the 20 days have elapsed without preserving a copy in the court records notwithstanding Section 68152 of the Government Code.

(c) If a check for less than the required fee was tendered, the remainder of the required fee and the administrative charge were not paid within the period specified in subdivision (a), and a refund of the partial payment has not been requested in a writing mailed or presented by the party or person who tendered the check within 20 days from the date on which the remainder of the required fee was due, the partial payment shall be remitted to the State Treasurer to be deposited in the Trial Court Trust Fund, except for the amount of the administrative charge described in

subdivision (g), that shall be deducted from the partial payment and shall be distributed as described in subdivision (g) to the court which incurred the charge. If the party or person who tendered the check for partial payment requests a refund of the partial payment, in writing, within the time specified in this subdivision, the clerk shall refund the amount of the partial payment less the amount of the administrative charge imposed by that court. All partial payments that the court received before January 1, 2006, and that remain on deposit for filings that the clerk voided pursuant to this section, once three years have passed from the date that the filing was voided, shall be remitted to the State Treasurer for deposit into the Trial Court Trust Fund.

(d) If an adverse party files a response to a complaint or other first paper referred to in subdivision (a), together with a filing fee, and the original filing is voided pursuant to subdivision (b), the responsive filing is not required and shall be voided. The court shall, by mail, provide notice to the parties that the initial paper and the response have been voided. The responding party's filing fee shall be refunded upon request, provided that the request for a refund is made in writing within 20 days from the date on which the notice was mailed. Upon receipt of the request, the court shall reimburse the responding party's filing fee without imposing any administrative charge. A refund under this subdivision is available if the adverse party has filed only a responsive pleading, but not if the party has also filed a cross-complaint or other first paper seeking affirmative relief for which there is a filing fee.

(e) If an adverse party, or a person acting on behalf of the adverse party, tenders a check for a required filing fee in an amount less than the required fee, the procedures in subdivisions (a), (b), and (c) shall apply.

(f) If any trial or other hearing is scheduled to be heard prior to the expiration of the 20-day period provided for in subdivision (a), the fee shall be paid prior to the trial or hearing. Failure of the party to pay the fee prior to the trial or hearing date shall cause the court to void the filing and proceed as if it had not been filed.

(g) The clerk shall impose an administrative charge for providing notice that a check submitted for a filing fee is in an amount less than the required fee and for all related administrative, clerical, and other costs incurred under this section. The administrative charge shall, in each instance, be either twenty-five dollars (\$25) or a reasonable amount that does not exceed the actual cost incurred by the court, as determined by the court. The notices provided by the court under subdivision (a) shall state the specific amount of the administrative charge that shall be paid to the court. Each administrative charge collected shall be distributed to the court that incurred the charge as described in Section 68085.1 of the Government Code. When a partial payment is to be remitted to the

State Treasurer under subdivision (c), the court shall notify the Administrative Office of the Courts of the amount of (1) the partial payment collected, and (2) the administrative charge to be deducted from the payment and to be distributed to the court.

SEC. 32. Section 425.10 of the Code of Civil Procedure is amended to read:

425.10. (a) A complaint or cross-complaint shall contain both of the following:

(1) A statement of the facts constituting the cause of action, in ordinary and concise language.

(2) A demand for judgment for the relief to which the pleader claims to be entitled. If the recovery of money or damages is demanded, the amount demanded shall be stated.

(b) Notwithstanding subdivision (a), where an action is brought to recover actual or punitive damages for personal injury or wrongful death, the amount demanded shall not be stated, but the complaint shall comply with Section 422.30 and, in a limited civil case, with subdivision (b) of Section 70613 of the Government Code.

SEC. 33. Section 491.150 of the Code of Civil Procedure is amended to read:

491.150. (a) Except as otherwise provided in this section, the proper court for examination of a person under this article is the court that issued the writ of attachment.

(b) A person sought to be examined may not be required to attend an examination before a court located outside the county in which the person resides or has a place of business unless the distance from the person's place of residence or place of business to the place of examination is less than 150 miles.

(c) If a person sought to be examined does not reside or have a place of business in the county where the court that issued the writ is located, the superior court in the county where the person resides or has a place of business is a proper court for examination of the person.

(d) If the plaintiff seeks an examination of a person before a court other than the court that issued the writ, the plaintiff shall file an application that shall include all of the following:

(1) A certified copy of the complaint in the pending action.

(2) An affidavit in support of the application stating the place of residence or place of business of the person sought to be examined.

(3) Any necessary affidavit or showing for the examination as required by Section 491.110.

(4) The filing fee for a motion as provided in subdivision (a) of Section 70617 of the Government Code.

SEC. 34. Section 573 of the Code of Civil Procedure is repealed.

SEC. 35. Section 573 is added to the Code of Civil Procedure, to read:

573. Whenever money is paid into or deposited in the court under this chapter, it shall be deposited with the court's treasury as provided in Section 68084 of the Government Code.

SEC. 36. Section 683.150 of the Code of Civil Procedure is amended to read:

683.150. (a) Upon the filing of the application, the court clerk shall enter the renewal of the judgment in the court records.

(b) The fee for filing an application for renewal of judgment is as provided in subdivision (b) of Section 70626 of the Government Code.

(c) In the case of a money judgment, the entry of renewal shall show the amount of the judgment as renewed. Except as provided in subdivisions (d) and (e), this amount is the amount required to satisfy the judgment on the date of the filing of the application for renewal and includes the fee for the filing of the application for renewal.

(d) In the case of a money judgment payable in installments not previously renewed, the amount of the judgment as renewed is the total of the past due installments, the costs added to the judgment pursuant to Section 685.090, and the accrued interest, which remains unsatisfied and is enforceable on the date of the filing of the application for renewal and includes the fee for the filing of the application for renewal.

(e) In the case of a money judgment payable in installments previously renewed, the amount of the judgment as renewed under the latest renewal is the total of the following which remains unsatisfied and is enforceable on the date of the filing of the application for the latest renewal:

(1) The amount of the judgment as renewed under the previous renewal.

(2) The past due installments that became due and payable after the previous renewal.

(3) The costs that have been added to the judgment pursuant to Section 685.090 after the previous renewal.

(4) The interest that has accrued on the amounts described in paragraphs (1), (2), and (3) since the last renewal.

(5) The fee for filing the application for renewal.

(f) In the case of a judgment for possession or sale of property, the entry of renewal shall describe the performance remaining due.

SEC. 37. Section 704.750 of the Code of Civil Procedure is amended to read:

704.750. (a) Promptly after a dwelling is levied upon (other than a dwelling described in subdivision (b) of Section 704.740), the levying officer shall serve notice on the judgment creditor that the levy has been made and that the property will be released unless the judgment creditor

complies with the requirements of this section. Service shall be made personally or by mail. Within 20 days after service of the notice, the judgment creditor shall apply to the court for an order for sale of the dwelling and shall file a copy of the application with the levying officer. If the judgment creditor does not file the copy of the application for an order for sale of the dwelling within the allowed time, the levying officer shall release the dwelling.

(b) If the dwelling is located in a county other than the county where the judgment was entered:

(1) The judgment creditor shall apply to the superior court of the county where the dwelling is located.

(2) The judgment creditor shall file with the application an abstract of judgment in the form prescribed by Section 674 or, in the case of a judgment described in Section 697.320, a certified copy of the judgment.

(3) The judgment creditor shall pay the filing fee for a motion as provided in subdivision (a) of Section 70617 of the Government Code.

SEC. 38. Section 708.160 of the Code of Civil Procedure is amended to read:

708.160. (a) Except as otherwise provided in this section, the proper court for examination of a person under this article is the court in which the money judgment is entered.

(b) A person sought to be examined may not be required to attend an examination before a court located outside the county in which the person resides or has a place of business unless the distance from the person's place of residence or place of business to the place of examination is less than 150 miles.

(c) If a person sought to be examined does not reside or have a place of business in the county where the judgment is entered, the superior court in the county where the person resides or has a place of business is a proper court for examination of the person.

(d) If the judgment creditor seeks an examination of a person before a court other than the court in which the judgment is entered, the judgment creditor shall file an application that shall include all of the following:

(1) An abstract of judgment in the form prescribed by Section 674.

(2) An affidavit in support of the application stating the place of residence or place of business of the person sought to be examined.

(3) Any necessary affidavit or showing for the examination as required by Section 708.110 or 708.120.

(4) The filing fee for a motion as provided in subdivision (a) of Section 70617 of the Government Code.

SEC. 39. Section 724.100 of the Code of Civil Procedure is amended to read:

724.100. (a) If satisfaction of a judgment has been entered in the register of actions, the court clerk shall issue a certificate of satisfaction of judgment upon application therefor and payment of the fee as provided in subdivision (a) of Section 70626 of the Government Code.

(b) The certificate of satisfaction of judgment shall contain the following information:

- (1) The title of the court.
- (2) The cause and number of the action.
- (3) The names of the judgment creditor and the judgment debtor.
- (4) The date of entry of judgment and of any renewals of the judgment and where entered in the records of the court.
- (5) The date of entry of satisfaction of judgment and where it was entered in the register of actions.

SEC. 40. Section 1134 of the Code of Civil Procedure is amended to read:

1134. (a) The statement required by Section 1133 shall be filed with the clerk of the court in which the judgment is to be entered, who must endorse upon it, and enter a judgment of the court for the amount confessed with the costs provided in subdivision (b).

(b) At the time of filing, the plaintiff shall pay as court costs that shall become a part of the judgment the fee as provided in subdivision (b) of Section 70626 of the Government Code. No fee shall be collected from the defendant..

(c) The statement and affidavit, with the judgment endorsed thereon, together with the certificate filed pursuant to Section 1132, becomes the judgment roll.

SEC. 41. Section 1161.2 of the Code of Civil Procedure is amended to read:

1161.2. (a) The clerk may allow access to limited civil case records filed under this chapter, including the court file, index, and register of actions, only as follows:

- (1) To a party to the action, including a party's attorney.
- (2) To any person who provides the clerk with the names of at least one plaintiff and one defendant and the address of the premises, including the apartment or unit number, if any.
- (3) To a resident of the premises who provides the clerk with the name of one of the parties or the case number and shows proof of residency.
- (4) To any person by order of the court, which may be granted ex parte, on a showing of good cause.
- (5) To any other person 60 days after the complaint has been filed, unless a defendant prevails in the action within 60 days of the filing of the complaint, in which case the clerk may not allow access to any court

records in the action, except as provided in paragraphs (1) to (4), inclusive.

(b) For purposes of this section, “good cause” includes, but is not limited to, the gathering of newsworthy facts by a person described in Section 1070 of the Evidence Code. It is the intent of the Legislature that a simple procedure be established to request the ex parte order described in subdivision (a).

(c) Upon the filing of any case so restricted, the court clerk shall mail notice to each defendant named in the action. The notice shall be mailed to the address provided in the complaint. The notice shall contain a statement that an unlawful detainer complaint (eviction action) has been filed naming that party as a defendant, and that access to the court file will be delayed for 60 days except to a party, an attorney for one of the parties, or any other person who (1) provides to the clerk the names of at least one plaintiff and one defendant in the action and provides to the clerk the address, including any applicable apartment, unit, or space number, of the subject premises, or (2) provides to the clerk the name of one of the parties in the action or the case number and can establish through proper identification that he or she lives at the subject premises. The notice shall also contain a statement that access to the court index, register of actions, or other records is not permitted until 60 days after the complaint is filed, except pursuant to an order upon a showing of good cause therefor. The notice shall contain on its face the name and telephone number of the county bar association and the name and telephone number of an office funded by the federal Legal Services Corporation that provides legal services to low-income persons in the county in which the action is filed. The notice shall state that these numbers may be called for legal advice regarding the case. The notice shall be issued between 24 and 48 hours of the filing of the complaint, excluding weekends and holidays. One copy of the notice shall be addressed to “all occupants” and mailed separately to the subject premises. The notice shall not constitute service of the summons and complaint.

(d) Notwithstanding any other provision of law, the court shall charge an additional fee of fifteen dollars (\$15) for filing a first appearance by the plaintiff. This fee shall be added to the uniform filing fee for actions filed under this chapter.

(e) This section does not apply to a case that seeks to terminate a mobilehome park tenancy if the statement of the character of the proceeding in the caption of the complaint clearly indicates that the complaint seeks termination of a mobilehome park tenancy.

SEC. 42. Section 1174.25 of the Code of Civil Procedure is amended to read:

1174.25. (a) Any occupant who is served with a prejudgment claim of right to possession in accordance with Section 415.46 may file a claim as prescribed in Section 415.46, with the court within 10 days of the date of service of the prejudgment claim to right of possession as shown on the return of service, which period shall include Saturday and Sunday but excluding all other judicial holidays. If the last day for filing the claim falls on a Saturday or Sunday, the filing period shall be extended to and including the next court day. Filing the prejudgment claim of right to possession shall constitute a general appearance for which a fee shall be collected as provided in Section 70614 of the Government Code. Section 68511.3 of the Government Code applies to the prejudgment claim of right to possession.

(b) At the time of filing, the claimant shall be added as a defendant in the action for unlawful detainer and the clerk shall notify the plaintiff that the claimant has been added as a defendant in the action by mailing a copy of the claim filed with the court to the plaintiff with a notation so indicating. The claimant shall answer or otherwise respond to the summons and complaint within five days, including Saturdays and Sundays but excluding all other judicial holidays, after filing the prejudgment claim of possession. Thereafter, the name of the claimant shall be added to any pleading, filing or form filed in the action for unlawful detainer.

SEC. 43. Section 1174.3 of the Code of Civil Procedure is amended to read:

1174.3. (a) Unless a prejudgment claim of right to possession has been served upon occupants in accordance with Section 415.46, any occupant not named in the judgment for possession who occupied the premises on the date of the filing of the action may object to enforcement of the judgment against that occupant by filing a claim of right to possession as prescribed in this section. A claim of right to possession may be filed at any time after service or posting of the writ of possession pursuant to subdivision (a) or (b) of Section 715.020, up to and including the time at which the levying officer returns to effect the eviction of those named in the judgment of possession. Filing the claim of right to possession shall constitute a general appearance for which a fee shall be collected as provided in Section 70614 of the Government Code. Section 68511.3 of the Government Code applies to the claim of right to possession. An occupant or tenant who is named in the action shall not be required to file a claim of right to possession to protect that occupant's right to possession of the premises.

(b) The court issuing the writ of possession of real property shall set a date or dates when the court will hold a hearing to determine the validity of objections to enforcement of the judgment specified in subdivision

(a). An occupant of the real property for which the writ is issued may make an objection to eviction to the levying officer at the office of the levying officer or at the premises at the time of the eviction.

If a claim of right to possession is completed and presented to the sheriff, marshal, or other levying officer, the officer shall forthwith (1) stop the eviction of occupants at the premises, and (2) provide a receipt or copy of the completed claim of right of possession to the claimant indicating the date and time the completed form was received, and (3) deliver the original completed claim of right to possession to the court issuing the writ of possession of real property.

(c) A claim of right to possession is effected by any of the following:

(1) Presenting a completed claim form in person with identification to the sheriff, marshal, or other levying officer as prescribed in this section, and delivering to the court within two court days after its presentation, an amount equal to 15 days' rent together with the appropriate fee or form for proceeding in forma pauperis. Upon receipt of a claim of right to possession, the sheriff, marshal, or other levying officer shall indicate thereon the date and time of its receipt and forthwith deliver the original to the issuing court and a receipt or copy of the claim to the claimant and notify the plaintiff of that fact. Immediately upon receipt of an amount equal to 15 days' rent and the appropriate fee or form for proceeding in forma pauperis, the court shall file the claim of right to possession and serve an endorsed copy with the notice of the hearing date on the plaintiff and the claimant by first-class mail. The court issuing the writ of possession shall set and hold a hearing on the claim not less than five nor more than 15 days after the claim is filed with the court.

(2) Presenting a completed claim form in person with identification to the sheriff, marshal, or other levying officer as prescribed in this section, and delivering to the court within two court days after its presentation, the appropriate fee or form for proceeding in forma pauperis without delivering the amount equivalent to 15 days' rent. In this case, the court shall immediately set a hearing on the claim to be held on the fifth day after the filing is completed. The court shall notify the claimant of the hearing date at the time the claimant completes the filing by delivering to the court the appropriate fee or form for proceeding in forma pauperis, and shall notify the plaintiff of the hearing date by first-class mail. Upon receipt of a claim of right to possession, the sheriff, marshal, or other levying officer shall indicate thereon the date and time of its receipt and forthwith deliver the original to the issuing court and a receipt or copy of the claim to the claimant and notify the plaintiff of that fact.

(d) At the hearing, the court shall determine whether there is a valid claim of possession by the claimant who filed the claim, and the court shall consider all evidence produced at the hearing, including, but not limited to, the information set forth in the claim. The court may determine the claim to be valid or invalid based upon the evidence presented at the hearing. The court shall determine the claim to be invalid if the court determines that the claimant is an invitee, licensee, guest, or trespasser. If the court determines the claim is invalid, the court shall order the return to the claimant of the amount of the 15 days' rent paid by the claimant, if that amount was paid pursuant to paragraph (1) or (3) of subdivision (c), less a pro rata amount for each day that enforcement of the judgment was delayed by reason of making the claim of right to possession, which pro rata amount shall be paid to the landlord. If the court determines the claim is valid, the amount equal to 15 days' rent paid by the claimant shall be returned immediately to the claimant.

(e) If, upon hearing, the court determines that the claim is valid, then the court shall order further proceedings as follows:

(1) If the unlawful detainer is based upon a curable breach, and the claimant was not previously served with a proper notice, if any notice is required, then the required notice may at the plaintiff's discretion be served on the claimant at the hearing or thereafter. If the claimant does not cure the breach within the required time, then a supplemental complaint may be filed and served on the claimant as defendant if the plaintiff proceeds against the claimant in the same action. For the purposes of this section only, service of the required notice, if any notice is required, and of the supplemental complaint may be made by first-class mail addressed to the claimant at the subject premises or upon his or her attorney of record and, in either case, Section 1013 shall otherwise apply. Further proceedings on the merits of the claimant's continued right to possession after service of the Summons and Supplemental Complaint as prescribed by this subdivision shall be conducted pursuant to this chapter.

(2) In all other cases, the court shall deem the unlawful detainer Summons and Complaint to be amended on their faces to include the claimant as defendant, service of the Summons and Complaint, as thus amended, may at the plaintiff's discretion be made at the hearing or thereafter, and the claimant thus named and served as a defendant in the action shall answer or otherwise respond within five days thereafter.

(f) If a claim is made without delivery to the court of the appropriate filing fee or a form for proceeding in forma pauperis, as prescribed in this section, the claim shall be immediately deemed denied and the court shall so order. Upon the denial of the claim, the court shall immediately deliver an endorsed copy of the order to the levying officer and shall

serve an endorsed copy of the order on the plaintiff and claimant by first-class mail.

(g) If the claim of right to possession is denied pursuant to subdivision (f), or if the claimant fails to appear at the hearing or, upon hearing, if the court determines that there are no valid claims, or if the claimant does not prevail at a trial on the merits of the unlawful detainer action, the court shall order the levying officer to proceed with enforcement of the original writ of possession of real property as deemed amended to include the claimant, which shall be effected within a reasonable time not to exceed five days. Upon receipt of the court's order, the levying officer shall enforce the writ of possession of real property against any occupant or occupants.

(h) The claim of right to possession shall be made on the following form:

CLAIMANT OR CLAIMANT’S ATTORNEY TELEPHONE NO. (Name and Address):	FOR COURT USE ONLY
ATTORNEY FOR (Name):	
NAME OF COURT: STREET ADDRESS: MAILING ADDRESS: CITY AND ZIP CODE: BRANCH NAME:	
PLAINTIFF: DEFENDANT:	
CLAIM OF RIGHT TO POSSESSION AND NOTICE OF HEARING	
CASE NUMBER:	

(For levying officer use only) Completed form was received on Date: _____ Time: _____ By: _____
--

Complete this form only if ALL of these statements are true:

1. You are NOT named in the accompanying form called Writ of Possession.
2. You occupied the premises on or before the date the unlawful detainer (eviction) action was filed.
(The date is in the accompanying Writ of Possession.)
3. You still occupy the premises.

I DECLARE THE FOLLOWING UNDER PENALTY OF PERJURY:

1. My name is (specify):
2. I reside at (street address, unit no., city and ZIP Code):
3. The address of “the premises” subject to this claim is (address):
4. On (insert date): , the landlord or the landlord’s authorized agent filed a complaint to recover possession of the premises.
(This date is in the accompanying Writ of Possession.)
5. I occupied the premises on the date the complaint was filed (the date in item 4). I have continued to occupy the premises ever since.
6. I was at least 18 years of age on the date the complaint was filed (the date in item 4).
7. I claim a right to possession of the premises because I occupied the premises on the date the complaint was filed (the date in item 4).

- 8. I was not named in the Writ of Possession.
- 9. I understand that if I make this claim of possession, a court hearing will be held to decide whether my claim will be granted.
- 10. (Filing fee) To obtain a court hearing on my claim, I understand that after I present this form to the levying officer I must go to the court and pay a filing fee of \$ _____ or file with the court "Application for Waiver of Court Fees and Costs." I understand that if I don't pay the filing fee or file the form for waiver of court fees within 2 court days, the court will immediately deny my claim.
- 11. (Immediate court hearing unless you deposit 15 days' rent) To obtain a court hearing on my claim, I understand I must also present a copy of this completed complaint form or a receipt from the levying officer. I also understand the date of my hearing will be set immediately if I do not deliver to the court an amount equal to 15 days' rent.

I am filing my claim in the following manner (check the box that shows how you are filing your claim. Note that you must deliver to the court a copy of the claim form or a levying officer's receipt):

- a. I presented this claim form to the sheriff, marshal, or other levying officer, and within two court days I shall deliver to the court the following: (1) a copy of this completed claim form or a receipt, (2) the court filing fee or form for proceeding in forma pauperis, and (3) an amount equal to 15 days' rent; or
- b. I presented this claim form to the sheriff, marshal, or other levying officer, and within two court days I shall deliver to the court (1) a copy of this completed claim form or a receipt, and (2) the court filing fee or form for proceeding in forma pauperis.

IMPORTANT: Do not take a copy of this claim form to the court unless you have first given the form to the sheriff, marshal, or other levying officer.

(To be completed by the court.)			
Date of Hearing:	Time:	Dept. or Div.:	Room:
Address of court:			

<p>NOTICE: If you fail to appear at this hearing you will be evicted without further hearing.</p>
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SEC. 44. Section 1218 of the Code of Civil Procedure is amended to read:

1218. (a) Upon the answer and evidence taken, the court or judge shall determine whether the person proceeded against is guilty of the contempt charged, and if it be adjudged that he or she is guilty of the contempt, a fine may be imposed on him or her not exceeding one thousand dollars (\$1,000), payable to the court, or he or she may be imprisoned not exceeding five days, or both. In addition, a person who is subject to a court order as a party to the action, or any agent of this person, who is adjudged guilty of contempt for violating that court order may be ordered to pay to the party initiating the contempt proceeding the reasonable attorney's fees and costs incurred by this party in connection with the contempt proceeding.

(b) No party, who is in contempt of a court order or judgment in a dissolution of marriage, dissolution of domestic partnership, or legal separation action, shall be permitted to enforce such an order or judgment, by way of execution or otherwise, either in the same action or by way of a separate action, against the other party. This restriction shall not affect nor apply to the enforcement of child or spousal support orders.

(c) In any court action in which a party is found in contempt of court for failure to comply with a court order pursuant to the Family Code, the court shall order the following:

(1) Upon a first finding of contempt, the court shall order the contemner to perform community service of up to 120 hours, or to be imprisoned up to 120 hours, for each count of contempt.

(2) Upon the second finding of contempt, the court shall order the contemner to perform community service of up to 120 hours, in addition to ordering imprisonment of the contemner up to 120 hours, for each count of contempt.

(3) Upon the third or any subsequent finding of contempt, the court shall order both of the following:

(A) The court shall order the contemner to serve a term of imprisonment of up to 240 hours, and to perform community service of up to 240 hours, for each count of contempt.

(B) The court shall order the contemner to pay an administrative fee, not to exceed the actual cost of the contemner's administration and supervision, while assigned to a community service program pursuant to this paragraph.

(4) The court shall take parties' employment schedules into consideration when ordering either community service or imprisonment, or both.

SEC. 45. Section 1852 of the Family Code is amended to read:

1852. (a) There is in the State Treasury the Family Law Trust Fund.

(b) Moneys collected by the state pursuant to subdivision (c) of Section 103625 of the Health and Safety Code, Section 70674 of the Government Code, and grants, gifts, or devises made to the state from private sources to be used for the purposes of this part shall be deposited into the Family Law Trust Fund.

(c) Moneys deposited in the Family Law Trust Fund shall be placed in an interest bearing account. Any interest earned shall accrue to the fund and shall be disbursed pursuant to subdivision (d).

(d) Money deposited in the Family Law Trust Fund shall be disbursed for purposes specified in this part and for other family law related activities.

(e) Moneys deposited in the Family Law Trust Fund shall be administered by the Judicial Council. The Judicial Council may, with appropriate guidelines, delegate the administration of the fund to the Administrative Office of the Courts.

(f) Any moneys in the Family Law Trust Fund that are unencumbered at the end of the fiscal year are automatically appropriated to the Family Law Trust Fund of the following year.

(g) In order to defray the costs of collection of these funds, pursuant to this section, the local registrar, county clerk, or county recorder may retain a percentage of the funds collected, not to exceed 10 percent of the fee payable to the state pursuant to subdivision (c) of Section 103625 of the Health and Safety Code.

SEC. 46. Section 31622 of the Food and Agricultural Code is amended to read:

31622. (a) After the hearing conducted pursuant to Section 31621, the owner or keeper of the dog shall be notified in writing of the determination and orders issued, either personally or by first-class mail postage prepaid by the court or hearing entity. If a determination is made that the dog is potentially dangerous or vicious, the owner or keeper shall comply with Article 3 (commencing with Section 31641) in accordance with a time schedule established by the chief officer of the public pound or animal control department or the head of the local law enforcement agency, but in no case more than 30 days after the date of the determination or 35 days if notice of the determination is mailed to the owner or keeper of the dog. If the petitioner or the owner or keeper of the dog contests the determination, he or she may, within five days of the receipt of the notice of determination, appeal the decision of the court or hearing entity of original jurisdiction. The fee for filing an appeal, payable to the clerk of the court, is as provided in subdivision (b) of Section 70626 of the Government Code. If the original hearing held pursuant to Section 31621 was before a hearing entity other than a court of the jurisdiction, appeal shall be to the superior court. If the

original hearing was held in the superior court, appeal shall be to the superior court before a judge other than the judge who originally heard the petition. The petitioner or the owner or keeper of the dog shall serve personally or by first-class mail, postage prepaid, notice of the appeal upon the other party.

(b) The court hearing the appeal shall conduct a hearing de novo, without a jury, and make its own determination as to potential danger and viciousness and make other orders authorized by this chapter, based upon the evidence presented. The hearing shall be conducted in the same manner and within the time periods set forth in Section 31621 and subdivision (a). The court may admit all relevant evidence, including incident reports and the affidavits of witnesses, limit the scope of discovery, and may shorten the time to produce records or witnesses. The issue shall be decided upon the preponderance of the evidence. If the court rules the dog to be potentially dangerous or vicious, the court may establish a time schedule to ensure compliance with this chapter, but in no case more than 30 days subsequent to the date of the court's determination or 35 days if the service of the judgment is by first-class mail.

SEC. 47. Section 24350.5 of the Government Code is repealed.

SEC. 48. Section 24353 of the Government Code is amended to read:

24353. Each officer of a county or of a superior court authorized to collect money shall pay into the county treasury all money collected by him or her, or under his or her control, that is payable into the treasury in a timely manner, and shall remit fee, fine, and forfeiture data within 35 days after the end of the month in which they are collected to the county auditor and treasurer in the form they require. No officer who collects money as described in this section shall be required to accept payment in coin. If the county auditor finds that an officer of the county or an officer of the court has failed to comply with the requirements for payment of moneys pursuant to this section or Section 68101, which directly results in the assessment of a financial penalty pursuant to Section 68085, the county department or superior court that failed to comply shall reimburse the county general fund in an amount equal to the actual penalty. With the approval of the treasurer as provided in Section 27080.1, each depositing officer may deposit directly into the treasurer's active account all money payable into the county treasury. On and after January 1, 2006, this section does not apply to money collected under Chapter 5.8 (commencing with Section 70600) of Title 8 or fees and fines to which Section 68085.1 applies.

SEC. 49. Section 26820 of the Government Code is amended to read:

26820. The county clerk shall charge and collect the fees fixed in this article for service performed by the clerk, when not otherwise provided by law.

SEC. 50. Section 26820.4 of the Government Code is amended and renumbered to read:

70611. The uniform fee for filing the first paper in a civil action or proceeding in the superior court, other than in a limited civil case, an adoption proceeding, a proceeding under the Probate Code, or a proceeding under the Family Code, is three hundred twenty dollars (\$320). The fee shall be distributed as provided in Section 68085.3.

This section applies to the initial complaint, petition, or application, and the 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.

SEC. 51. Section 26820.6 of the Government Code is repealed.

SEC. 52. Section 26820.7 of the Government Code is repealed.

SEC. 53. Section 26822.3 of the Government Code is repealed.

SEC. 54. Section 26823 of the Government Code is amended and renumbered to read:

70618. When the venue in a case is changed, the fee for making up and transmitting the transcript and papers is fifty dollars (\$50) and a further sum equal to the uniform fee for filing in the court to which the case is transferred. The clerk shall transmit the uniform filing fee with the papers in the case to the clerk or judge of the court to which the case is transferred.

SEC. 55. Section 26824 of the Government Code is amended and renumbered to read:

70621. (a) The fee for filing a notice of appeal to the appellate division of the superior court in a limited civil case is one hundred dollars (\$100). The Judicial Council may make rules governing the time and method of payment and providing for excuse.

(b) The fee shall be distributed as follows:

(1) To the county law library fund as provided in Section 6320 of the Business and Professions Code, the amount specified in Sections 6321 and 6322.1 of the Business and Professions Code.

(2) To the Trial Court Trust Fund, the remainder of the fee.

SEC. 56. Section 26826 of the Government Code is amended and renumbered to read:

70612. (a) The uniform fee for filing the first paper in the action described in Section 70611 on behalf of any defendant, intervenor, respondent, or adverse party, whether separately or jointly, except for the purpose of making disclaimer, is three hundred twenty dollars (\$320). The fee shall be distributed as provided in Section 68085.3.

(b) As used in this section, the term “paper” does not include a stipulation for the appointment of a temporary judge or of a court investigator, or the report made by the court investigator.

SEC. 57. Section 26826.1 of the Government Code is amended and renumbered to read:

70622. In addition to the uniform filing fee authorized pursuant to Section 70611, 70612, 70613, 70614, 70650, 70651, 70652, 70653, 70655, or 70670, after giving notice and holding a public hearing on the proposal, the Board of Supervisors of Riverside County may impose a surcharge not to exceed fifty dollars (\$50) for the filing in superior court of (a) a complaint, petition, or other first paper in a civil or probate action or special proceeding, (b) a first paper on behalf of any defendant, respondent, intervenor, or adverse party, (c) a petition for dissolution of marriage, dissolution of domestic partnership, legal separation, or nullity of marriage, (d) a response to such a petition, or (e) a first paper on behalf of any party in a proceeding under Section 98.2 of the Labor Code. The county shall notify in writing the Superior Court of Riverside County and the Administrative Office of the Courts of any change in a surcharge under this section. When a surcharge under this section is imposed on a filing fee, the distribution that would otherwise be made to the State Court Facilities Construction Fund under subdivision (c) of Section 68085.3 or subdivision (c) of Section 68085.4 shall be reduced as provided in Section 70603.

(b) The surcharge shall be in an amount determined to be necessary by the board of supervisors to cover the costs of the seismic stabilization, construction, and rehabilitation of the Riverside County Courthouse, the Indio Branch Courthouse, and the family law courthouse, and collection thereof shall terminate upon repayment of the amortized costs incurred. When the amortized costs have been repaid, the county shall notify in writing the Superior Court of Riverside County and the Administrative Office of the Courts.

SEC. 58. Section 26826.2 of the Government Code is repealed.

SEC. 59. Section 26826.3 of the Government Code is amended and renumbered to read:

70640. (a) It is the policy of the state that each court shall endeavor to provide a children’s waiting room in each courthouse for children whose parents or guardians are attending a court hearing as a litigant, witness, or for other court purposes as determined by the court. To defray that expense, monthly allocations for children’s waiting rooms shall be added to the monthly apportionment under subdivision (a) of Section 68085 for each court where a children’s waiting room has been established or where the court has elected to establish such a service.

(b) The amount allocated to each court under this section shall be equal to the following: for each first paper filing fee as provided under Section 70611, 70612, 70613, 70614, or 70670, and each first paper or petition filing fee in a probate matter as provided under Section 70650, 70651, 70652, 70653, 70654, 70655, 70656, or 70658, the same amount as was required to be collected as of December 31, 2005, to the Children's Waiting Room Fund under former Section 26826.3 in the county in which the court is located when a fee was collected for the filing of a first paper in a civil action under former Section 26820.4.

(c) Notwithstanding any other provision of law, the court may make expenditures from these allocations in payment of any cost, excluding capital outlay, related to the establishment and maintenance of the children's waiting room, including personnel, heat, light, telephone, security, rental of space, furnishings, toys, books, or any other item in connection with the operation of a children's waiting room.

(d) If, as of January 1, 2006, there is a Children's Waiting Room Fund in the county treasury established under former Section 26826.3, the county immediately shall transfer the moneys in that fund to the court's operations fund as a restricted fund. By December 15, 2005, the county shall provide an accounting of the fund to the Administrative Office of the Courts.

(e) After January 1, 2006, the court may apply to the Judicial Council for an adjustment of the amount distributed to the fund for each uniform filing fee. A court that wishes to establish a children's waiting room, and does not yet have a distribution under this section, may apply to the Judicial Council for such a distribution. Applications under this subdivision shall be made according to trial court financial policies and procedures authorized by the Judicial Council under subdivision (a) of Section 77206. Adjustments and new distributions shall be effective January 1 or July 1 of any year beginning January 1, 2006.

(f) The distribution to a court under this section per each filing fee shall be not less than two dollars (\$2) and not more than five dollars (\$5).

SEC. 60. Section 26826.4 of the Government Code is amended and renumbered to read:

70616. (a) In addition to the first appearance fee required by Section 70611 or 70613, a complex case fee shall be paid to the clerk at the time of the filing of the first paper if the case is designated as complex pursuant to the California Rules of Court. However, the total complex fees collected from all plaintiffs appearing in a complex case shall not exceed ten thousand dollars (\$10,000).

(b) In addition to the first appearance fee required under Section 70612 or 70614, a complex case fee shall be paid on behalf of each

defendant, intervenor, respondent, or adverse party, whether filing separately or jointly, at the time that party files its first paper in a case if the case is designated or counterdesignated as complex pursuant to the California Rules of Court. This additional complex fee shall be charged to each defendant, intervenor, respondent, or adverse party appearing in the case, but the total complex fees collected from all the defendants, intervenors, respondents, or other adverse parties appearing in a complex case shall not exceed ten thousand dollars (\$10,000).

(c) In each case in which a court determines that the case is a complex case pursuant to the California Rules of Court, all parties who have not paid the fees required under subdivision (a) or (b) shall pay the complex case fee prescribed by those subdivisions to the clerk of the court within 10 calendar days of the filing of the court's order.

(d) In each case in which the court determines that a case that has been designated or counterdesignated as complex is not a complex case, the court shall order reimbursement to the parties of the amount of any complex case fees that the parties have previously paid pursuant to subdivision (a) or (b).

(e) (1) In each case determined to be complex in which the total fees actually collected exceed, or if collected would exceed, the limit in subdivision (a), the court shall make any order as is necessary to ensure that the total complex fees paid by the plaintiffs appearing in the case do not exceed the limit and that the complex fees paid by the plaintiffs are apportioned fairly among the plaintiffs.

(2) In each case determined to be complex in which the total fees actually collected exceed, or if collected would exceed, the limit in subdivision (b), the court shall make any order as is necessary to ensure that the total complex fees paid by the defendants, intervenors, respondents, or other adverse parties appearing in the case do not exceed the limit and that the complex fees paid by those parties are apportioned fairly among those parties.

(f) The complex case fee established by this section shall be five hundred fifty dollars (\$550), unless the fee is reduced pursuant to this section. The fee shall be transmitted to the Trial Court Trust Fund as provided in Section 68085.1.

(g) The fees provided by this section are in addition to the filing fee authorized by Section 70611, 70612, 70613, or 70614.

(h) 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.

(i) The complex fees provided for in this section shall be charged in all complex cases filed on or after August 18, 2003.

SEC. 61. Section 26827 of the Government Code, as amended by Section 4 of Chapter 757 of the Statutes of 2003, is amended and renumbered to read:

70650. (a) The uniform filing fee for the first petition for letters of administration or letters testamentary, or the first petition for special letters of administration with the powers of a general personal representative pursuant to Section 8545 of the Probate Code, or a first account of a trustee of a testamentary 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) Three hundred twenty dollars (\$320) for estates or trusts under two hundred fifty thousand dollars (\$250,000).

(2) Three hundred eighty-five dollars (\$385) for estates or trusts of at least two hundred fifty thousand dollars (\$250,000) and less than five hundred thousand dollars (\$500,000).

(3) Four hundred eighty-five dollars (\$485) for estates or trusts of at least five hundred thousand dollars (\$500,000) and less than seven hundred fifty thousand dollars (\$750,000).

(4) Six hundred thirty-five dollars (\$635) for estates or trusts of at least seven hundred fifty thousand dollars (\$750,000) and less than one million dollars (\$1,000,000).

(5) One thousand one hundred thirty-five dollars (\$1,135) for estates or trusts of at least one million dollars (\$1,000,000) and less than one million five hundred thousand dollars (\$1,500,000).

(6) Two thousand one hundred thirty-five dollars (\$2,135) for estates or trusts of at least one million five hundred thousand dollars (\$1,500,000) and less than two million dollars (\$2,000,000).

(7) Two thousand six hundred thirty-five dollars (\$2,635) for estates or trusts of at least two million dollars (\$2,000,000) and less than two million five hundred thousand dollars (\$2,500,000).

(8) Three thousand six hundred thirty-five dollars (\$3,635) for estates or trusts 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 six hundred thirty-five dollars (\$3,635) plus 0.2 percent of the amount over three million five hundred thousand dollars (\$3,500,000) for estates or trusts of three million five hundred thousand dollars (\$3,500,000) or more.

(b) The petitioner under subdivision (a) shall estimate the fair market value of the decedent's estate at the date of the decedent's death in the petition, without reference to encumbrances or other obligations on estate property. 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 uniform filing fee for the first petition for special letters of administration without the powers of a general personal representative, the first objections to the probate of any will or codicil under Section 8250 of the Probate Code, or the first petition for revocation of probate of any will or codicil under Section 8270 of the Probate Code is three hundred twenty dollars (\$320). Where objections to the probate of a will or codicil or a petition for revocation of probate of a will or codicil are filed together with a petition for appointment of a personal representative described in subdivision (d) filed by the same person, only the fee provided in subdivision (d) shall be charged to that person.

(d) A fee of three hundred twenty dollars (\$320) shall also be charged for filing each subsequent petition or objections of a type described in subdivision (a) or (c) in the same proceeding by a person other than the original petitioner or contestant. If a person is appointed on a subsequent petition and qualifies as administrator, executor, or special administrator with the powers of a general personal representative under subdivision (a), the successful personal representative shall reimburse the original petitioner in the amount of the filing fee paid by the original petitioner in excess of three hundred twenty dollars (\$320), less any unpaid costs awarded to the successful petitioner against the original petitioner, under rules adopted by the Judicial Council. The reimbursement shall be an expense of administration in the estate.

(e) The first three hundred twenty dollars (\$320) of the filing fee charged under this section shall be distributed as provided in Section 68085.3. The remainder shall be distributed to the Trial Court Trust Fund.

SEC. 62. Section 26827 of the Government Code, as added by Section 10 of Chapter 159 of the Statutes of 2003, is repealed.

SEC. 63. Section 26827.1 of the Government Code is repealed.

SEC. 64. Section 26827.4 of the Government Code is repealed.

SEC. 65. Section 26827.5 of the Government Code is amended and renumbered to read:

70659. Where the public administrator, public guardian, or public conservator, or an employee of the State Department of Mental Health or the State Department of Developmental Services is the petitioner in an official capacity in a proceeding described in Section 70650, 70653, 70657, or 70658, the fee is payable only out of the assets of the estate coming into the official's possession or control.

SEC. 66. Section 26827.6 of the Government Code is amended and renumbered to read:

70660. (a) The fee for receiving and storing each document transferred to the clerk of the superior court under Section 732 of the Probate Code is twenty dollars (\$20).

(b)

The superior court may reduce or waive the fee established pursuant to this section under either of the following circumstances:

(1) The court has assumed jurisdiction under Article 11 (commencing with Section 6180) of Chapter 4 of Division 3 of the Business and Professions Code over the law practice of the attorney with whom the document is deposited.

(2) On a showing of hardship.

SEC. 67. Section 26827.7 of the Government Code is amended and renumbered to read:

70661. The fee for searching a document transferred to the clerk of the superior court under Section 732 of the Probate Code is the same as the fee under subdivision (c) of Section 70627 for searching records or files.

SEC. 68. Section 26828 of the Government Code is repealed.

SEC. 69. Section 26829 of the Government Code is repealed.

SEC. 70. Section 26830 of the Government Code, as amended by Section 11 of Chapter 159 of the Statutes of 2003, is repealed.

SEC. 71. Section 26830 of the Government Code, as added by Section 12 of Chapter 159 of the Statutes of 2003, is repealed.

SEC. 72. Section 26831 of the Government Code is amended to read:

26831. The county clerk may charge a reasonable fee to cover the cost of preparing copies of any record, proceeding, or paper on file in his or her office.

SEC. 73. Section 26832 of the Government Code is repealed.

SEC. 74. Section 26832.1 of the Government Code is amended and renumbered to read:

70674. (a) Except as provided by Section 6103.9, and notwithstanding the fee authorized by paragraph (4) of subdivision (a) of Section 70626, a fee of ten dollars (\$10) shall be paid by a public agency applicant for a certified copy of a marriage or domestic partnership dissolution record that the agency is required to obtain in the ordinary course of business. A fee of fifteen dollars (\$15) shall be paid by any other applicant for a certified copy of a marriage or domestic partnership dissolution record. Five dollars (\$5) of any fifteen dollar (\$15) fee shall be transmitted monthly to the state for deposit into the Family Law Trust Fund as provided by Section 1852 of the Family Code.

The remainder of the fees collected under this section shall be deposited into the Trial Court Trust Fund.

(b) As used in this section, “marriage or domestic partnership dissolution record” means the judgment.

SEC. 75. Section 26833.1 of the Government Code is repealed.

SEC. 76. Section 26833.5 of the Government Code is amended and renumbered to read:

70676. No fee shall be charged to an indigent petitioner for certified copies of any order issued pursuant to any of the following:

(a) Article 2 (commencing with Section 2045), Article 3 (commencing with Section 2047), or Article 4 (commencing with Section 2049) of Chapter 4 of Part 1 of Division 6 of the Family Code.

(b) Division 10 (commencing with Section 6200) of the Family Code.

(c) Article 2 (commencing with Section 7710), Article 3 (commencing with Section 7720), or Article 4 (commencing with Section 7730) of Chapter 6 of Part 3 of Division 12 of the Family Code.

SEC. 77. Section 26834 of the Government Code is repealed.

SEC. 78. Section 26835.1 of the Government Code is amended and renumbered to read:

70629. (a) The clerk of the court shall collect a fee of fifteen dollars (\$15) per signature for any document that is required to be authenticated pursuant to court order.

(b) Each document authenticated by the clerk of the court shall contain the following statement:

“____, Clerk of the Superior Court, County of ____, State of California. Signed pursuant to court order dated ____ in the matter of ____ petitioner v. ____, respondent, Case No. ____.”

SEC. 79. Section 26836.1 of the Government Code is repealed.

SEC. 80. Section 26837 of the Government Code is amended to read:

26837. For comparing with the original on file in the office of the county clerk, the copy of any paper, record, or proceeding prepared by another and presented for his or her certificate, the fee is fifty cents (\$0.50) a page, in addition to the fee for the certificate.

SEC. 81. Section 26837.1 of the Government Code is repealed.

SEC. 82. Section 26838 of the Government Code is amended and renumbered to read:

70620. The fee for a certificate required by courts of appeal or the Supreme Court on filing a notice of motion prior to the filing of the record on appeal in the reviewing court is twenty dollars (\$20).

SEC. 83. Section 26840.3 of the Government Code is amended to read:

26840.3. (a) For the support of the family conciliation court or for conciliation and mediation services provided pursuant to Chapter 11

(commencing with Section 3160) of Part 2 of Division 8 of the Family Code, to provide all space costs and indirect overhead costs from other sources, the board of supervisors in any county may increase:

(1) The fee for issuing a marriage license, by an amount not to exceed five dollars (\$5).

(2) The fee for issuing a marriage certificate pursuant to Part 4 (commencing with Section 500) of Division 3 of the Family Code, by an amount not to exceed five dollars (\$5).

(b) The county shall distribute the moneys received under subdivision (a) to the court to be used exclusively to pay the costs of maintaining the family conciliation court or conciliation and mediation services provided pursuant to Chapter 11 (commencing with Section 3160) of Part 2 of Division 8 of the Family Code.

SEC. 84. Section 26840.4 of the Government Code is repealed.

SEC. 85. Section 26841 of the Government Code is repealed.

SEC. 86. Section 26850.1 of the Government Code is repealed.

SEC. 87. Section 26851.1 of the Government Code is repealed.

SEC. 88. Section 26852.1 of the Government Code is repealed.

SEC. 89. Section 26853.1 of the Government Code is repealed.

SEC. 90. Section 26855.4 of the Government Code is repealed.

SEC. 91. Section 26856 of the Government Code is repealed.

SEC. 92. Section 26857 of the Government Code is amended to read:
26857. No fee shall be charged by the clerk for service rendered to any municipality or county in the state, or to the state or national government, nor for any service relating thereto.

SEC. 93. Section 26857.5 of the Government Code is amended and renumbered to read:

70673. Notwithstanding any other provision of law, no fee shall be charged to file a respondent's appearance, stipulation if any, and waiver of rights in the action under the Service members Civil Relief Act (50 U.S.C. App. Secs. 501 to 596, inclusive) in an action for dissolution of marriage or domestic partnership, legal separation, or nullity, or to establish parentage, in any case wherein the respondent is a member of the armed forces of the United States and does not contest the action for dissolution of marriage or domestic partnership, legal separation, or nullity, or to establish parentage.

SEC. 94. Section 26859 of the Government Code is repealed.

SEC. 95. Section 26862 of the Government Code is amended and renumbered to read:

70678. In addition to the fee set forth in Section 70677, a fee of twenty-five dollars (\$25) shall be paid to the clerk of the court at the time of filing a motion, order to show cause, or other proceeding seeking to modify or enforce that portion of any judgment or order entered in

this state or any other state which orders or awards the custody of a minor child or children or which specifies the rights of any party to the proceeding to visitation of a minor child or children. Fifteen dollars (\$15) of the fee authorized in this section shall be used exclusively to pay the costs of maintaining mediation services provided under Chapter 11 (commencing with Section 3160) of Part 2 of Division 8 of the Family Code, and ten dollars (\$10) of the fee shall be used exclusively to pay the costs of services provided by the family law facilitator under Section 10005 of the Family Code.

SEC. 96. Section 26863 of the Government Code is repealed.

SEC. 97. Section 27293 of the Government Code is amended to read:
27293. (a) Except as otherwise provided in subdivision (b), when an instrument intended for record is executed or certified in whole or in part in any language other than English, the recorder shall not accept the instrument for record. A translation in English of an instrument executed or certified in whole or in part in any language other than English may be presented to the county clerk, and upon verification that the translation is a true translation the clerk shall duly make certification of the fact under seal of the county, attach the certification to the translation, and attach the certified translation to the original instrument. For this verification and certification, a fee of one dollar and fifty cents (\$1.50) shall be paid for each folio contained in the translation. The attached original instrument and certified translation may be presented to the recorder, and upon payment of the usual fees the recorder shall accept and permanently file the instrument and record the certified translation. The recording of the certified translation gives notice and is of the same effect as the recording of an original instrument. Certified copies of the recorded translation may be recorded in other counties, with the same effect as the recording of the original translation; provided, however, that in those counties where photostatic or photographic method of recording is employed, the whole instrument, including the foreign language and the translation may be recorded, and the original instrument returned to the party leaving it for record or upon his or her order.

(b) The provisions of subdivision (a) do not apply to any instrument offered for record that contains provisions in English and a translation of the English provisions in any language other than English, provided that the English provisions and the translation thereof are specifically set forth in state or federal law.

SEC. 98. Section 54985 of the Government Code is amended to read:

54985. (a) Notwithstanding any other provision of law that prescribes an amount or otherwise limits the amount of a fee or charge that may be levied by a county, a county service area, or a county waterworks district governed by a county board of supervisors, a county board of supervisors

shall have the authority to increase or decrease the fee or charge, that is otherwise authorized to be levied by another provision of law, in the amount reasonably necessary to recover the cost of providing any product or service or the cost of enforcing any regulation for which the fee or charge is levied. The fee or charge may reflect the average cost of providing any product or service or enforcing any regulation. Indirect costs that may be reflected in the cost of providing any product or service or the cost of enforcing any regulation shall be limited to those items that are included in the federal Office of Management and Budget Circular A-87 on January 1, 1984.

(b) If any person disputes whether a fee or charge levied pursuant to subdivision (a) is reasonable, the board of supervisors may request the county auditor to conduct a study and to determine whether the fee or charge is reasonable.

Nothing in this subdivision shall be construed to mean that the county shall not continue to be subject to fee review procedures required by Article XIII B of the California Constitution.

(c) This chapter shall not apply to any of the following:

(1) Any fee charged or collected by a court clerk pursuant to Chapter 5.5 (commencing with Section 116.110) of Title 1 of Part 1 of the Code of Civil Procedure, Title 8 (commencing with Section 68070) of the Government Code, or Section 103470 of the Health and Safety Code, or any other fee or charge that may be assessed, charged, collected, or levied pursuant to law for filing judicial documents or for other judicial functions.

(2) Any fees charged or collected pursuant to Chapter 2 (commencing with Section 6100) of Division 7 of Title 1.

(3) Any standby or availability assessment or charge.

(4) Any fee charged or collected by a county agricultural commissioner.

(5) Any fee charged or collected pursuant to Article 2.1 (commencing with Section 12240) of Chapter 2 of Division 5 of the Business and Professions Code.

(6) Any fee charged or collected by a county recorder or local registrar for filing, recording, or indexing any document, performing any service, issuing any certificate, or providing a copy of any document pursuant to Section 2103 of the Code of Civil Procedure, Section 27361, 27361.1, 27361.2, 27361.3, 27361.4, 27361.8, 27364, 27365, or 27366 of the Government Code, Section 103625 of the Health and Safety Code, or Section 9525 of the Commercial Code.

(7) Any fee charged or collected pursuant to Article 7 (commencing with Section 26720) of Chapter 2 of Part 3 of Division 2 of Title 3 of the Government Code.

SEC. 99. Section 68084 of the Government Code is amended to read:

68084. (a) If any money is deposited with the clerk or judge of any superior court pursuant to any action or proceeding in the court, or pursuant to any order, decree, or judgment of the court, or when any money is to be paid to the court to be held in trust pursuant to any provision of this title or the Code of Civil Procedure, that money shall be deposited as soon as practicable after the receipt thereof with the treasurer and a duplicate receipt of the treasurer for it shall be filed with the auditor. The certificate of the auditor that a duplicate receipt has been filed is necessary before the clerk, judge, or party required to deposit the money is entitled to a discharge of the obligation imposed upon the clerk, judge, or party to make the deposit.

(b) If any money so deposited or paid is to be withdrawn or paid out, the order directing the payment or withdrawal shall require the auditor to draw a warrant for it and the treasurer to pay it.

(c) This section does not apply to the following:

(1) Money collected under Chapter 5.8 (commencing with Section 70600) on or after January 1, 2006.

(2) Fees and fines to which Section 68085.1 applies.

(3) Money deposited or held in a bank account established by the Judicial Council under subdivision (a) of Section 77009.

(d) This section shall apply to money held in a court trust account in a county treasury on or after January 1, 2006. Commencing January 1, 2006, the Judicial Council may require that money held in a court trust account in a county treasury be deposited into an independent court bank account established under subdivision (a) of Section 77009.

SEC. 100. Section 68084.1 is added to the Government Code, to read:

68084.1. (a) Except as otherwise provided by law, any money, excluding restitution to victims, that has been deposited with a superior court, or that a superior court is holding in trust for the lawful owner, in a court bank account or in a court trust account in a county treasury, that remains unclaimed for three years shall become the property of the superior court if, after published notice pursuant to this section, the money is not claimed or no verified complaint is filed and served.

(b) At any time after the expiration of the three-year period specified in subdivision (a), the executive officer of the superior court may cause a notice to be published once a week for two successive weeks in a newspaper of general circulation published in the county in which the court is located. The notice shall state the amount of money, the fund in which it is held, and that it is proposed that the money will become the property of the court on a designated date not less than 45 days nor more than 60 days after the first publication of the notice.

(c) Before or after publication, a party of interest may file a claim with the court executive officer that shall include the claimant's name, address, amount of claim, the grounds on which the claim is founded, and any other information that may be required by the court executive officer. The claim shall be filed before the designated date on which unclaimed money becomes the property of the court as provided under subdivision (b), and the executive officer shall accept or reject that claim.

(d) If the superior court executive officer rejects the claim, or takes no action on the claim within 30 days after it is filed, the party that submitted the claim may file a verified complaint seeking to recover all, or a specified part, of the money in the court in the county in which the notice is published. The copy of the complaint and summons shall be served on the court executive officer. The court executive officer shall withhold the release of the portion of unclaimed money for which a court action has been filed as provided in this section until the court renders a decision or the claim is settled.

(e) Notwithstanding subdivisions (c) and (d), the court executive officer may release the unclaimed money to the depositor of the unclaimed money, or the depositor's heir, beneficiary, or duly appointed representative, if the depositor or the depositor's heir, beneficiary, or duly appointed representative claims the money before the date that the money becomes the property of the superior court, upon submitting proof satisfactory to the court executive officer.

(f) If no claim is filed under subdivision (c) and the time for filing claims has expired, the money shall become the property of the court. If a claim or claims are filed with respect to a portion of the money, but not the remainder of the money, and the time for filing claims under subdivision (c) has expired, the remainder of the money shall become the property of the court.

(g) Notwithstanding any other provision of this section, the presiding judge may direct the transfer of any individual deposit of twenty dollars (\$20) or less, or any amount if the name of the original depositor is unknown, that remains unclaimed for one year to the Trial Court Operations Fund without the need for publication of notice.

(h) The court executive officer may delegate the responsibilities provided in this section to appropriate superior court staff.

(i) When any money deposited and held under this section becomes the property of a superior court, the presiding judge shall transfer it to the Trial Court Operations Fund.

SEC. 101. 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 or the Trial Court Improvement Fund to fund administrative infrastructure within the Administrative Office of the Courts, such as legal services, financial services, information systems services, human resource services, and support services, for one or more participating courts upon appropriation of funding for these purposes in the annual Budget Act. The amount of appropriations from the Trial Court Improvement Fund under this subdivision may not exceed 20 percent of the amount deposited in the Trial Court Improvement Fund pursuant to subdivision (a) of Section 77205. 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 from the Trial Court Trust Fund 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 from the Trial Court Trust Fund 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 on or before December 31, 2005, 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) Notwithstanding any other provision of law, except as specified in subdivision (d), this section applies to all fees and fines collected on or before December 31, 2005, pursuant to Sections 116.390, 116.570, 116.760, 116.860, 177.5, 491.150, 704.750, 708.160, 724.100, 1134, 1161.2, and 1218 of the Code of Civil Procedure, Sections 26824, 26828, 26829, 26834, and 72059 of the Government Code, and Sections 166 and 1214.1 of the Penal Code.

(3) 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.

(d) This section does not apply to that portion of a filing fee collected pursuant to Section 26820.4, 26826, 26827, 72055, or 72056 that 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) The Judicial Council shall reimburse the Controller for 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 that 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 1½ 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 quarterly 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.

(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.

(m) Except for subdivisions (a) and (k), this section does not apply to fees and fines that are listed in subdivision (a) of Section 68085.1 that are collected on or after January 1, 2006.

SEC. 102. Section 68085.1 is added to the Government Code, to read:

68085.1. (a) This section applies to all fees and fines that are collected on or after January 1, 2006, under all of the following:

(1) Sections 177.5, 209, 403.060, 491.150, 631.3, 683.150, 704.750, 708.160, 724.100, 1134, 1161.2, and 1218 of, subdivision (g) of Section 411.20 and subdivision (g) of Section 422.21 of, and Chapter 5.5 (commencing with Section 116.110) of Title 1 of Part 1 of, the Code of Civil Procedure.

(2) Section 31622 of the Food and Agricultural Code.

(3) Sections 68086 and 68086.1, subdivision (d) of Section 68511.3, Section 68926.1 of, and Chapter 5.8 (commencing with Section 70600) of, this code.

(4) Section 103470 of the Health and Safety Code.

(5) Subdivisions (b) and (c) of Section 166 and Section 1214.1 of the Penal Code.

(6) Sections 1835, 1851.5, 2343, 7660, and 13201 of the Probate Code.

(7) Sections 14607.6, 16373, and 40230 of the Vehicle Code.

(8) Section 71386 of this code and Section 1513.1 of the Probate Code, if the reimbursement is for expenses incurred by the court.

(b) On and after January 1, 2006, each superior court shall deposit the fees and fines listed in subdivision (a), as soon as practicable after collection and on a regular basis, into a bank account established for this purpose by the Administrative Office of the Courts. The deposits shall be made as required by rules adopted by, or financial policies and procedures authorized by, the Judicial Council under subdivision (a) of Section 77206. Within 15 days after the end of the month in which the fees and fines are collected, each court shall provide the Administrative Office of the Courts with a report of the fees by categories as specified by the Administrative Office of the Courts. The fees and fines listed in subdivision (a) shall be distributed as provided in this section.

(c) (1) Within 45 calendar days after the end of the month in which the fees and fines listed in subdivision (a) are collected, the Administrative Office of the Courts shall make the following distributions:

(A) To the small claims advisory services, as described in subdivision (f) of Section 116.230 of the Code of Civil Procedure.

(B) To dispute resolution programs, as described in subdivision (b) of Section 68085.3 and subdivision (b) of Section 68085.4.

(C) To the county law library funds, as described in Section 116.760 of the Code of Civil Procedure, subdivision (b) of Section 68085.3, subdivision (b) of Section 68085.4, and Section 70621 of this code, and Section 14607.6 of the Vehicle Code.

(D) To the courthouse construction funds in the Counties of Riverside, San Bernardino, and San Francisco, as described in Sections 70622, 70624, and 70625.

(2) If any distribution under this subdivision is delinquent, the Administrative Office of the Courts shall add a penalty to the distribution as specified in subdivision (i).

(d) Within 45 calendar days after the end of the month in which the fees and fines listed in subdivision (a) are collected, the amounts remaining after the distributions in subdivision (c) shall be transmitted to the State Treasury for deposit in the Trial Court Trust Fund and other funds as required by law. This remittance shall be accompanied by a remittance advice identifying the collection month and the appropriate account in the Trial Court Trust Fund or other fund to which it is to be deposited. Upon the receipt of any delinquent payment required under this subdivision, the Controller shall calculate a penalty as provided under subdivision (i).

(e) From the money transmitted to the State Treasury under subdivision (d), the Controller shall make deposits as follows:

(1) Into the State Court Facilities Construction Fund, the Judges' Retirement Fund, and the Equal Access Fund, as described in subdivision (c) of Section 68085.3 and subdivision (c) of Section 68085.4.

(2) Into the Health Statistics Special Fund, as described in subdivision (b) of Section 70670 of this code and Section 103730 of the Health and Safety Code.

(3) Into the Family Law Trust Fund, as described in Section 70674.

(4) The remainder of the money shall be deposited into the Trial Court Trust Fund.

(f) The amounts collected by each superior court under Section 116.232, subdivision (g) of Section 411.20, and subdivision (g) of Section 411.21 of the Code of Civil Procedure, subdivision (d) of Section 68511.3 and Sections 68926.1, 69953.5, 70627, 70631, 70640, 70661, 70678, and 71386 of this code, and Sections 1513.1, 1835, 1851.5, and 2343 of the Probate Code, shall be added to the monthly apportionment for that court under subdivision (a) of Section 68085.

(g) If any of the fees provided in subdivision (a) are partially waived by court order or otherwise reduced, and the fee is to be divided between the Trial Court Trust Fund and any other fund or account, the amount of the reduction 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. If the fee is paid by installment payments, the amount distributed to each fund or account from each installment shall bear the same proportion to the installment payment as the full distribution to that fund or account does to the full fee.

(h) Except as provided in Sections 470.5 and 6322.1 of the Business and Professions Code, and Sections 70622, 70624, and 70625 of this

code, no agency may take action to change the amounts allocated to any of the funds described in subdivision (c), (d), or (e).

(i) The amount of the penalty on any delinquent payment under subdivision (c) or (d) shall be calculated by multiplying the amount of the delinquent payment at a daily rate equivalent to 1½ percent per month for the number of days the payment is delinquent. The penalty shall be paid from the Trial Court Trust Fund.

(j) If a delinquent payment under subdivision (c) or (d) results from a delinquency by a superior court under subdivision (b), the court shall reimburse the Trial Court Trust Fund for the amount of the penalty. Notwithstanding Section 77009, any penalty on a delinquent payment that a court is required to reimburse pursuant to this section shall be paid from the court operations fund for that court. The penalty shall be paid by the court to the Trial Court Trust Fund no later than 45 days after the end of the month in which the penalty was calculated. If the penalty is not paid within the specified time, the Administrative Office of the Courts may reduce the amount of a subsequent monthly allocation to the court by the amount of the penalty on the delinquent payment.

SEC. 103. Section 68085.2 is added to the Government Code, to read:

68085.2. (a) Notwithstanding Section 77201.1, commencing with the 2005-06 fiscal year, the amount of each county's annual remittance to the Trial Court Trust Fund under paragraph (2) of subdivision (b) of Section 77201.1 shall be reduced by the amount determined under this section. In the 2005-06 fiscal year, the remittance shall be reduced by one-half the amount determined in subdivision (b). In the 2006-07 fiscal year and thereafter, the remittance shall be reduced in each fiscal year by the full amount determined in subdivision (b).

(b) The amount of the reduction under this section for each county shall be the actual receipts into the county general fund for retention by the county for civil fees under Sections 26823, 26827.4, 26830, 26832, 26832.1, 26833.1, 26835.1, 26836.1, 26837.1, 26838, 26850.1, 26851.1, 26852.1, 26853.1, 26855.4, and 72060 of this code and Section 116.230 of the Code of Civil Procedure for the fiscal year ending June 30, 2004. This reduction is intended to compensate the counties for the loss of the revenue, as measured by receipts for the 2003-04 fiscal year, that was allocated to them from these fees by statute before January 1, 2006.

(c) In each county, the superior court and the county shall exchange relevant information to determine the amount of reduction they believe is correct under subdivision (b) and jointly report it to the California State Association of Counties (CSAC) and the Administrative Office of the Courts (AOC) on or before January 1, 2006. If the superior court and the county do not agree on the amount, the superior court and the county

shall each report the amount it believes is correct to the CSAC and the AOC on or before January 1, 2006.

(d) The AOC and the CSAC shall agree on the amount of the reduction for each county on or before January 1, 2006. If a court or county disagrees with the amount agreed to by the AOC and the CSAC for that county, the court or county may appeal to the AOC and the CSAC for an adjustment. The CSAC and the AOC shall determine whether to make any requested adjustment.

(e) If the CSAC and the AOC do not agree on the amount of the reduction for a county, they may request a mutually agreed-upon third party to arbitrate and determine the amount. The amount shall be determined by March 1, 2006.

SEC. 104. Section 68085.3 is added to the Government Code, to read:

68085.3. (a) Fees collected under Sections 70611, 70612, 70650, 70651, 70652, 70653, 70655, and 70670 shall be deposited in a bank account established by the Administrative Office of the Courts for deposit of fees collected by the courts.

(b) For each three hundred twenty dollar (\$320) fee listed in subdivision (a), and each fee listed in paragraphs (2) to (9), inclusive, of subdivision (a) of Section 70650, the Administrative Office of the Courts shall distribute specified amounts in each county as follows:

(1) To the county law library fund, the amount described in Sections 6321 and 6322.1 of the Business and Professions Code.

(2) To the account to support dispute resolution programs, the amount described in Section 470.5 of the Business and Professions Code.

(c) The remainder of the fees in subdivision (a) shall be transmitted monthly to the Treasurer for deposit. For each three hundred twenty dollar (\$320) fee listed in subdivision (a), and each fee listed in paragraphs (2) to (9), inclusive, of subdivision (a) of Section 70650, the Controller shall make deposits as follows:

(1) To the State Court Facilities Construction Fund, as provided in Article 6 (commencing with Section 70371) of Chapter 5.7, thirty-five dollars (\$35).

(2) To the Judges' Retirement Fund, as established in Section 75100, two dollars and fifty cents (\$2.50).

(3) To the Trial Court Trust Fund for use as part of the Equal Access Fund program administered by the Judicial Council, four dollars and eighty cents (\$4.80).

(4) To the Trial Court Trust Fund, as provided in Section 68085.1, the remainder of the fee.

(d) If any of the fees listed in subdivision (a) are reduced or partially waived, the amount of the reduction or partial waiver shall be deducted

from the amount to be distributed to each fund or account in the same proportion as the amount of each distribution bears to the total amount of the fee.

(e) As used in this section, "law library fund" includes a law library account described in Section 6320 of the Business and Professions Code.

SEC. 105. Section 68085.4 is added to the Government Code, to read:

68085.4. (a) Fees collected under Sections 70613, 70614, 70654, 70656, and 70658 shall be deposited in a bank account established by the Administrative Office of the Courts for deposit of fees collected by the courts.

(b) For each three hundred dollar (\$300) fee and each one hundred eighty dollar (\$180) fee listed in subdivision (a), the Administrative Office of the Courts shall distribute specified amounts in each county as follows:

(1) To the county law library fund, the amount described in Sections 6321 and 6322.1 of the Business and Professions Code.

(2) To the account to support dispute resolution programs, the amount described in Section 470.5 of the Business and Professions Code.

(c) The remainder of the fees in subdivision (a) shall be transmitted monthly to the Treasurer for deposit. For each three hundred dollar (\$300) fee and each one hundred eighty dollar (\$180) fee listed in subdivision (a), the Controller shall make deposits as follows:

(1) To the State Court Facilities Construction Fund, as provided in Article 6 (commencing with Section 70371) of Chapter 5.7, twenty-five dollars (\$25) if the fee is three hundred dollars (\$300), and twenty dollars (\$20) if the fee is one hundred eighty dollars (\$180).

(2) To the Judges' Retirement Fund, as established in Section 75100, two dollars and fifty cents (\$2.50).

(3) To the Trial Court Trust Fund for use as part of the Equal Access Fund program administered by the Judicial Council, four dollars and eighty cents (\$4.80).

(4) To the Trial Court Trust Fund, as provided in Section 68085.1, the remainder of the fee.

(d) If any of the fees listed in subdivision (a) are reduced or partially waived, the amount of the reduction or partial waiver shall be deducted from the amount to be distributed to each fund or account in the same proportion as the amount of each distribution bears to the total amount of the fee.

(e) As used in this section, "law library fund" includes a law library account described in Section 6320 of the Business and Professions Code.

SEC. 106. 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 court 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) The costs for the services of the official court reporter shall be recoverable as taxable costs by the prevailing party as otherwise provided by law.

(5) 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 court reporter.

(B) That if an official court 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 (4).

(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 be used only to pay the cost for services of an official court 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. 107. Section 68086.1 is added to the Government Code, to read:

68086.1. (a) Commencing January 1, 2006, for each three hundred twenty dollar (\$320) fee collected under any of the sections listed in subdivision (a) of Section 68085.3 and each fee collected under paragraphs (2) to (9), inclusive, of subdivision (a) of Section 70650, twenty-five dollars (\$25) of the amount distributed to the Trial Court Trust Fund shall be used for court reporter services in civil proceedings.

(b) Commencing January 1, 2006, for each three hundred dollar (\$300) fee collected under any of the sections listed in subdivision (a) of Section 68085.4, twenty-five dollars (\$25) of the amount distributed to the Trial

Court Trust Fund shall be used for court reporter services in civil proceedings.

SEC. 108. Section 68087 of the Government Code is repealed.

SEC. 109. Section 68087.1 of the Government Code is repealed.

SEC. 110. Section 68090.7 of the Government Code is repealed.

SEC. 111. Section 68090.8 of the Government Code is amended to read:

68090.8. (a) (1) The Legislature finds that the management of civil and criminal cases, including traffic cases, and the accounting for funds in the trial courts requires these courts to implement appropriate levels of automation.

(2) The purpose of this section is to make a fund available for the development of automated systems, including automated accounting, automated data collection through case management systems, and automated case-processing systems for the trial courts, together with funds to train operating personnel, and for the maintenance and enhancement of the systems.

(3) Automated data collection shall provide the foundation for planning, research, and evaluation programs that are generated from within and outside of the judicial branch. This system shall be a resource to the courts, the Judicial Council and its committees, the Administrative Office of the Courts, the Legislature, the Governor, and the public. During the developmental stage and prior to the implementation of the system, the Legislature shall make recommendations to the Judicial Council as to the breadth and level of detail of the data to be collected.

(b) Prior to making any other required distribution, the county treasurer shall transmit 2 percent of all fines, penalties, and forfeitures collected in criminal cases, including, but not limited to, moneys collected pursuant to Chapter 12 (commencing with Section 76000) of Title 8 of this code, Section 13003 of the Fish and Game Code, Section 11502 of the Health and Safety Code, and Chapter 1 (commencing with Section 1427) of Title 11 of Part 2 of the Penal Code, into the Trial Court Improvement Fund established pursuant to Section 77209, to be used exclusively to pay the costs of automated systems for the trial courts, as described in paragraph (2) of subdivision (a). These systems shall meet Judicial Council performance standards, including production of reports as needed by the state, the counties, and local governmental entities.

SEC. 112. Section 68101 of the Government Code is amended to read:

68101. (a) Whenever pursuant to law the state is entitled to receive any portion of any money, forfeited bail or fines received by a judge of any court, that portion shall as soon as practicable after the receipt thereof, be deposited with the county treasurer of the county in which

that court is situated, and paid, by warrant of the county auditor drawn upon a requisition of the clerk or judge of the court, at least once a month to the Treasurer to be deposited in the State Treasury. Any remittance not made pursuant to this section or Section 24353 shall be considered delinquent and subject to Section 68085.

(b) Any judge imposing or collecting those fines or forfeitures shall keep a record of them and at least monthly transmit a record thereof to the county auditor. The county auditor shall transmit a record of the imposition, collection and payment of such fines or forfeitures to the Controller at the time of transmittal of each warrant to the Treasurer pursuant to this section.

(c) Commencing January 1, 2006, this section does not apply to money collected under Chapter 5.8 (commencing with Section 70600) or fees and fines to which Section 68085.1 applies.

SEC. 113. Section 68511.3 of the Government Code is amended to read:

68511.3. (a) The Judicial Council shall formulate and adopt uniform forms and rules of court for litigants proceeding in forma pauperis. These rules shall provide for all of the following:

(1) Standard procedures for considering and determining applications for permission to proceed in forma pauperis, including, in the event of a denial of permission, a written statement detailing the reasons for denial and an evidentiary hearing where there is a substantial evidentiary conflict.

(2) Standard procedures to toll relevant time limitations when a pleading or other paper accompanied by the application is timely lodged with the court and delay is caused due to the processing of the application to proceed in forma pauperis.

(3) Proceeding in forma pauperis at every stage of the proceedings at both the appellate and trial levels of the court system.

(4) The confidentiality of the financial information provided to the court by these litigants.

(5) That the court may authorize the clerk of the court, county financial officer, or other appropriate county officer to make reasonable efforts to verify the litigant's financial condition without compromising the confidentiality of the application.

(6) That permission to proceed in forma pauperis be granted to all of the following:

(A) Litigants who are receiving benefits pursuant to the Supplemental Security Income (SSI) and State Supplemental Payments (SSP) programs (Sections 12200 to 12205, inclusive, of the Welfare and Institutions Code), the California Work Opportunity and Responsibility to Kids Act (CalWORKs) program (Chapter 2 (commencing with Section 11200)

of Part 3 of Division 9 of the Welfare and Institutions Code), the Food Stamp program (7 U.S.C. Sec. 2011 et seq.), or Section 17000 of the Welfare and Institutions Code.

(B) Litigants whose monthly income is 125 percent or less of the current monthly poverty line annually established by the Secretary of Health and Human Services pursuant to the Omnibus Budget Reconciliation Act of 1981, as amended.

(C) Other persons when in the court's discretion, this permission is appropriate because the litigant is unable to proceed without using money which is necessary for the use of the litigant or the litigant's family to provide for the common necessities of life.

(b) (1) Litigants who apply for permission to proceed in forma pauperis pursuant to subparagraph (A) of paragraph (6) of subdivision (a) shall declare under penalty of perjury that they are receiving the benefits and may voluntarily provide the court with their date of birth and social security number or their Medi-Cal identification number to permit the court to verify the applicant's receipt of public assistance. The court may require any applicant, except a defendant in an unlawful detainer action, who chooses not to disclose his or her social security number for verification purposes to attach to the application documentation of benefits to support the claim and all other financial information on a form promulgated by the Judicial Council for this purpose.

(2) Litigants who apply for permission to proceed in forma pauperis pursuant to subparagraph (B) or (C) of paragraph (6) of subdivision (a) shall file a financial statement under oath on a form promulgated by, and pursuant to rules adopted by, the Judicial Council.

(c) The forms and rules adopted by the Judicial Council shall provide for the disclosure of the following information about the litigant:

- (1) Current street address.
- (2) Occupation and employer.
- (3) Monthly income and expenses.
- (4) Address and value of any real property owned directly or beneficially.
- (5) Personal property with a value that exceeds five hundred dollars (\$500).

The information furnished by the litigant shall be used by the court in determining his or her ability to pay all or a portion of the fees and costs.

(d) At any time after the court has granted a litigant permission to proceed in forma pauperis and prior to final disposition of the case, the clerk of the court, county financial officer, or other appropriate county officer may notify the court of any changed financial circumstances which may enable the litigant to pay all or a portion of the fees and costs

which had been waived. The court may authorize the clerk of the court, county financial officer, or other appropriate county officer to require the litigant to appear before and be examined by the person authorized to ascertain the validity of their indigent status. However, no litigant shall be required to appear more than once in any four-month period. A litigant proceeding in forma pauperis shall notify the court within five days of any settlement or monetary consideration received in settlement of this litigation and of any other change in financial circumstances that affects the litigant's ability to pay court fees and costs. After the litigant either (1) appears before and is examined by the person authorized to ascertain the validity of his or her indigent status or (2) notifies the court of a change in financial circumstances, the court may then order the litigant to pay to the county the sum and in any manner the court believes is compatible with the litigant's financial ability.

In any action or proceeding in which the litigant whose fees and costs have been waived would have been entitled to recover those fees and costs from another party to the action or proceeding had they been paid, the court may assess the amount of the waived fees and costs against the other party and order the other party to pay that sum to the county or to the clerk and serving and levying officers respectively, or the court may order the amount of the waived fees and costs added to the judgment and so identified by the clerk.

Execution may be issued on any order provided for in this subdivision in the same manner as on a judgment in a civil action. When an amount equal to the sum due and payable to the clerk has been collected upon the judgment, these amounts shall be remitted to the clerk within 30 days. Thereafter, when an amount equal to the sum due to the serving and levying officers has been collected upon the judgment, these amounts shall be due and payable to those officers and shall be remitted within 30 days. If the remittance is not received by the clerk within 30 days or there is a filing of a partial satisfaction of judgment in an amount at least equal to the fees and costs payable to the clerk or a satisfaction of judgment has been filed, notwithstanding any other provision of law, the court may issue an abstract of judgment, writ of execution, or both for recovery of those sums, plus the fees for issuance and execution and an additional fee for administering this section. The court shall establish a fee, not to exceed actual costs of administering this subdivision and in no case exceeding twenty-five dollars (\$25), which shall be added to the writ of execution.

(e) Notwithstanding subdivision (a), a person who is sentenced to imprisonment in a state prison or confined in a county jail and, during the period of imprisonment or confinement, files a civil action or notice

of appeal of a civil action in forma pauperis shall be required to pay the full amount of the filing fee to the extent provided in this subdivision.

(1) In addition to the form required by this section for filing in forma pauperis, an inmate shall file a copy of a statement of account for any sums due to the inmate for the six-month period immediately preceding the filing of the civil action or notice of appeal of a civil action. This copy shall be certified by the appropriate official of the Department of Corrections or a county jail.

(2) Upon filing the civil action or notice of appeal of a civil action, the court shall assess, and when funds exist, collect, as a partial payment of any required court fees, an initial partial filing fee of 20 percent of the greater of one of the following:

(A) The average monthly deposits to the inmate's account.

(B) The average monthly balance in the inmate's account for the six-month period immediately preceding the filing of the civil action or notice of appeal.

(3) After payment of the initial partial filing fee, the inmate shall be required to make monthly payments of 20 percent of the preceding month's income credited to the inmate's account. The Department of Corrections shall forward payments from this account to the clerk of the court each time the amount in the account exceeds ten dollars (\$10) until the filing fees are paid.

(4) In no event shall the filing fee collected pursuant to this subdivision exceed the amount of fees permitted by law for the commencement of a civil action or an appeal of a civil action.

(5) In no event shall an inmate be prohibited from bringing a civil action or appeal of a civil action solely because the inmate has no assets and no means to pay the initial partial filing fee.

SEC. 114. 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.

The amount charged for preparation of the transcript or any deposit that is forfeited shall be distributed to the court in which it was collected.

(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. 115. Section 69926.5 of the Government Code is amended 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) In addition to the surcharge in subdivision (a), a surcharge of twenty dollars (\$20) is added to the total filing fee collected in a case pursuant to Section 26820.4, 26826, or 26827, a surcharge of twenty dollars (\$20) is added to the total filing fee collected in a limited civil case pursuant to Section 72055 or 72056 where the amount demanded, excluding attorney's fees and costs, is in excess of ten thousand dollars (\$10,000), and a surcharge of ten dollars (\$10) is added to the total filing fee collected in a limited civil case pursuant to Section 72055 or 72056 where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000), or less. The surcharges in this subdivision shall be collected in cases filed from January 1, 2004, to December 31, 2005, inclusive. The purpose of this surcharge is to stabilize funding for court security at the current level and is not intended to increase the funding available for court security in the 2004-05 and 2005-06 fiscal years.

(c) Notwithstanding any other provision of law, the surcharges collected pursuant to subdivisions (a) and (b) 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.

(d) 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. 116. Section 69953.5 of the Government Code is amended to read:

69953.5. Notwithstanding any other provision of law, whenever a daily transcript is ordered in a civil case requiring the services of more than one phonographic reporter, the party requesting the daily transcript, in addition to any other required fee, shall pay a fee per day, or portion thereof, equal to the per diem rate for pro tempore reporters established by statute, local rule, or ordinance for the services of each additional reporter for the first day and each subsequent day the additional reporters are required. This fee shall be distributed to the court in which it was collected to offset the cost of the additional reporter.

SEC. 117. Section 70373 of the Government Code is repealed.

SEC. 118. Section 70373.5 of the Government Code is repealed.

SEC. 119. Section 70375 of the Government Code is amended to read:

70375. (a) This article shall take effect on January 1, 2003, and the fund, penalty, and fee assessment established by this article shall become operative on January 1, 2003, except as otherwise provided in this article.

(b) In each county, the amount authorized by Section 70372 shall be reduced by the following:

(1) The amount collected for deposit into the local courthouse construction fund established pursuant to Section 76100.

(2) The amount collected for transmission to the state for inclusion in the Transitional State Court Facilities Construction Fund established pursuant to Section 70401 to the extent it is funded by money from the local courthouse construction fund.

(c) The authority for all of the following shall expire proportionally as of the date of transfer of responsibility for facilities from the county to the Judicial Council, except so long as money is needed to pay for construction provided for in those sections and undertaken prior to the transfer of responsibility for facilities from the county to the Judicial Council:

(1) An additional penalty for a local courthouse construction fund established pursuant to Section 76100.

(2) A filing fee surcharge in the County of Riverside established pursuant to Section 70622.

(3) A filing fee surcharge in the County of San Bernardino established pursuant to Section 70624.

(4) A filing fee surcharge in the City and County of San Francisco established pursuant to Section 70625.

(d) For purposes of subdivision (c), the term "proportionally" means that proportion of the fee or surcharge that shall expire upon the transfer of responsibility for a facility that is the same proportion as the square footage that facility bears to the total square footage of court facilities in that county.

SEC. 120. Section 70402 of the Government Code is amended to read:

70402. (a) Any amount in either a county's courthouse construction fund established by Section 76100, a fund established by Section 70622 in the County of Riverside, a fund established by Section 70624 in the County of San Bernardino, and a fund established by Section 70625 in the City and County of San Francisco, shall be transferred to the State Court Facilities Construction Fund at the later of the following:

(1) The date of the last transfer of responsibility for court facilities from the county to the Judicial Council or June 30, 2007, whichever is earlier.

(2) The date of the final payment of the bonded indebtedness for any court facility that is paid from that fund is retired.

(b) If the responsibility for one or more facilities does not transfer, the county's courthouse construction fund shall retain that portion of the total money in the fund as the square footage of the facilities that do not transfer bears to the total square footage of court facilities in that county.

SEC. 121. Chapter 5.8 (commencing with Section 70600) is added to Title 8 of the Government Code, to read:

CHAPTER 5.8. SUPERIOR COURT FEES

Article 1. Civil Fees Generally

70600. It is the intent of the Legislature to establish a uniform schedule of filing fees and other civil fees for the superior courts throughout the state. This chapter shall be known, and may be cited, as the Uniform Civil Fees and Standard Fee Schedule Act of 2005.

70601. (a) It is the intent of the Legislature to establish a moratorium on increases in filing fees until January 1, 2008. No fee provided for in this chapter may be changed before January 1, 2008, except as may be required by the following:

(1) Legislative implementation of recommendations of the Task Force on County Law Libraries.

(2) Legislative implementation of recommendations for changes to the graduated filing fee for petitions in probate proceedings under subdivision (a) of Section 70650.

(b) The Judicial Council shall establish a Task Force on Civil Fees, including, but not limited to, representatives from the trial courts, the counties, the county law libraries, and the State Bar. On or before February 1, 2007, the task force shall make recommendations to the Judicial Council and the Legislature on the following:

(1) The effectiveness of the uniform fee structure, any operational or revenue problems, and how to address these issues.

(2) Whether a fee differential should be implemented based on the number of cases a party files in a year.

(3) A process to adjust fees in the future to accommodate inflation and other factors affecting operating costs for trial courts and county programs that rely on court fees.

70603. (a) Except as provided in this section, the fees charged for filings and services under this chapter are intended to be uniform statewide and to be the only allowable fees for those services and filings. The only charges that may be added to the fees in this chapter are the following:

(1) In a complex case, the fee provided for in Section 70616 may be added to the first paper and first responsive paper filing fees in Sections 70611, 70612, 70613, and 70614.

(2) In an unlawful detainer action subject to Section 1161.2 of the Code of Civil Procedure, a charge of fifteen dollars (\$15) as provided under that section may be added to the fee in Section 70613 for filing a first appearance by a plaintiff.

(3) In Riverside County, a surcharge as provided in Section 70622 may be added to the first paper and first responsive paper filing fees in Sections 70611, 70612, 70613, 70614, 70650, 70651, 70652, 70653, 70655, and 70670.

(4) In San Bernardino County, a surcharge as provided in Section 70624 may be added to the first paper and first responsive paper filing fees in Sections 70611, 70612, 70650, 70651, 70652, 70653, 70655, and 70670.

(5) In the City and County of San Francisco, a surcharge as provided in Section 70625 may be added to the first paper and first responsive paper filing fees in Sections 70611, 70612, 70613, 70614, 70650, 70651, 70652, 70653, 70655, and 70670.

(b) Notwithstanding paragraph (1) of subdivision (c) of Section 68085.3 and paragraph (1) of subdivision (c) of Section 68085.4, when a charge for courthouse construction in the county or city and county of San Francisco, Riverside, or San Bernardino is added to the uniform filing fee as provided under paragraph (3), (4), or (5) of subdivision (a), the amount distributed to the State Court Facilities Construction Fund under Section 68085.3 or 68085.4 shall be reduced by an amount equal to the charge added under paragraph (3), (4), or (5) of subdivision (a), up to the amount that would otherwise be distributed to the State Court Facilities Construction Fund. If the amount added under paragraph (3), (4), or (5) of subdivision (a) is greater than the amount that would be distributed to the State Court Facilities Construction Fund under Section 68085.3 or 68085.4, no distribution shall be made to the State Court Facilities Construction Fund, but the amount charged to the party may be greater than the amount of the uniform fee otherwise allowed, in order to collect the surcharge under paragraph (3), (4), or (5) of subdivision (a).

(c) If a filing fee is reduced by fifteen dollars (\$15) under subdivision (d) of Section 6322.1 of the Business and Professions Code, and a courthouse construction surcharge is added to the filing fee as provided under paragraph (3), (4), or (5) of subdivision (a), the amount distributed to the State Court Facilities Construction Fund under Section 68085.4 shall be reduced as provided in subdivision (b). If the amount added under paragraph (3), (4), or (5) of subdivision (a) is greater than the

amount that would be distributed to the State Court Facilities Construction Fund under Section 68085.4, no distribution shall be made to the State Court Facilities Construction Fund, but the amount charged to the party may be greater than one hundred sixty-five dollars (\$165), in order to collect the surcharge under paragraph (3), (4), or (5) of subdivision (a).

70617. (a) Except as provided in subdivision (d), the uniform fee for filing a motion, application, or any other paper requiring a hearing subsequent to the first paper, is forty dollars (\$40). Papers for which this fee shall be charged include the following:

(1) A motion listed in paragraphs (1) to (12), inclusive, of subdivision (a) of Section 1005 of the Code of Civil Procedure.

(2) A motion or application to continue a trial date.

(3) An application for examination of a third person controlling defendant's property under Section 491.110 or 491.150 of the Code of Civil Procedure.

(4) Discovery motions under Title 4 (commencing with Section 2016.010) of Part 4 of the Code of Civil Procedure.

(5) A motion for a new trial of any civil action or special proceeding.

(6) An application for an order for a judgment debtor examination under Section 708.110 or 708.160 of the Code of Civil Procedure.

(7) An application for an order of sale of a dwelling under Section 704.750 of the Code of Civil Procedure.

(8) An ex parte application that requires a party to give notice of the ex parte appearance to other parties.

(b) There shall be no fee under subdivision (a) for filing any of the following:

(1) A motion, application, or demurrer that is the first paper filed in an action and on which a first paper filing fee is paid.

(2) An amended notice of motion.

(3) A civil case management statement.

(4) A request for trial de novo after judicial arbitration.

(5) A stipulation that does not require an order.

(6) A request for an order to prevent civil harassment.

(7) A request for an order to prevent domestic violence.

(8) A request for entry of default or default judgment.

(9) A paper requiring a hearing on a petition for emancipation of a minor.

(10) A paper requiring a hearing on a petition for an order to prevent abuse of an elder or dependent adult.

(11) A paper requiring a hearing on a petition for a writ of review, mandate, or prohibition.

(12) A paper requiring a hearing on a petition for a decree of change of name or gender.

(13) A paper requiring a hearing on a petition to approve the compromise of a claim of a minor.

(c) The fee for filing the following papers not requiring a hearing is twenty dollars (\$20):

(1) A request, application, or motion for, or a notice of, the continuance of a hearing or case management conference. The fee shall be charged no more than once for each continuance. The fee shall not be charged if the continuance is required by the court.

(2) A stipulation and order.

(d) The fee for filing a motion for summary judgment or summary adjudication of issues is two hundred dollars (\$200).

(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), (c), and (d) apply separately to each motion or other paper filed. The Judicial Council may publish rules to give uniform guidance to courts in applying fees under this section.

70619. The fee for reclassification of a case from a limited civil case to an unlimited civil case under Section 403.060 of the Code of Civil Procedure is one hundred forty dollars (\$140).

70626. (a) The fee for each of the following services is fifteen dollars (\$15). Amounts collected shall be distributed to the Trial Court Trust Fund under Section 68085.1.

(1) Issuing a writ of attachment, a writ of mandate, a writ of execution, a writ of sale, a writ of possession, a writ of prohibition, or any other writ for the enforcement of any order or judgment.

(2) Issuing an abstract of judgment.

(3) Issuing a certificate of satisfaction of judgment under Section 724.100 of the Code of Civil Procedure.

(4) Certifying a copy of any paper, record, or proceeding on file in the office of the clerk of any court.

(5) Taking an affidavit, except in criminal cases or adoption proceedings.

(6) Acknowledgment of any deed or other instrument, including the certificate.

(7) Recording or registering any license or certificate, or issuing any certificate in connection with a license, required by law, for which a charge is not otherwise prescribed.

(8) Issuing any certificate for which the fee is not otherwise fixed.

(b) The fee for each of the following services is twenty dollars (\$20). Amounts collected shall be distributed to the Trial Court Trust Fund under Section 68085.1.

- (1) Issuing an order of sale.
 - (2) Receiving and filing an abstract of judgment rendered by a judge of another court and subsequent services based on it, unless the abstract of judgment is filed under Section 704.750 or 708.160 of the Code of Civil Procedure.
 - (3) Filing a confession of judgment under Section 1134 of the Code of Civil Procedure.
 - (4) Filing an application for renewal of judgment under Section 683.150 of the Code of Civil Procedure.
 - (5) Issuing a commission to take a deposition in another state or place under Section 2026 of the Code of Civil Procedure.
 - (6) Filing and entering an award under the Workers' Compensation Law (Division 4 (commencing with Section 3200) of the Labor Code).
 - (7) Filing an affidavit of publication of notice of dissolution of partnership.
 - (8) Filing an appeal of a determination whether a dog is potentially dangerous or vicious under Section 31622 of the Food and Agricultural Code.
 - (9) Filing an affidavit under Section 13200 of the Probate Code, together with the issuance of one certified copy of the affidavit under Section 13202 of the Probate Code.
 - (10) Filing and indexing all papers for which a charge is not elsewhere provided, other than papers filed in actions or special proceedings, official bonds, or certificates of appointment.
70627. The fees collected under this section shall be distributed to the court in which they were collected.
- (a) The clerk of the court shall charge fifty cents (\$0.50) per page to cover the cost of preparing copies of any record, proceeding, or paper on file in the clerk's office.
 - (b) For comparing with the original on file in the office of the clerk of any court, the copy of any paper, record, or proceeding prepared by another and presented for the clerk's certificate, the fee is one dollar (\$1) per page, in addition to the fee for the certificate.
 - (c) The fee for a search of records or files conducted by a court employee that requires more than 10 minutes is fifteen dollars (\$15) for each search.
70628. For an exemplification of a record or other paper on file, the fee is twenty dollars (\$20) in addition to the charges allowed for copying or comparing each page of the record or other paper.
70630. If the court has made videoconferencing services available, the clerk of the court shall charge a reasonable fee to cover the costs of permitting parties to appear by videoconferencing. This fee shall be deposited into the Trial Court Trust Fund.

70631. In the absence of a statute or rule authorizing or prohibiting a fee by the superior court for a particular service or product, the court may charge a reasonable fee not to exceed the costs of providing the service or product, if the Judicial Council approves the fee. The fee shall be distributed to the court in which it was collected.

70632. The clerk of the court shall charge a reasonable fee for handling funds held in trust for non-court parties or entities. The amount of the fee for handling the funds shall be based on rules adopted by, or guidelines and policies authorized by, the Judicial Council under subdivision (a) of Section 77206. This fee shall be deposited into the Trial Court Trust Fund.

70633. (a) No fee shall be charged by the clerk for service rendered to the petitioner in any adoption proceeding except as provided in Section 103730 of the Health and Safety Code, nor shall any fees be charged for any service to the state or for any proceeding brought pursuant to Section 7841 of the Family Code to declare a minor free from parental custody or control.

(b) No fee shall be charged by the clerk for services rendered in any criminal action unless otherwise specifically authorized by law, except that the clerk may charge the fee specified in Section 70627 for making or certifying to a copy of any filed paper, record, or proceeding in a criminal action. If a criminal defendant has been granted a fee waiver or the court finds that the defendant does not have the ability to pay the fee, the court may reduce or waive the fee.

(c) Except as permitted in subdivision (b), no fee shall be charged by the clerk for service to any municipality or county in the state, to the state government, nor to the United States of America or any of its officers acting in his or her official capacity.

Article 2. Fees in Probate Proceedings

70651. (a) The uniform filing fee for objections or any other paper in opposition to a petition or account described in subdivision (a) of Section 70650, other than a petition described in subdivision (d) of Section 70650, except for the purpose of making a disclaimer, is three hundred twenty dollars (\$320). If objections or any other paper in opposition are filed together with a petition described in subdivision (d) of Section 70650 by the same person, only the fee provided in subdivision (d) of Section 70650 shall be charged to that person.

(b) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

70652. (a) The uniform filing fee for each petition concerning the internal affairs of a trust under Chapter 3 (commencing with Section

17200) of Part 5 of Division 9 of the Probate Code, is three hundred twenty dollars (\$320).

(b) The uniform filing fee for each paper filed in opposition to a petition under subdivision (a) is three hundred twenty dollars (\$320).

(c) To avoid hardship, or for other good cause, the court may direct the clerk of the court to refund all or any part of a filing fee paid under this section.

(d) This section does not apply to petitions or opposition filed concerning trusts created by court order under Article 10 (commencing with Section 2580) of Chapter 6 of Part 3 of Division 4 of the Probate Code, Article 1 (commencing with Section 3100) of Chapter 3 of Part 6 of Division 4 of the Probate Code, Article 1 (commencing with Section 3600) of Chapter 4 of Part 8 of Division 4 of the Probate Code, or first accounts or opposition to first accounts of testamentary trustees described in Sections 70650 and 70651.

(e) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

70653. (a) The uniform filing fee for a petition for appointment of a conservator, a guardian of the estate, or a guardian of the person and estate, pursuant to Division 4 (commencing with Section 1400) of the Probate Code, is three hundred twenty dollars (\$320).

(b) Except as provided in subdivision (f), the uniform filing fee for objections or any other paper in opposition to a petition under subdivision (a) or (d) is three hundred twenty dollars (\$320).

(c) If a competing petition for appointment of a guardian or conservator subject to the fee under subdivision (a) is filed together with opposition to the petition of another by the same person, the person filing the competing petition and opposition shall be charged a filing fee only for the competing petition.

(d) If a petition for appointment of a temporary guardian or conservator is filed together with a petition under subdivision (a), or a competing petition under subdivision (c) by the same person, the person filing the petition for appointment of a temporary guardian or conservator shall be charged a filing fee only for the petition under subdivision (a) or (c).

(e) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

(f) No fee under this section shall be charged for objections or any other paper in opposition filed by or on behalf of the proposed conservatee, or the minor or a parent of the minor who is the subject of a guardianship proceeding.

70654. (a) The uniform filing fee for a petition for appointment of a guardian of the person only, is one hundred eighty dollars (\$180).

(b) Except as provided in subdivision (e), the uniform filing fee for objections or any other paper in opposition to a petition under subdivision (a) is one hundred eighty dollars (\$180).

(c) If a competing petition for appointment of a guardian subject to the fee under subdivision (a) is filed together with opposition to the petition of another by the same person, the person filing the competing petition and opposition shall be charged a filing fee only for the competing petition.

(d) If a petition for appointment of a temporary guardian is filed together with a petition under subdivision (a), or a competing petition under subdivision (c) by the same person, the person filing the petition for appointment of a temporary guardian shall be charged a filing fee only for the petition under subdivision (a) or (c).

(e) No fee under this section shall be charged for objections or any other paper in opposition filed by or on behalf of the minor or a parent of the minor who is the subject of the proceeding.

(f) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.4.

(g) No other fees shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

70655. (a) The uniform filing fee for a petition that commences any of the proceedings under the Probate Code listed in subdivision (c) is three hundred twenty dollars (\$320).

(b) The uniform filing fee for objections or any other paper filed in opposition to a petition under subdivision (a) is three hundred twenty dollars (\$320).

(c) This section applies to petitions or opposition concerning the following proceedings:

(1) A petition for compromise of a minor's claim pursuant to Section 3600 of the Probate Code.

(2) A petition to determine succession to real property pursuant to Section 13151 of the Probate Code.

(3) A spousal or domestic partnership property petition pursuant to Section 13650 of the Probate Code, except as provided in Section 13652 of the Probate Code.

(4) A petition to establish the fact of death to determine title to real property under Section 200 of the Probate Code.

(5) A petition for an order concerning a particular transaction pursuant to Section 3100 of the Probate Code.

(6) A petition concerning capacity determination and health care decision for adult without conservator pursuant to Section 3200 of the Probate Code.

(7) A petition concerning an advance health care directive pursuant to Section 4766 of the Probate Code.

(8) A petition concerning a power of attorney pursuant to Section 4541 of the Probate Code.

(9) Any other petition that commences a proceeding under the Probate Code not otherwise provided for in this article.

(d) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.3.

70656. (a) The uniform filing fee for a petition requesting an order setting aside a decedent's estate of small value pursuant to Section 6602 of the Probate Code, if no estate proceeding is pending for the decedent, is one hundred eighty dollars (\$180).

(b) The uniform filing fee for objections or any other paper filed in opposition to a petition under subdivision (a) is one hundred eighty dollars (\$180).

(c) If a petition or objections or any other paper in opposition under this section is filed concurrently with a petition for appointment of a personal representative described in Section 70650, the petitioner or objector shall be charged only for the filing fee provided in Section 70650.

(d) The uniform filing fee charged under this section shall be distributed as provided in Section 68085.4.

(e) Except as provided in subdivision (c), no other fee shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

70657. (a) Except as provided in subdivision (d), the uniform fee for filing a motion, application, or any other paper requiring a hearing subsequent to the first paper is forty dollars (\$40). Papers for which this fee shall be charged include papers listed in subdivision (a) of Section 70617 and the following:

- (1) Pretrial and posttrial motions or applications in contested litigation.
- (2) Applications for ex parte relief.
- (3) Petitions and objections or other papers in opposition to petitions concerning the internal affairs of a trust that are not subject to the filing fees provided in Section 70650, 70651, or 70652.

- (4) Petitions and objections or other papers in opposition to petitions filed subsequent to issuance of temporary letters of guardianship or letters of guardianship in proceedings described in Section 70654.

- (5) Petitions or objections or other papers in opposition to petitions filed subsequent to issuance of special letters of administration or letters testamentary or of administration in decedent's estate proceedings that are not subject to the fee provided in Section 70658.

(b) There shall be no fee under subdivision (a) for filing any of the papers listed under subdivision (b) of Section 70617.

(c) The summary judgment fee provided in subdivision (d) of Section 70617 shall apply to summary judgment motions in proceedings under the Probate Code.

(d) Regardless of whether each motion or matter is heard at a single hearing or at separate hearings, the filing fees required by subdivisions (a) and (c) apply separately to each motion or other paper filed. The Judicial Council may publish rules to give uniform guidance to courts in applying fees under this section.

70658. (a) Except as provided in subdivisions (c) and (d), the uniform fee for a petition or objections, or any other paper in opposition to a petition for an appealable order under Section 1300 or 1301 of the Probate Code that is filed after issuance of letters testamentary, letters of administration, letters of special administration to a personal representative of a decedent's estate, or letters of guardianship or conservatorship, or temporary guardianship or conservatorship to a guardian or conservator, is one hundred eighty dollars (\$180).

(b) The uniform fee in subdivision (a) shall be distributed as provided in Section 68085.4. No other fee shall be charged for filing a paper under this section in addition to the uniform filing fee provided for in this section.

(c) The fee provided in this section shall not be charged for filing a petition or opposition to a petition in a proceeding under Section 70654.

(d) The fee provided in this section shall not be charged to a personal representative of a decedent's estate in a proceeding commenced on or after August 18, 2003, for any petition filed in the proceeding by the personal representative concerning any action described in subdivision (a) or (b) of Section 10501 of the Probate Code.

Article 3. Fees in Family Law Matters

70670. (a) The uniform fee for filing the first paper in a proceeding under the Family Code, other than a proceeding for dissolution of marriage or domestic partnership, legal separation, or nullity, is three hundred twenty dollars (\$320). The fee shall be distributed as provided in Section 68085.3.

(b) The uniform fee for filing the first paper in a proceeding for dissolution of marriage or domestic partnership, legal separation, or nullity, is three hundred twenty dollars (\$320). The fee shall be distributed as provided in Section 68085.3, except that two dollars (\$2) of the funds that would otherwise be distributed to the Trial Court Trust

Fund shall be transmitted to the Treasurer for deposit in the Health Statistics Special Fund.

(c) The uniform fee for filing the first paper in a proceeding under subdivision (a) on behalf of any respondent, defendant, intervenor, or adverse party, whether separately or jointly, is three hundred twenty dollars (\$320). The fee shall be distributed as provided in Section 68085.3.

(d) The uniform fee for filing the first paper in a proceeding under subdivision (b) on behalf of any respondent, defendant, intervenor, or adverse party, whether separately or jointly, is three hundred twenty dollars (\$320). The fee shall be distributed as provided in Section 68085.3.

(e) The fees in this section do not apply to papers filed for the purpose of making a disclaimer.

70671. As used in subdivision (c) or (d) of Section 70670, the term "paper" does not include any of the following:

(a) The declaration of a spouse or domestic partner filed in an order to show cause proceeding.

(b) A settlement agreement or a stipulation for judgment that is signed by a defaulted respondent and intended for incorporation in a proposed decree of dissolution of marriage or domestic partnership.

(c) A stipulation regarding the date of termination of the marital or domestic partnership status if the court has retained jurisdiction over that date.

(d) A document relating to a stipulated postjudgment modification of child support.

(e) A stipulation to modify a settlement agreement that was signed by a defaulted respondent and incorporated in a decree of dissolution if the stipulation is presented by the petitioner.

(f) A request for an order to prevent domestic violence or a responsive declaration to that request.

70672. Notwithstanding any other provision of law, no fee shall be charged to file a first paper or any subsequent pleading or document on issues relating to parentage or support in a case in which a Title IV-D child support agency is providing services under Section 17400 of the Family Code.

70677. (a) The uniform fee for filing any motion, application, order to show cause, or any other paper requiring a hearing subsequent to the first paper is forty dollars (\$40). Papers for which this fee shall be charged include the following:

(1) Papers listed in subdivision (a) of Section 70617.

(2) An order to show cause or notice of motion seeking temporary prejudgment or postjudgment orders, including, but not limited to, orders

to establish, modify, or enforce child, spousal, or partner support, custody and visitation of children, division and control of property, attorney's fees, and bifurcation of issues.

(b) There shall be no fee under subdivision (a) of this section for filing any of the following:

(1) A motion, motion to quash proceeding, application, or demurrer that is the first paper filed in an action and on which a first paper filing fee is paid.

(2) An amended notice of motion or amended order to show cause.

(3) A statement to register foreign support under Section 4951 of the Family Code.

(4) An application to determine the judgment after entry of default.

(5) A request for an order to prevent domestic violence.

(6) A paper requiring a hearing on a petition for writ of review, mandate, or prohibition that is the first paper filed in an action and on which a first paper filing fee has been paid.

(7) A stipulation that does not require an order.

(c) The uniform fee for filing the following papers not requiring a hearing is twenty dollars (\$20):

(1) A request, application, or motion for the continuance of a hearing or case management conference.

(2) A stipulation and order.

(d) Regardless of whether each motion or matter is heard at a single hearing or at separate hearings, the filing fees required by subdivisions (a) and (c) apply separately to each motion or other paper filed. The Judicial Council may publish rules to give uniform guidance to courts in applying fees under this section.

SEC. 122. The heading of Chapter 6 (commencing with Section 71002) of Title 8 of the Government Code is amended to read:

CHAPTER 6. PROVISIONS RELATING TO TRIAL COURTS

SEC. 123. Section 71386 of the Government Code is amended to read:

71386. (a) Each superior court shall adopt a written policy, consistent with rules adopted by, or trial court financial policies and procedures authorized by, the Judicial Council under subdivision (a) of Section 77206, governing the acceptance of checks and money orders in payment of any fees, fines, or bail deposits. The policy shall permit clerks to accept checks and money orders under conditions that tend to assure their validity.

(b) A court shall accept a personal check, bank cashier's check, or money order for payment of any fee or fine, or for a deposit of bail for

any offense that is not declared to be a felony, provided the check or money order meets the criteria established in subdivision (a). However, no court shall be required to accept a check in excess of three hundred dollars (\$300) from a defendant in custody as a deposit of bail for any alleged violation of the Penal Code.

(c) The acceptance of a check pursuant to this section constitutes payment of the obligation owed to the payee public agency to the extent of the amount of the check as of the date of acceptance.

(d) If any check offered in payment pursuant to this section is returned to the payee without payment, a reasonable charge for the returned check not to exceed the actual costs incurred may be imposed to recover the processing and collection costs. This charge may be added to, and become part of, any underlying obligation other than an obligation that constitutes a lien on real property, or a different method of payment for that payment and future payments by that person may be prescribed. If the costs are incurred by the county, the charges imposed for a returned check shall be retained by the treasurer of the county and be deposited in the county general fund. If the costs are incurred by the court, the charges imposed for a returned check shall be distributed to the court under Section 68085.1.

SEC. 124. The heading of Chapter 8 (commencing with Section 72004) of Title 8 of the Government Code is amended to read:

CHAPTER 8. SUPERIOR COURTS

SEC. 125. Section 72054 of the Government Code is repealed.

SEC. 126. Section 72055 of the Government Code, as amended by Section 21 of Chapter 159 of the Statutes of 2003, is amended and renumbered to read:

70613. (a) The uniform fee for filing the first paper in a limited civil case is three hundred dollars (\$300), except as provided in subdivision (b).

(b) In a case where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less, the uniform fee for filing the first paper is one hundred eighty dollars (\$180). The first page of the first paper shall state whether the amount demanded exceeds or does not exceed ten thousand dollars (\$10,000).

(c) 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.

(d) The fee for a paper filed under this section shall be distributed as provided in Section 68085.4.

(e) 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 court.

SEC. 127. Section 72055 of the Government Code, as added by Section 22 of Chapter 159 of the Statutes of 2003, is repealed.

SEC. 128. Section 72056 of the Government Code, as amended by Section 23 of Chapter 159 of the Statutes of 2003, is amended and renumbered to read:

70614. (a) The uniform fee for filing the first paper in a limited civil case on behalf of any party other than a plaintiff is three hundred dollars (\$300), except as provided in subdivision (b).

(b) In a case where the amount demanded, excluding attorney's fees and costs, is ten thousand dollars (\$10,000) or less, the uniform fee for filing the first paper is one hundred eighty dollars (\$180).

(c) The fees in this section do not apply to papers filed for the purpose of making disclaimer.

(d) The fee for a paper filed under this section shall be distributed as provided in Section 68085.4.

SEC. 129. Section 72056 of the Government Code, as added by Section 24 of Chapter 159 of the Statutes of 2003, is repealed.

SEC. 130. Section 72056.01 of the Government Code is repealed.

SEC. 131. Section 72056.1 of the Government Code is repealed.

SEC. 132. Section 72059 of the Government Code is repealed.

SEC. 133. Section 72060 of the Government Code is repealed.

SEC. 134. Section 72061 of the Government Code is repealed.

SEC. 135. Section 72073 of the Government Code is repealed.

SEC. 136. Section 76236 of the Government Code is amended and renumbered to read:

70624. (a) In addition to the uniform filing fee authorized pursuant to Section 70611, 70612, 70650, 70651, 70652, 70653, 70655, or 70670, after giving notice and holding a public hearing on the proposal, the Board of Supervisors of San Bernardino County may impose a surcharge not to exceed thirty-five dollars (\$35) for the filing in superior court of (1) a complaint, petition, or other first paper in a civil, family, or probate action or special proceeding, and (2) a first paper on behalf of any defendant, respondent, intervenor, or adverse party. The county shall notify in writing the superior court and the Administrative Office of the Courts of any change in a surcharge under this section. If a surcharge

under this section is imposed on a filing fee, the distribution that would otherwise be made to the State Court Facilities Construction Fund under subdivision (c) of Section 68085.3 or subdivision (c) of Section 68085.4 shall be reduced as provided in Section 70603.

(b) The surcharge shall be in an amount determined to be necessary by the board of supervisors to supplement the Courthouse Construction Fund, to be deposited in that fund and used solely for the purposes authorized for expenditures from that fund, including, but not limited to, earthquake retrofitting, renovation, and remodeling of all portions of the Central San Bernardino Courthouse in need of retrofitting, renovation, or remodeling, whether or not necessitated by the retrofitting work, including the original courthouse built in 1926 and all subsequent additions thereto. Expenditures made from the Courthouse Construction Fund that are funded from the surcharge shall be made in order of priority to ensure that all necessary earthquake retrofitting of the Central San Bernardino Courthouse will be completed. Collection of the surcharge authorized by this section shall terminate upon repayment of the amortized costs incurred, or 30 years from the sale of the bond, whichever occurs first. However, the surcharge shall not apply in instances in which no filing fee is charged or the filing fee is waived. If the amortized costs have been repaid, or 30 years have passed since the sale of the bond, the county shall notify in writing the superior court and the Administrative Office of the Courts.

SEC. 137. Section 76238 of the Government Code is amended and renumbered to read:

70625. (a) Notwithstanding any other law, for the purpose of assisting the City and County of San Francisco in the acquisition, rehabilitation, construction, and financing of courtrooms or of a courtroom building or buildings containing facilities necessary or incidental to the operation of the justice system, the Board of Supervisors of the City and County of San Francisco may require the amounts collected pursuant to subdivision (d) to be deposited in the Courthouse Construction Fund established pursuant to Section 76100. In the City and County of San Francisco, the moneys of the Courthouse Construction Fund together with any interest earned thereon shall be payable only for the foregoing purposes and at the time necessary therefor, and for the purposes set forth in subdivision (b) and at the time necessary therefor.

(b) In conjunction with the acquisition, rehabilitation, construction, or financing of courtrooms or of a courtroom building or buildings referred to in subdivision (a), the City and County of San Francisco may use the moneys of the Courthouse Construction Fund (1) to rehabilitate existing courtrooms or an existing courtroom building or buildings for other uses if new courtrooms or a courtroom building or buildings are

acquired, constructed, or financed or (2) to acquire, rehabilitate, construct, or finance excess courtrooms or an excess courtroom building or buildings if that excess is anticipated to be needed at a later time.

(c) Any excess courtrooms or excess courtroom building or buildings that are acquired, rehabilitated, constructed, or financed pursuant to subdivision (b) may be leased or rented for uses other than the operation of the justice system until such time as the excess courtrooms or excess courtroom building or buildings are needed for the operation of the justice system. Any amounts received as lease or rental payments pursuant to this subdivision shall be deposited in the Courthouse Construction Fund.

(d) In the City and County of San Francisco, a surcharge for the purpose and for the time set forth in this section may be added to the filing fees under Sections 70611, 70612, 70613, 70614, 70650, 70651, 70652, 70653, 70655, and 70670 in any civil, family, or probate action in the superior court. The surcharge shall be in an amount, not to exceed fifty dollars (\$50), as set forth in a resolution adopted by the Board of Supervisors of the City and County of San Francisco. If a surcharge under this section is imposed on a filing fee, the distribution that would otherwise be made to the State Court Facilities Construction Fund under subdivision (c) of Section 68085.3 or subdivision (c) of Section 68085.4 shall be reduced as provided in Section 70603. The county shall notify in writing the superior court and the Administrative Office of the Courts of any change in a surcharge under this section. When the amortized costs that are to be repaid from this fund have been repaid, the county shall notify in writing the superior court and the Administrative Office of Courts, and the surcharge under this section shall terminate, as provided in subdivision (c) of Section 70375.

SEC. 138. Section 77009 of the Government Code is amended to read:

77009. (a) The Judicial Council may establish bank accounts for the superior courts and require the courts to deposit moneys for trial court operations, and any other moneys under the control of the courts, into those accounts. Deposits to these accounts shall include, but are not limited to, the following:

(1) Moneys appropriated in the Budget Act and allocated or reallocated to the superior court by the Judicial Council.

(2) Moneys held in trust.

(3) Other moneys as deemed necessary or appropriate.

(b) Subdivision (a) shall not apply to payments from a party or a defendant received by the superior court for any criminal fees, fines, or forfeitures. However, the court and county may enter into a contract for the court to provide depository services in an account established by the

Judicial Council for criminal fees, fines, and forfeitures, with the approval of the Administrative Director of the Courts. The contract shall identify the scope of service, method of service delivery, term of agreement, anticipated service outcomes, and the cost of the service. The amount of any indirect or overhead costs shall be individually stated with the method of calculation of the indirect or overhead costs.

(c) Moneys deposited into a bank account established pursuant to subdivision (a) for the Trial Court Operations Fund that are appropriated in the Budget Act and allocated or reallocated to the superior court by the Judicial Council shall be payable only for the purposes set forth in Sections 77003 and 77006.5, and for services purchased by the court pursuant to subdivisions (b) and (c) of Section 77212.

(d) (1) All moneys received by a superior court from any source for court operating and program purposes shall be deposited into a bank account established pursuant to subdivision (a) and accounted for in the Trial Court Operations Fund. Moneys that are received to fulfill the requirements of Article 4 (commencing with Section 4250) of Chapter 2 of Part 2 of Division 9 and Division 14 (commencing with Section 10000) of the Family Code shall be identified and maintained in a separate account established in the fund for this purpose.

(2) All other moneys deposited into a bank account established pursuant to subdivision (a) and accounted for in the Trial Court Operations Fund that are received for purposes other than court operations, as defined in Section 77003 and Rule 810 of the California Rules of Court, shall be identified and maintained in separate accounts in the fund.

(3) This subdivision shall not apply to either of the following:

(A) Moneys received by the courts pursuant to paragraph (2) of subdivision (a) of this section and Section 68084, if those moneys are not for court operating or program purposes.

(B) Payments from a party or a defendant received by the county for any fees, fines, or forfeitures; money collected by the superior court under Chapter 5.8 (commencing with Section 70600); or fees and fines to which Section 68085.1 applies.

(e) The presiding judge of the superior court, or his or her designee, shall authorize and direct all expenditures by the court for operating and program purposes from any account established under subdivision (b) or (c).

(f) The Judicial Council, in consultation with the Controller's office, shall establish procedures to implement this section and to provide for payment of trial court operations expenses, as described in Sections 77003 and 77006.5, incurred on July 1, 1997, and thereafter.

(g) (1) If the Judicial Council has not established bank accounts pursuant to subdivision (a), the court shall contract with the county for fiscal services. Each board of supervisors shall maintain in the county treasury a Trial Court Operations Fund, which will operate as an agency fund. All moneys appropriated in the Budget Act and allocated and reallocated to the superior court in the county by the Judicial Council shall be deposited into the fund.

(2) Moneys deposited into the fund that are appropriated for the Trial Court Operations Fund in the Budget Act and allocated or reallocated to the superior court by the Judicial Council shall be payable only for the purposes set forth in Sections 77003 and 77006.5, and for services purchased by the court pursuant to subdivisions (b) and (c) of Section 77212. The presiding judge of the superior court, or his or her designee, shall authorize and direct expenditures from the fund and the county auditor-controller shall make payments from the funds as directed. Approval of the board of supervisors is not required for expenditure from this fund.

(3) All moneys received by a superior court from any source for court operating and program purposes shall be deposited in the fund, except as provided in this subdivision. Moneys that are received to fulfill the requirements of Article 4 (commencing with Section 4250) of Chapter 2 of Part 2 of Division 9 and Division 14 (commencing with Section 10000) of the Family Code shall be identified and maintained in a separate account established in the fund for this purpose. All other moneys that are received for purposes other than court operations, as defined in Section 77003 and Rule 810 of the California Rules of Court, shall be identified and maintained in one or more separate accounts established in the fund pursuant to procedures adopted by the Judicial Council. This subdivision shall only apply to moneys received by the courts for operating and program purposes. This subdivision shall not apply to either of the following:

(A) Moneys received by the courts pursuant to Section 68084, if those funds are not for court operating or program purposes.

(B) Payments from a party or a defendant received by the county for any fees, fines, or forfeitures; money collected by the superior court under Chapter 5.8 (commencing with Section 70600); or fees and fines to which Section 68085.1 applies.

(4) Interest received by a county that is attributable to investment of money, which interest is required by this subdivision to be deposited in the superior court's fund, shall be deposited in the fund and shall be used for trial court operations purposes.

(5) In no event shall interest be charged to the superior court's fund, except as provided in Section 77009.1.

(6) Reasonable administrative expenses incurred by the county associated with the operation of this fund shall be charged to the superior court.

(7) A county, or city and county, may bill the superior court within its jurisdiction for costs for services provided by the county, or city and county, as described in Sections 77003 and 77212, including indirect costs as described in paragraph (7) of subdivision (a) of Section 77003 and Section 77212. The costs billed by the county, or the city and the county, pursuant to this subdivision shall not exceed the costs incurred by the county, or the city and the county, of providing similar services to county departments or special districts.

(8) Pursuant to Section 77206, the Controller, at the request of the Legislature, may perform financial and fiscal compliance audits of this fund. The Judicial Council or its representatives may perform audits, reviews, and investigations of this fund wherever the records may be located.

(h) The Judicial Council or its representatives may perform audits, reviews, and investigations of superior court operations and records wherever they may be located.

SEC. 139. Section 77200 of the Government Code is amended to read:

77200. On and after July 1, 1997, the state shall assume sole responsibility for the funding of court operations, as defined in Section 77003 and Rule 810 of the California Rules of Court as it read on July 1, 1996. In meeting this responsibility, the state shall do all of the following:

(a) Deposit in the State Trial Court Trust Fund, for subsequent allocation to or for the trial courts, all county funds remitted to the state pursuant to Section 77201 until June 30, 1998, and pursuant to Section 77201.1, thereafter.

(b) Be responsible for the cost of court operations incurred by the trial courts in the 1997–98 fiscal year and subsequent fiscal years.

(c) Allocate funds to the individual trial courts pursuant to an allocation schedule adopted by the Judicial Council, but in no case shall the amount allocated to the trial court in a county be less than the amount remitted to the state by the county in which that court is located pursuant to paragraphs (1) and (2) of subdivision (b) of Section 77201 until June 30, 1998, and pursuant to paragraphs (1) and (2) of subdivision (b) of Section 77201.1, thereafter.

(d) The Judicial Council shall submit its allocation schedule to the Controller at least 5 days before the due date of any allocation.

SEC. 140. Section 77205 of the Government Code is amended to read:

77205. (a) Notwithstanding any other provision of law, in any year in which a county collects fee, fine, and forfeiture revenue for deposit into the county general fund pursuant to Sections 1463.001 and 1464 of the Penal Code, Sections 42007, 42007.1, and 42008 of the Vehicle Code, and Sections 27361 and 76000 of, and subdivision (f) of Section 29550 of, the Government Code that would have been deposited into the General Fund pursuant to these sections as they read on December 31, 1997, and pursuant to Section 1463.07 of the Penal Code, and that exceeds the amount specified in paragraph (2) of subdivision (b) of Section 77201 for the 1997–98 fiscal year, and paragraph (2) of subdivision (b) of Section 77201.1 for the 1998–99 fiscal year, and thereafter, the excess amount shall be divided between the county or city and county and the state, with 50 percent of the excess transferred to the state for deposit in the Trial Court Improvement Fund and 50 percent of the excess deposited into the county general fund. The Judicial Council shall allocate 80 percent of the amount deposited in the Trial Court Improvement Fund pursuant to this subdivision each fiscal year that exceeds the amount deposited in the 2002–03 fiscal year among:

- (1) The trial court in the county from which the revenue was deposited.
- (2) Other trial courts, as provided in paragraph (1) of subdivision (a) of Section 68085.
- (3) For retention in the Trial Court Improvement Fund.

For the purpose of this subdivision, fee, fine, and forfeiture revenue shall only include revenue that would otherwise have been deposited in the General Fund prior to January 1, 1998.

(b) Any amounts required to be distributed to the state pursuant to subdivision (a) shall be remitted to the Controller no later than 45 days after the end of the fiscal year in which those fees, fines, and forfeitures were collected. This remittance shall be accompanied by a remittance advice identifying the quarter of collection and stating that the amount should be deposited in the Trial Court Improvement Fund.

(c) Notwithstanding subdivision (a), the following counties whose base-year remittance requirement was reduced pursuant to subdivision (c) of Section 77201.1 shall not be required to split their annual fee, fine, and forfeiture revenues as provided in this section until such revenues exceed the following amounts:

County	Amount
Placer.....	\$ 1,554,677
Riverside.....	11,028,078
San Joaquin.....	3,694,810
San Mateo.....	5,304,995
Ventura.....	4,637,294

SEC. 141. Section 77207.5 is added to the Government Code, to read:

77207.5. (a) The Judicial Council shall make monthly allocations to the trial courts from the Trial Court Trust Fund for automated systems as provided in this section. These funds shall be used for the development and implementation of automated systems as described in subdivision (a) of Section 68090.8.

(b) The amount allocated annually to each trial court shall be the amount stated in this subdivision, which is based on the revenue collected in the local 2 percent automation funds in the 1994-95 fiscal year. The amounts are as follows:

Jurisdiction	Amount
Alameda.....	\$424,792
Alpine.....	2,034
Amador.....	11,006
Butte.....	59,332
Calaveras.....	18,652
Colusa.....	13,708
Contra Costa.....	218,186
Del Norte.....	11,208
El Dorado.....	54,374
Fresno.....	181,080
Glenn.....	19,264
Humboldt.....	48,160
Imperial.....	67,678
Inyo.....	30,402
Kern.....	277,328
Kings.....	57,026
Lake.....	20,328
Lassen.....	20,156
Los Angeles.....	3,144,530
Madera.....	52,502
Marin.....	114,766
Mariposa.....	3,904
Mendocino.....	30,068
Merced.....	55,652
Modoc.....	6,134
Mono.....	12,446
Monterey.....	183,464
Napa.....	30,550
Nevada.....	49,946
Orange.....	923,882

Placer.....	77,378
Plumas.....	9,206
Riverside.....	532,226
Sacramento.....	340,254
San Benito.....	14,700
San Bernardino.....	435,474
San Diego.....	718,442
San Francisco.....	272,528
San Joaquin.....	201,698
San Luis Obispo.....	130,020
San Mateo.....	329,518
Santa Barbara.....	162,858
Santa Clara.....	452,782
Santa Cruz.....	113,210
Shasta.....	44,394
Sierra.....	1,830
Siskiyou.....	37,000
Solano.....	119,364
Sonoma.....	119,004
Stanislaus.....	88,718
Sutter.....	37,382
Tehama.....	28,100
Trinity.....	7,648
Tulare.....	204,932
Tuolumne.....	16,642
Ventura.....	205,304
Yolo.....	48,556
Yuba.....	15,788

SEC. 142. Section 77209 of the Government Code is amended to read:

77209. (a) There is in the State Treasury the Trial Court Improvement Fund.

(b) The Judicial Council shall set aside at least one-half of 1 percent of the total appropriation for trial court operations as a reserve which shall not be allocated prior to March 15 of each year unless allocated to a court or courts for urgent needs.

(c) Any funds in the Trial Court Improvement Fund that are unencumbered at the end of the fiscal year shall be reappropriated to the Trial Court Improvement Fund for the following fiscal year.

(d) Moneys deposited in the Trial Court Improvement Fund shall be placed in an interest bearing account. Any interest earned shall accrue to the fund and shall be disbursed pursuant to subdivision (e).

(e) Moneys deposited in the Trial Court Improvement Fund may be disbursed for purposes of this section.

(f) Moneys deposited in the Trial Court Improvement Fund pursuant to Section 68090.8 shall be allocated by the Judicial Council for automated system improvements pursuant to that section and in furtherance of Rule 991 of the California Rules of Court, as it read on July 1, 1996.

(g) Moneys deposited in the Trial Court Improvement Fund shall be administered by the Judicial Council. The Judicial Council may, with appropriate guidelines, delegate to the Administrative Director of the Courts the administration of the fund. Moneys in the fund may be expended to implement trial court projects approved by the Judicial Council. Expenditures may be made to vendors or individual trial courts that have the responsibility to implement approved projects.

(h) Notwithstanding other provisions of this section, the 2 percent automation fund moneys deposited in the Trial Court Improvement Fund pursuant to Section 68090.8 shall be allocated by the Judicial Council to statewide initiatives related to trial court automation and their implementation. The Judicial Council shall allocate the remainder of the moneys deposited in the Trial Court Improvement Fund as specified in this section.

For the purposes of this subdivision, the term “2 percent automation fund” means the fund established pursuant to Section 68090.8 as it read on June 30, 1996.

(i) Royalties received from the publication of uniform jury instructions shall be deposited in the Trial Court Improvement Fund and used for the improvement of the jury system.

(j) The Judicial Council shall present an annual report to the Legislature on the use of the Trial Court Improvement Fund. The report shall include appropriate recommendations.

SEC. 143. Section 100430 of the Health and Safety Code is amended to read:

100430. (a) The fees or charges for a record search or for the issuance of any license, permit, registration, or any other document pursuant to Section 26832 or 26840 of the Government Code, or Section 102525, 102625, 102670, 102725, 102750, 103050, 103065, 103225, 103325, 103400, 103425, 103450, 103525, 103590, 103595, 103625, 103650, 103675, 103690, 103695, 103700, 103705, 103710, 103715, 103720, 103725, or 103735 of this code, may be adjusted annually by the percentage change determined pursuant to Section 100425.

The base amount to be adjusted shall be the statutory base amount of the fee or charge plus the sum of the prior adjustments to the statutory base amount. Whenever the statutory base amount is amended, the base amount shall be the new statutory base amount plus the sum of adjustments to the new statutory base amount calculated subsequent to the statutory base amendment. The actual dollar fee or charge shall be rounded to the next highest whole dollar.

(b) Beginning January 1, 1983, the department shall annually publish a list of the actual numerical fee charges as adjusted pursuant to this section. This adjustment of fees and the publication of the fee list shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 144. Section 103470 of the Health and Safety Code is amended to read:

103470. The fee for filing the petition is one hundred eighty dollars (\$180). This fee shall be distributed as provided in Section 68085.4 of the Government Code. The petition may be heard by any judge hearing probate matters, or if a probate department has been designated for hearing probate matters, the matter shall be assigned to the probate department for hearing.

SEC. 145. Section 103730 of the Health and Safety Code is amended to read:

103730. A fee of twenty dollars (\$20) for each individual being adopted shall be paid to the clerk of the court at the time of filing the petition in an adoption proceeding, except for agency adoptions in which the adoption fee is waived and a statement from the agency to this effect is filed with the petition. The fee shall be transmitted to the State Treasury, as provided in Section 68085.1 of the Government Code, for deposit in the Health Statistics Special Fund for the services required by statute of the office of the State Registrar of Vital Statistics.

SEC. 146. 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. The court shall charge the first paper filing fee under Section 70611 of the Government Code to the party seeking review. The fee shall be distributed as provided in Section 68085.3 of the Government Code. 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. 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 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) (1) 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.

(2) 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. 147. Section 1835 of the Probate Code is amended to read:

1835. (a) Every superior court shall provide all private conservators with written information concerning a conservator's rights, duties, limitations, and responsibilities under this division.

(b) The information to be provided shall include, but need not be limited to, the following:

- (1) The rights, duties, limitations, and responsibilities of a conservator.
- (2) The rights of a conservatee.
- (3) How to assess the needs of the conservatee.
- (4) How to use community-based services to meet the needs of the conservatee.
- (5) How to ensure that the conservatee is provided with the least restrictive possible environment.
- (6) The court procedures and processes relevant to conservatorships.
- (7) The procedures for inventory and appraisal, and the filing of accounts.

(c) An information package shall be developed by the Judicial Council, after consultation with the following organizations or individuals:

(1) The California State Association of Public Administrators, Public Guardians, and Public Conservators, or other comparable organizations.

(2) The State Bar.

(3) Individuals or organizations, approved by the Judicial Council, who represent court investigators, specialists with experience in performing assessments and coordinating community-based services, and legal services programs for the elderly.

(d) The failure of any court or any employee or agent thereof, to provide information to a conservator as required by this section does not:

(1) Relieve the conservator of any of the conservator's duties as required by this division.

(2) Make the court or the employee or agent thereof, liable, in either a personal or official capacity, for damages to a conservatee, conservator, the conservatorship of a person or an estate, or any other person or entity.

(e) The information package shall be made available to individual courts. The Judicial Council shall periodically update the information package when changes in the law warrant revision. The revisions shall be provided to individual courts.

(f) To cover the costs of providing the written information required by this section, a court may charge each private conservator a fee of twenty dollars (\$20) which shall be distributed to the court in which it was collected.

SEC. 148. Section 2343 of the Probate Code is amended to read:

2343. The clerk of the court shall charge each private professional conservator or private professional guardian an annual filing fee that does not exceed the average per-conservator or per-guardian annual cost in complying with this article. This fee shall also include the cost of submitting the fingerprint card to the Department of Justice. This fee shall be distributed to the court in which it was collected.

SEC. 149. Section 7660 of the Probate Code is amended to read:

7660. (a) If a public administrator takes possession or control of an estate pursuant to this chapter, the public administrator may, acting as personal representative of the estate, summarily dispose of the estate in the manner provided in this article in either of the following circumstances:

(1) The total value of the property in the decedent's estate does not exceed the amount prescribed in Section 13100. The authority provided by this paragraph may be exercised only upon order of the court. The order may be made upon ex parte application. The fee to be allowed to the clerk for the filing of the application is one hundred eighty dollars

(§180). The authority for this summary administration of the estate shall be evidenced by a court order for summary disposition.

(2) The total value of the property in the decedent's estate does not exceed thirty thousand dollars (\$30,000). The authority provided by this paragraph may be exercised without court authorization.

(A) A public administrator who is authorized to summarily dispose of property of a decedent pursuant to this paragraph may issue a written certification of Authority for Summary Administration. The written certification is effective for 30 days after the date of issuance.

(B) A financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person shall, without the necessity of inquiring into the truth of the written certification of Authority for Summary Administration and without court order or letters being issued do all of the following:

(i) Provide the public administrator complete information concerning any property held in the name of the decedent, including the names and addresses of any beneficiaries or joint owners.

(ii) Grant the public administrator access to a safe-deposit box or storage facility rented in the name of the decedent for the purpose of inspection and removal of property of the decedent. Costs and expenses incurred in accessing a safe-deposit box or storage facility shall be borne by the estate of the decedent.

(iii) Surrender to the public administrator any property of the decedent that is held or controlled by the financial institution, agency, retirement fund administrator, insurance company, licensed securities dealer, or other person.

(C) Receipt by a financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person of the written certification provided by this article shall do both of the following:

(i) Constitute sufficient acquittance for providing information or granting access to a safe-deposit box or a storage facility and for surrendering any property of the decedent.

(ii) Fully discharge the financial institution, government or private agency, retirement fund administrator, insurance company, licensed securities dealer, or other person from liability for any act or omission of the public administrator with respect to the property, a safe-deposit box, or a storage facility.

(b) Summary disposition may be made notwithstanding the existence of the decedent's will, if the will does not name an executor or if the named executor refuses to act.

(c) Nothing in this article precludes the public administrator from filing a petition with the court under any other provision of this code concerning the administration of the decedent's estate.

(d) Petitions filed pursuant to this article shall contain the information required by Section 8002.

(e) If a public administrator takes possession or control of an estate pursuant to this chapter, this article conveys the authority of a personal representative as described in Section 9650 to the public administrator to summarily dispose of the estates pursuant to the procedures described in paragraphs (1) and (2) of subdivision (a).

(f) The fee charged under paragraph (1) of subdivision (a) shall be distributed as provided in Section 68085.4 of the Government Code. When an application is filed under that paragraph, no other fees shall be charged in addition to the uniform filing fee provided for in Section 68085.4 of the Government Code.

SEC. 150. Section 13201 of the Probate Code is amended to read:

13201. Notwithstanding any other provision of law, the total fee for the filing of an affidavit under Section 13200 and the issuance of one certified copy of the affidavit under Section 13202 is as provided in subdivision (b) of Section 70626 of the Government Code.

SEC. 151. Section 14607.6 of the Vehicle Code is amended to read:

14607.6. (a) Notwithstanding any other provision of law, and except as provided in this section, a motor vehicle is subject to forfeiture as a nuisance if it is driven on a highway in this state by a driver with a suspended or revoked license, or by an unlicensed driver, who is a registered owner of the vehicle at the time of impoundment and has a previous misdemeanor conviction for a violation of subdivision (a) of Section 12500 or Section 14601, 14601.1, 14601.2, 14601.3, 14601.4, or 14601.5.

(b) A peace officer shall not stop a vehicle for the sole reason of determining whether the driver is properly licensed.

(c) (1) If a driver is unable to produce a valid driver's license on the demand of a peace officer enforcing the provisions of this code, as required by subdivision (b) of Section 12951, the vehicle shall be impounded regardless of ownership, unless the peace officer is reasonably able, by other means, to verify that the driver is properly licensed. Prior to impounding a vehicle, a peace officer shall attempt to verify the license status of a driver who claims to be properly licensed but is unable to produce the license on demand of the peace officer.

(2) A peace officer shall not impound a vehicle pursuant to this subdivision if the license of the driver expired within the preceding 30 days and the driver would otherwise have been properly licensed.

(3) A peace officer may exercise discretion in a situation where the driver without a valid license is an employee driving a vehicle registered to the employer in the course of employment. A peace officer may also exercise discretion in a situation where the driver without a valid license is the employee of a bona fide business establishment or is a person otherwise controlled by such an establishment and it reasonably appears that an owner of the vehicle, or an agent of the owner, relinquished possession of the vehicle to the business establishment solely for servicing or parking of the vehicle or other reasonably similar situations, and where the vehicle was not to be driven except as directly necessary to accomplish that business purpose. In this event, if the vehicle can be returned to or be retrieved by the business establishment or registered owner, the peace officer may release and not impound the vehicle.

(4) A registered or legal owner of record at the time of impoundment may request a hearing to determine the validity of the impoundment pursuant to subdivision (n).

(5) If the driver of a vehicle impounded pursuant to this subdivision was not a registered owner of the vehicle at the time of impoundment, or if the driver of the vehicle was a registered owner of the vehicle at the time of impoundment but the driver does not have a previous conviction for a violation of subdivision (a) of Section 12500 or Section 14601, 14601.1, 14601.2, 14601.3, 14601.4, or 14601.5, the vehicle shall be released pursuant to this code and is not subject to forfeiture.

(d) (1) This subdivision applies only if the driver of the vehicle is a registered owner of the vehicle at the time of impoundment. Except as provided in paragraph (5) of subdivision (c), if the driver of a vehicle impounded pursuant to subdivision (c) was a registered owner of the vehicle at the time of impoundment, the impounding agency shall authorize release of the vehicle if, within three days of impoundment, the driver of the vehicle at the time of impoundment presents his or her valid driver's license, including a valid temporary California driver's license or permit, to the impounding agency. The vehicle shall then be released to a registered owner of record at the time of impoundment, or an agent of that owner authorized in writing, upon payment of towing and storage charges related to the impoundment, and any administrative charges authorized by Section 22850.5, providing that the person claiming the vehicle is properly licensed and the vehicle is properly registered. A vehicle impounded pursuant to the circumstances described in paragraph (3) of subdivision (c) shall be released to a registered owner whether or not the driver of the vehicle at the time of impoundment presents a valid driver's license.

(2) If there is a community property interest in the vehicle impounded pursuant to subdivision (c), owned at the time of impoundment by a

person other than the driver, and the vehicle is the only vehicle available to the driver's immediate family that may be operated with a class C driver's license, the vehicle shall be released to a registered owner or to the community property interest owner upon compliance with all of the following requirements:

(A) The registered owner or the community property interest owner requests release of the vehicle and the owner of the community property interest submits proof of that interest.

(B) The registered owner or the community property interest owner submits proof that he or she, or an authorized driver, is properly licensed and that the impounded vehicle is properly registered pursuant to this code.

(C) All towing and storage charges related to the impoundment and any administrative charges authorized pursuant to Section 22850.5 are paid.

(D) The registered owner or the community property interest owner signs a stipulated vehicle release agreement, as described in paragraph (3), in consideration for the nonforfeiture of the vehicle. This requirement applies only if the driver requests release of the vehicle.

(3) A stipulated vehicle release agreement shall provide for the consent of the signator to the automatic future forfeiture and transfer of title to the state of any vehicle registered to that person, if the vehicle is driven by a driver with a suspended or revoked license, or by an unlicensed driver. The agreement shall be in effect for only as long as it is noted on a driving record maintained by the department pursuant to Section 1806.1.

(4) The stipulated vehicle release agreement described in paragraph (3) shall be reported by the impounding agency to the department not later than 10 days after the day the agreement is signed.

(5) No vehicle shall be released pursuant to paragraph (2) if the driving record of a registered owner indicates that a prior stipulated vehicle release agreement was signed by that person.

(e) (1) The impounding agency, in the case of a vehicle that has not been redeemed pursuant to subdivision (d), or that has not been otherwise released, shall promptly ascertain from the department the names and addresses of all legal and registered owners of the vehicle.

(2) The impounding agency, within two days of impoundment, shall send a notice by certified mail, return receipt requested, to all legal and registered owners of the vehicle, at the addresses obtained from the department, informing them that the vehicle is subject to forfeiture and will be sold or otherwise disposed of pursuant to this section. The notice shall also include instructions for filing a claim with the district attorney, and the time limits for filing a claim. The notice shall also inform any legal owner of its right to conduct the sale pursuant to subdivision (g).

If a registered owner was personally served at the time of impoundment with a notice containing all the information required to be provided by this paragraph, no further notice is required to be sent to a registered owner. However, a notice shall still be sent to the legal owners of the vehicle, if any. If notice was not sent to the legal owner within two working days, the impounding agency shall not charge the legal owner for more than 15-days' impoundment when the legal owner redeems the impounded vehicle.

(3) No processing charges shall be imposed on a legal owner who redeems an impounded vehicle within 15 days of the impoundment of that vehicle. If no claims are filed and served within 15 days after the mailing of the notice in paragraph (2), or if no claims are filed and served within five days of personal service of the notice specified in paragraph (2), when no other mailed notice is required pursuant to paragraph (2), the district attorney shall prepare a written declaration of forfeiture of the vehicle to the state. A written declaration of forfeiture signed by the district attorney under this subdivision shall be deemed to provide good and sufficient title to the forfeited vehicle. A copy of the declaration shall be provided on request to any person informed of the pending forfeiture pursuant to paragraph (2). A claim that is filed and is later withdrawn by the claimant shall be deemed not to have been filed.

(4) If a claim is timely filed and served, then the district attorney shall file a petition of forfeiture with the appropriate juvenile or superior court within 10 days of the receipt of the claim. The district attorney shall establish an expedited hearing date in accordance with instructions from the court, and the court shall hear the matter without delay. The court filing fee of one hundred dollars (\$100) shall be paid by the claimant, but shall be reimbursed by the impounding agency if the claimant prevails. To the extent practicable, the civil and criminal cases shall be heard at the same time in an expedited, consolidated proceeding. A proceeding in the civil case is a limited civil case.

(5) The burden of proof in the civil case shall be on the prosecuting agency, by a preponderance of the evidence. All questions that may arise shall be decided and all other proceedings shall be conducted as in an ordinary civil action. A judgment of forfeiture does not require as a condition precedent the conviction of a defendant of an offense which made the vehicle subject to forfeiture. The filing of a claim within the time limits specified in paragraph (3) is considered a jurisdictional prerequisite for the availing of the action authorized by that paragraph.

(6) All right, title, and interest in the vehicle shall vest in the state upon commission of the act giving rise to the forfeiture.

(7) The filing fee in paragraph (4) shall be distributed as follows:

(A) To the county law library fund as provided in Section 6320 of the Business and Professions Code, the amount specified in Sections 6321 and 6322.1 of the Business and Professions Code.

(B) To the Trial Court Trust Fund, the remainder of the fee.

(f) Any vehicle impounded that is not redeemed pursuant to subdivision (d) and is subsequently forfeited pursuant to this section shall be sold once an order of forfeiture is issued by the district attorney of the county of the impounding agency or a court, as the case may be, pursuant to subdivision (e).

(g) Any legal owner who is a motor vehicle dealer, bank, credit union, acceptance corporation, or other licensed financial institution legally operating in this state, or the agent of that legal owner, may take possession and conduct the sale of the forfeited vehicle if the legal owner or agent notifies the agency impounding the vehicle of its intent to conduct the sale within 15 days of the mailing of the notice pursuant to subdivision (e). Sale of the vehicle after forfeiture pursuant to this subdivision may be conducted at the time, in the manner, and on the notice usually given for the sale of repossessed or surrendered vehicles. The proceeds of any sale conducted by or on behalf of the legal owner shall be disposed of as provided in subdivision (i). A notice pursuant to this subdivision may be presented in person, by certified mail, by facsimile transmission, or by electronic mail.

(h) If the legal owner or agent of the owner does not notify the agency impounding the vehicle of its intent to conduct the sale as provided in subdivision (g), the agency shall offer the forfeited vehicle for sale at public auction within 60 days of receiving title to the vehicle. Low value vehicles shall be disposed of pursuant to subdivision (k).

(i) The proceeds of a sale of a forfeited vehicle shall be disposed of in the following priority:

(1) To satisfy the towing and storage costs following impoundment, the costs of providing notice pursuant to subdivision (e), the costs of sale, and the unfunded costs of judicial proceedings, if any.

(2) To the legal owner in an amount to satisfy the indebtedness owed to the legal owner remaining as of the date of sale, including accrued interest or finance charges and delinquency charges, providing that the principal indebtedness was incurred prior to the date of impoundment.

(3) To the holder of any subordinate lien or encumbrance on the vehicle, other than a registered or legal owner, to satisfy any indebtedness so secured if written notification of demand is received before distribution of the proceeds is completed. The holder of a subordinate lien or encumbrance, if requested, shall furnish reasonable proof of its interest and, unless it does so upon request, is not entitled to distribution pursuant to this paragraph.

(4) To any other person, other than a registered or legal owner, who can reasonably establish an interest in the vehicle, including a community property interest, to the extent of his or her provable interest, if written notification is received before distribution of the proceeds is completed.

(5) Of the remaining proceeds, funds shall be made available to pay any local agency and court costs, that are reasonably related to the implementation of this section, that remain unsatisfied.

(6) Of the remaining proceeds, half shall be transferred to the Controller for deposit in the Vehicle Inspection and Repair Fund for the high-polluter repair assistance and removal program created by Article 9 (commencing with Section 44090) of Chapter 5 of Part 5 of Division 26 of the Health and Safety Code, and half shall be transferred to the general fund of the city or county of the impounding agency, or the city or county where the impoundment occurred. A portion of the local funds may be used to establish a reward fund for persons coming forward with information leading to the arrest and conviction of hit-and-run drivers and to publicize the availability of the reward fund.

(j) The person conducting the sale shall disburse the proceeds of the sale as provided in subdivision (i) and shall provide a written accounting regarding the disposition to the impounding agency and, on request, to any person entitled to or claiming a share of the proceeds, within 15 days after the sale is conducted.

(k) If the vehicle to be sold pursuant to this section is not of the type that can readily be sold to the public generally, the vehicle shall be conveyed to a licensed dismantler or donated to an eleemosynary institution. License plates shall be removed from any vehicle conveyed to a dismantler pursuant to this subdivision.

(l) No vehicle shall be sold pursuant to this section if the impounding agency determines the vehicle to have been stolen. In this event, the vehicle may be claimed by the registered owner at any time after impoundment, providing the vehicle registration is current and the registered owner has no outstanding traffic violations or parking penalties on his or her driving record or on the registration record of any vehicle registered to the person. If the identity of the legal and registered owners of the vehicle cannot be reasonably ascertained, the vehicle may be sold.

(m) Any owner of a vehicle who suffers any loss due to the impoundment or forfeiture of any vehicle pursuant to this section may recover the amount of the loss from the unlicensed, suspended, or revoked driver. If possession of a vehicle has been tendered to a business establishment in good faith, and an unlicensed driver employed or otherwise directed by the business establishment is the cause of the impoundment of the vehicle, a registered owner of the impounded vehicle

may recover damages for the loss of use of the vehicle from the business establishment.

(n) (1) The impounding agency, if requested to do so not later than 10 days after the date the vehicle was impounded, shall provide the opportunity for a poststorage hearing to determine the validity of the storage to the persons who were the registered and legal owners of the vehicle at the time of impoundment, except that the hearing shall be requested within three days after the date the vehicle was impounded if personal service was provided to a registered owner pursuant to paragraph (2) of subdivision (e) and no mailed notice is required.

(2) The poststorage hearing shall be conducted not later than two days after the date it was requested. The impounding agency may authorize its own officer or employee to conduct the hearing if the hearing officer is not the same person who directed the storage of the vehicle. Failure of either the registered or legal owner to request a hearing as provided in paragraph (1) or to attend a scheduled hearing shall satisfy the poststorage hearing requirement.

(3) The agency employing the person who directed the storage is responsible for the costs incurred for towing and storage if it is determined that the driver at the time of impoundment had a valid driver's license.

(o) As used in this section, "days" means workdays not including weekends and holidays.

(p) Charges for towing and storage for any vehicle impounded pursuant to this section shall not exceed the normal towing and storage rates for other vehicle towing and storage conducted by the impounding agency in the normal course of business.

(q) The Judicial Council and the Department of Justice may prescribe standard forms and procedures for implementation of this section to be used by all jurisdictions throughout the state.

(r) The impounding agency may act as the agent of the state in carrying out this section.

(s) No vehicle shall be impounded pursuant to this section if the driver has a valid license but the license is for a class of vehicle other than the vehicle operated by the driver.

(t) This section does not apply to vehicles subject to Sections 14608 and 14609, if there has been compliance with the procedures in those sections.

(u) As used in this section, "district attorney" includes a city attorney charged with the duty of prosecuting misdemeanor offenses.

(v) The agent of a legal owner acting pursuant to subdivision (g) shall be licensed, or exempt from licensure, pursuant to Chapter 11

(commencing with Section 7500) of Division 3 of the Business and Professions Code.

SEC. 152. Section 40230 of the Vehicle Code is amended to read:

40230. (a) Within 30 calendar days after the mailing or personal delivery of the final decision described in subdivision (b) of Section 40215, the contestant may seek review by filing an appeal to be heard by the superior court where the same shall be heard de novo, except that the contents of the processing agency's file in the case shall be received in evidence. A copy of the notice of parking violation or, if the citation was issued electronically, a true and correct abstract containing the information set forth in the notice of parking violation shall be admitted into evidence as prima facie evidence of the facts stated therein. A copy of the notice of appeal shall be served in person or by first-class mail upon the processing agency by the contestant. For purposes of computing the 30-calendar-day period, Section 1013 of the Code of Civil Procedure shall be applicable. A proceeding under this subdivision is a limited civil case.

(b) The fee for filing the notice of appeal is twenty-five dollars (\$25). The court shall request that the processing agency's file on the case be forwarded to the court, to be received within 15 calendar days of the request. The court shall notify the contestant of the appearance date by mail or personal delivery. The court shall retain the twenty-five dollar (\$25) fee regardless of the outcome of the appeal. If the court finds in favor of the contestant, the amount of the fee shall be reimbursed to the contestant by the processing agency. Any deposit of parking penalty shall be refunded by the processing agency in accordance with the judgment of the court.

(c) The conduct of the appeal under this section is a subordinate judicial duty that may be performed by traffic trial commissioners and other subordinate judicial officials at the direction of the presiding judge of the court.

(d) If no notice of appeal of the processing agency's decision is filed within the period set forth in subdivision (a), the decision shall be deemed final.

(e) If the parking penalty has not been deposited and the decision is against the contestant, the processing agency shall, after the decision becomes final, proceed to collect the penalty pursuant to Section 40220.

SEC. 153. The Judicial Council shall report to the Joint Legislative Budget Committee by November 1, 2006 on the impact of the uniform civil filing fee changes enacted in the Budget Act on the ability of low income litigants to access the court system. This report shall include recommendations on the use of fee waivers, deferrals, and partial payments or payments over time as mechanisms to ensure access in a

fiscally responsible manner, as well as any recommended statutory changes to enhance the use of these procedures.

SEC. 154. Section 19 of this bill shall only become operative if AB 1459, SB 422, or SB 996 is enacted and becomes effective on or before January 1, 2006, and increases the jurisdictional limit of the small claims court, in which case Section 18 of this bill shall not be operative.

SEC. 155. 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.

SEC. 156. The provisions of this act, other than Section 115, shall become operative on January 1, 2006. Section 115 shall become operative immediately.

SEC. 157. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to implement the Budget Act of 2005, it is necessary for this act to take effect immediately.

CHAPTER 76

An act to amend Sections 14556.5, 14556.8, and 63048.65 of the Government Code, to amend Section 99310.6 of the Public Utilities Code, to amend Section 7102 of, to amend Section 7102 of, and to add Section 7107 to, the Revenue and Taxation Code, to amend Sections 183 and 188.10 of the Streets and Highways Code, and to add and repeal Section 4000.39 of the Vehicle Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 19, 2005. Filed with
Secretary of State July 19, 2005.]

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

SECTION 1. Section 14556.5 of the Government Code is amended to read:

14556.5. (a) The Traffic Congestion Relief Fund is hereby created in the State Treasury. The fund shall include deposits of funds provided in the annual Budget Act, provided from the Transportation Investment

Fund established under Section 7104 of the Revenue and Taxation Code, or provided under any other statute. Notwithstanding Section 13340, the money in the fund is hereby continuously appropriated to the department, without regard to fiscal years, as follows:

(1) For allocation by the department, as directed by the commission pursuant to Section 14556.20, to the department and other regional and local transportation entities for the projects listed in Article 5 (commencing with Section 14556.40).

(2) For allocation by the Controller, the sum of four hundred million dollars (\$400,000,000), for allocation during the 2000–01 fiscal year to cities, counties, and cities and counties, pursuant to Section 2182 of the Streets and Highways Code.

(3) For allocation by the commission to the funding exchange program authorized by Section 182.8 of the Streets and Highways Code.

(b) Notwithstanding any other provision of law, the Department of Finance may adjust the budgeting, accounting, and reporting system for the fund so that unliquidated encumbrances are not reflected in the fund balance or financial statements.

SEC. 2. Section 14556.8 of the Government Code is amended to read:

14556.8. (a) (1) To the extent necessary to provide adequate cash to fund projected expenditures under this chapter, the Director of Finance may authorize, by Executive order, the transfer of not more than one hundred million dollars (\$100,000,000), as an interest free loan, from the Motor Vehicle Account in the State Transportation Fund to the TCRF, and the transfer of any available funds, as an interest free loan, from the General Fund to the TCRF. Loans from the Motor Vehicle Account may be made no sooner than July 1, 2004, and shall be repaid no later than July 1, 2007. The Director of Finance shall not authorize a loan from the Motor Vehicle Account, and shall promptly require the repayment of any outstanding balance owed to that account, if the funds are needed in the account to make expenditures authorized in the annual Budget Act and by any other appropriations made by the Legislature.

(2) To provide cash needed for expenditures on projects listed in Section 14556.40, the Legislature may authorize loans from the Public Transportation Account or the State Highway Account to the TCRF through the annual Budget Act. The Legislature may also authorize the State Highway Account to expend funds on behalf of projects listed in Section 14556.40 and those expenditures shall constitute a loan to the TCRF. Loans from the Public Transportation Account shall not exceed a cumulative total of two hundred eighty million dollars (\$280,000,000), and loans from the State Highway Account shall not exceed a cumulative total of six hundred fifty-four million dollars (\$654,000,000).

(b) The Director of Finance shall order the repayment of the loans authorized under this section under those terms and conditions that the director deems appropriate, upon determining that there are adequate funds available for that purpose in the TCRF and that repayment will not jeopardize the availability of money needed to fund approved and projected expenditures under this chapter. All loans from the Public Transportation Account shall be repaid by June 30, 2008, and all loans from the State Highway Account shall be repaid by June 30, 2007. Upon the request of the commission or the Director of Finance, the department shall provide a report, for purposes of this subdivision, projecting the cash needs of the projects approved under this chapter.

(c) (1) Money in the TCRF derived from the General Fund and not currently needed for expenditures on the projects listed in Section 14556.40 may be loaned to the General Fund through the annual Budget Act.

(2) Upon making a determination that funds in the TCRF are not adequate to support expected cash expenditures for the listed projects, the Director of Finance, by Executive order, shall require that funds loaned to the General Fund under paragraph (1) be repaid to the TCRF. All these loans shall be repaid upon the sale of bonds authorized by Article 6.5 (commencing with Section 63048.6) of Chapter 2 of Division 1 of Title 6.7. If the proceeds from those bonds are insufficient to repay the funds loaned to the General Fund under paragraph (1), the remaining amount of those loans shall be repaid from future tribal gaming revenues, additional securitizations against those revenues, or from the General Fund.

(3) Interest at the rate earned by the Surplus Money Investment Fund shall be paid to the TCRF from the General Fund with respect to the cumulative amount loaned from the State Highway Account to the TCRF pursuant to paragraph (2) of subdivision (a) that is in excess of one hundred eighty million dollars (\$180,000,000). The amount of this interest obligation shall be calculated annually on the balance of this portion of this outstanding loan amount. All interest on the loan shall be paid in full on or before June 30, 2007, and the interest payment shall be transferred from the TCRF to the State Highway Account.

(d) Funds loaned to the TCRF under this section shall be used for purposes consistent with any restrictions on uses of those funds imposed under the California Constitution or by statute. The department shall identify specific projects to which those funds may properly be applied and shall propose that application of funds to the commission. The commission shall designate projects to receive those funds through the processes described in Article 3 (commencing with Section 14556.10) and Article 4 (commencing with Section 14556.25). The department

shall report periodically to the commission and the Department of Finance on the expenditure of those funds.

(e) This section shall become inoperative on July 1, 2008, and, as of January 1, 2009, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2009, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 63048.65 of the Government Code is amended to read:

63048.65. (a) Upon a filing by the Director of Finance with the bank of a list of designated tribal compacts and the specific portions of the compact assets to be sold, the bank may sell for, and on behalf of, the state, solely as its agent, those specific portions of the compact assets to a special purpose trust. To that end, a special purpose trust is hereby established as a not-for-profit corporation solely for that purpose and for the purposes necessarily incidental thereto. The bank may enter into one or more sales agreements with the special purpose trust on terms it deems appropriate, which may include covenants of, and binding on, the state necessary to establish and maintain the security of the bonds and exemption of interest on the bonds from federal income taxation. The portion of the compact assets to be sold shall be an amount or amounts determined by the Director of Finance that are necessary to provide the state with net proceeds of the sale, not to exceed one billion five hundred million dollars (\$1,500,000,000), exclusive of capitalized interest on the bonds and any costs incurred by the bank or the special purpose trust in implementing this article, including, but not limited to, the cost of financing one or more reserve funds, any credit enhancements, costs incurred in the issuance of bonds, and operating expenses. Those specific portions of the compact assets may be sold at one time or from time to time.

(b) The special purpose trust may issue bonds, including, but not limited to, refunding bonds, on the terms it shall determine, and do all things contemplated by, and authorized by, this division with respect to the bank, and enjoy all rights, privileges, and immunities the bank enjoys pursuant to this division, or as authorized by Section 5140 of the Corporations Code with respect to public benefit nonprofit corporations, or as necessary or appropriate in connection with the issuance of bonds, and may enter into agreements with any public or private entity and pledge the compact assets that it purchased as collateral and security for its bonds. However, to the extent of any conflict between any of the foregoing and the provisions of this article, the provisions of this article shall control. The pledge of any of these assets and of any revenues, reserves, and earnings pledged in connection with these assets shall be valid and binding in accordance with its terms from the time the pledge

is made, and amounts so pledged and thereafter received shall immediately be subject to the lien of the pledge without the need for physical delivery, recordation, filing, or other further act. The special purpose trust, and its assets and income, and bonds issued by the special purpose trust, and their transfer and the income therefrom, shall be exempt from all taxation by the state and by its political subdivisions.

(c) (1) The net proceeds of the sale of compact assets by the bank shall be deposited in the following order:

(A) One billion two hundred twenty-two million dollars (\$1,222,000,000) to the Traffic Congestion Relief Fund for the purpose of funding or reimbursing the cost of projects, programs, and activities permitted and necessary to be funded by that fund in accordance with applicable law in the following priority order:

(i) Transfer of four hundred sixty-five million dollars (\$465,000,000) to the State Highway Account for project expenditures.

(ii) Two hundred ninety million dollars (\$290,000,000) for allocation to Traffic Congestion Relief Program projects.

(iii) Three hundred eighty-four million dollars (\$384,000,000) to be allocated equally, as funds become available, for both of the following:

(I) To the Public Transportation Account for project expenditures.

(II) For advanced repayments of local street and road projects due for funding in the 2008–09 fiscal year.

(iv) Eighty-three million dollars (\$83,000,000) to the Public Transportation Account for project expenditures.

(v) Advanced funding of State Transit Assistance loans due for funding in the 2008–09 fiscal year.

(B) To the Transportation Deferred Investment Fund, an amount up to the outstanding amount of the suspension of the 2004–05 fiscal year transfer of the sales tax on gasoline to the Transportation Investment Fund pursuant to requirements of Article XIX B of the California Constitution.

(C) To the Transportation Deferred Investment Fund, an amount up to the outstanding amount of the suspension of the 2003–04 fiscal year transfer of the sales tax on gasoline to the Transportation Investment Fund pursuant to requirements of Article XIX B of the California Constitution.

(2) Notwithstanding paragraph (1), if and to the extent it is necessary to ensure to the maximum extent practicable the eligibility for exclusion from taxation under the federal Internal Revenue Code of interest on the bonds to be issued by the special purpose trust, the Director of Finance may adjust the application of proceeds not eligible for exclusion from taxation among the authorized funds described in paragraph (1). The Department of Finance shall submit a report to the Legislature describing

any proposed changes among the authorized funds in paragraph (1), and consistent with this paragraph, at least 30 days prior to issuing the bonds pursuant to this article. Amounts deposited in the Traffic Congestion Relief Fund pursuant to paragraph (1) shall be applied as a credit to transfers from the General Fund that the Controller would otherwise be required to make to that fund. Amounts deposited in the Transportation Deferred Investment Fund shall be expended in conformance with Sections 7105 and 7106 of the Revenue and Taxation Code, and the amounts so deposited shall also be applied as a credit to the transfers from the General Fund that the Controller would otherwise be required to make under those sections. The Legislature hereby finds and declares that the deposits and credits described in this subdivision do not constitute the use of the proceeds of bonds or other indebtedness to pay a year-end state budget deficit as prohibited by subdivision (c) of Section 1.3 of Article XVI of the California Constitution. Subject to any constitutional limitation, the use and application of the proceeds of any sale of compact assets or bonds shall not in any way affect the legality or validity of that sale or those bonds.

(d) Funds received from amended tribal-state compacts, or new compacts entered into and ratified on or after the effective date of this article, pursuant to Section 4.3.1 of the amended compacts, or the comparable section in new compacts, as specified in those compacts, that are neither sold to the special purpose trust nor otherwise appropriated, and funds received as a result of the state's acquisition of an ownership interest in any residual interest in compact assets attributable to Section 4.3.1 of the amended compacts, or the comparable section in new compacts, as specified in those compacts, shall be remitted to the California Gambling Control Commission for deposit in the General Fund.

(e) Funds received from amended tribal-state compacts, or new compacts entered into and ratified on or after the effective date of this article, pursuant to Section 4.3.3 of the amended compacts, or the comparable section in new compacts, as specified in those compacts, shall be held in an account within the Special Deposit Fund until those funds are sold or otherwise applied pursuant to this subdivision. From time to time, at the direction of the Director of Finance, any moneys in this account shall be deposited and applied in accordance with subdivision (c) or shall be deemed to be compact assets for purposes of sale to the special purpose trust pursuant to this article. If the Director of Finance determines that the bonds authorized pursuant to this article cannot be successfully issued by the special purpose trust, funds within the account shall be deposited in accordance with subdivision (c). In addition, all subsequent revenues remitted pursuant to Section 4.3.3 of the amended

compacts, or the comparable section in new compacts, as specified in those compacts, and funds received as a result of the state's acquisition of an ownership interest in any residual interest in compact assets attributable to Section 4.3.3 of the amended compacts, or the comparable section in new compacts, as specified in those compacts, shall be used to satisfy the purposes of subdivision (c). When the amounts described in subdivision (c) have been paid to the funds named in that subdivision either pursuant to this article or by other appropriations or transfers, thereafter the revenues received by the state from Section 4.3.3 of the compact shall be remitted to the California Gambling Control Commission for deposit in the General Fund.

(f) The principal office of the special purpose trust shall be located in the County of Sacramento. The articles of incorporation of the special purpose trust shall be prepared and filed, on behalf of the state, with the Secretary of State by the bank. The members of the board of directors of the bank as of the effective date of this article, the Director of the Department of Transportation, and the Director of General Services, shall each serve ex officio as the directors of the special purpose trust. Any of these directors may name a designee to act on his or her behalf as a director of the special purpose trust. The Director of Finance or his or her designee shall serve as chair of the special purpose trust. Directors of the special purpose trust shall not be subject to personal liability for carrying out the powers and duties conferred by this article. The Legislature hereby finds and declares that the duties and responsibilities of the directors of the special purpose trust and the duties and responsibilities of the Director of Finance established under this article are within the scope of the primary duties of those persons in their official capacities. The special purpose trust shall be treated as a separate legal entity with its separate corporate purpose as described in this article, and the assets, liabilities, and funds of the special purpose trust shall be neither consolidated nor commingled with those of the bank.

SEC. 4. Section 99310.6 of the Public Utilities Code is amended to read:

99310.6. Notwithstanding any other provision of law, the Department of Finance may adjust the budgeting, accounting, and reporting system for the Public Transportation Account so that unliquidated encumbrances are not reflected in the fund balance or financial statements.

SEC. 5. Section 7102 of the Revenue and Taxation Code is amended to read:

7102. The money in the fund shall, upon order of the Controller, be drawn therefrom for refunds under this part, credits or refunds pursuant to Section 60202, and refunds pursuant to Section 1793.25 of the Civil Code, or be transferred in the following manner:

(a) (1) All revenues, less refunds, derived under this part at the $4\frac{3}{4}$ -percent rate, including the imposition of sales and use taxes with respect to the sale, storage, use, or other consumption of motor vehicle fuel which would not have been received if the sales and use tax rate had been 5 percent and if motor vehicle fuel, as defined for purposes of the Motor Vehicle Fuel License Tax Law (Part 2 (commencing with Section 7301)), had been exempt from sales and use taxes, shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.

(A) For the 2001–02 fiscal year, those transfers may not be more than eighty-one million dollars (\$81,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds eighty-one million dollars (\$81,000,000).

(B) For the 2002–03 fiscal year, those transfers may not be more than thirty-seven million dollars (\$37,000,000) plus one-half of the amount computed pursuant to this paragraph that exceeds thirty-seven million dollars (\$37,000,000).

(C) For the 2003–04 fiscal year, no transfers shall be made pursuant to this paragraph, except that if the amount to be otherwise transferred pursuant to this paragraph is in excess of eighty-seven million four hundred fifty thousand dollars (\$87,450,000), then the amount of that excess shall be transferred.

(D) For the 2004–05 fiscal year, no transfers shall be made pursuant to this paragraph, and of the amount that would otherwise have been transferred, one hundred forty million dollars (\$140,000,000) shall instead be transferred to the Traffic Congestion Relief Fund as partial repayment of amounts owed by the General Fund pursuant to Item 2600-011-3007 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002).

(E) For the 2005-06 fiscal year, no transfers shall be made pursuant to this paragraph.

(F) For the 2006-07 fiscal year, no transfers shall be made pursuant to this paragraph, except that if the amount to be otherwise transferred pursuant to this paragraph is in excess of two hundred million dollars (\$200,000,000), then the amount of that excess shall be transferred.

(2) All revenues, less refunds, derived under this part at the $4\frac{3}{4}$ -percent rate, resulting from increasing, after December 31, 1989, the rate of tax imposed pursuant to the Motor Vehicle Fuel License Tax Law on motor vehicle fuel, as defined for purposes of that law, shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.

(3) All revenues, less refunds, derived under this part at the 4 3/4-percent rate from the imposition of sales and use taxes on fuel, as defined for purposes of the Use Fuel Tax Law (Part 3 (commencing with Section 8601)) and the Diesel Fuel Tax Law (Part 31 (commencing with Section 60001)), shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be transferred quarterly to the Public Transportation Account, a trust fund in the State Transportation Fund.

(4) All revenues, less refunds, derived under this part from the taxes imposed pursuant to Sections 6051.2 and 6201.2 shall be transferred to the Sales Tax Account of the Local Revenue Fund for allocation to cities and counties as prescribed by statute.

(5) All revenues, less refunds, derived from the taxes imposed pursuant to Section 35 of Article XIII of the California Constitution shall be transferred to the Public Safety Account in the Local Public Safety Fund created in Section 30051 of the Government Code for allocation to counties as prescribed by statute.

(b) The balance shall be transferred to the General Fund.

(c) The estimates required by subdivision (a) shall be based on taxable transactions occurring during a calendar year, and the transfers required by subdivision (a) shall be made during the fiscal year that commences during that same calendar year. Transfers required by paragraphs (1), (2), and (3) of subdivision (a) shall be estimated by the State Board of Equalization, with the concurrence of the Department of Finance, and shall be made quarterly.

(d) Notwithstanding the designation of the Public Transportation Account as a trust fund pursuant to subdivision (a), the Controller may use the Public Transportation Account for loans to the General Fund as provided in Sections 16310 and 16381 of the Government Code. The loans shall be repaid with interest from the General Fund at the Pooled Money Investment Account rate.

(e) The Legislature may amend this section, by statute passed in each house of the Legislature by rollcall vote entered in the journal, two-thirds of the membership concurring, if the statute is consistent with, and furthers the purposes of this section.

SEC. 6. Section 7107 is added to the Revenue and Taxation Code, to read:

7107. Pursuant to the requirements of paragraph (1) of subdivision (b) of Section 1 of Article XIX B of the California Constitution, moneys in the Transportation Investment Fund derived from the 2005-06, 2006-07, and 2007-08 fiscal year transfers from the General Fund made pursuant to subdivision (a) and paragraph (1) of subdivision (b) of Section 1 of Article XIX B of the California Constitution are hereby continuously

appropriated without regard to fiscal years for disbursement in the manner and for the purposes set forth in Section 7104 as that section read on March 6, 2002.

SEC. 7. Section 183 of the Streets and Highways Code is amended to read:

183. (a) All money in the State Highway Account in the State Transportation Fund derived from federal sources or from appropriations to other state agencies, or deposited in the account by local agencies or by others, is continuously appropriated to, and shall be available for expenditure by, the department for the purposes for which the money was made available.

Unless otherwise expressly provided for by law, none of the balance of the money in the State Highway Account shall be expended until it has been specifically appropriated by the Legislature or made available pursuant to Section 13322 of the Government Code.

The Budget Act appropriations shall be made on a program basis only and shall not identify the specific capital outlay projects to be funded. The commission shall be responsible for allocating the funds to specific projects within the budget program categories, except that all funds described in Chapter 5 (commencing with Section 2200) of Division 3 shall be allocated on a program basis to the department for allocation pursuant to that chapter.

(b) Notwithstanding subdivision (a), commencing with the 1985–86 Budget, the department shall submit with its budget requests a detailed description of the acquisition, improvement, and construction of office building projects to the Legislature for review. The total amount appropriated for those projects shall be identified as a separate line item in the Budget Act. Funds appropriated for those projects shall be allocated by the commission only for projects which have been approved by the Legislature. Minor projects are to be defined consistent with Section 167. The commission may substitute for approved minor projects, if the total sum of minor projects is within the amount approved by the Legislature.

(c) Notwithstanding any other provision of law, the Department of Finance may adjust the budgeting, accounting, and reporting system for the State Highway Account so that unliquidated encumbrances are not reflected in the fund balance or financial statements.

SEC. 8. Section 188.10 of the Streets and Highways Code is amended to read:

188.10. (a) The Toll Bridge Seismic Retrofit Account is hereby created in the State Transportation Fund. The money in the account is hereby appropriated, without regard to fiscal years, to the department for the purpose of funding seismic retrofit or replacement of the bridges

listed in Section 188.5. Notwithstanding Section 11012 of the Government Code, the department, in consultation with the Department of Finance and the Office of the State Treasurer, may authorize the investment of bond proceeds or commercial paper proceeds deposited into the account in obligations permitted by the Treasurer. Those invested amounts may be held by a trustee who is either the Treasurer or who is selected by the Treasurer. Authorized investments made pursuant to this section shall be included as cash balance for purposes of reporting the condition of the account in the Governor's proposed budget or pursuant to the reporting requirement contained in subdivision (b) of Section 14556.9 of the Government Code.

(b) The Department of Finance shall provide notification to the Joint Legislative Budget Committee and to the transportation policy committee in each house in the form of a financing plan or pro forma at least 60 days prior to the initial issuance of any commercial paper or the issuance of any bonds for purposes of the toll bridge seismic retrofit program. The financing plan or pro forma shall include all of the following components:

(1) The amount and form of the debt issuance or issuances, the term of the issuance or issuances, repayment and security provisions, the amount and structure of any reserve funds, and all other details of the proposed financing.

(2) All necessary information with respect to the sources and uses of funds to construct the projects identified in the toll bridge seismic retrofit program and the timing of expenditures by each fund source by fiscal year.

(3) An assessment of funding available for the Bay Area Toll Authority for authorized projects as a result of the financing.

(c) The Department of Finance is not required to provide additional notification to the Legislature after meeting the requirements of subdivision (b) unless additional bonds are issued or changes are made to existing bonds that alter the content of the financing plan it submitted under subdivision (b). The Department of Finance shall notify the Legislature within 60 days of the closing of a refunding or an advance refunding of an existing bond but is not required to include this information in its report under subdivision (b).

(d) No interest income earned as a result of investments made pursuant to subdivision (a), or from reserve funds created to support the financing, shall be used to pay project costs that are in excess of four billion six hundred thirty-seven million dollars (\$4,637,000,000). No reserve funds, other than a required debt service reserve fund, shall be in place subsequent to the completion of the seismic retrofit projects.

(e) Notwithstanding any other provision of law, the Department of Finance may adjust the budgeting, accounting, and reporting system for the account so that unliquidated encumbrances are not reflected in the fund balance or financial statements.

SEC. 9. Section 4000.39 is added to the Vehicle Code, to read:

4000.39. (a) Except as provided under this section, the department shall implement the requirements of Section 4000.38 on January 1, 2006.

(b) On January 1, 2006, the Director of Finance shall do all of the following:

(1) Determine whether the department has commenced implementation of Section 4000.38.

(2) If the department has not commenced implementation of Section 4000.38, the Director of Finance shall determine whether the failure to implement was due to circumstances beyond the control of the department.

(c) On February 1, 2006, the Director of Finance shall report to the Governor and the Legislature regarding his or her findings under subdivision (b).

(d) If the report submitted under subdivision (c) states that the department did not implement Section 4000.38 on January 1, 2006, and the failure to implement was due to circumstances beyond the control of the department, the date for implementation of Section 4000.38 is hereby extended from January 1, 2006, to March 1, 2006.

(e) On March 1, 2006, if the date for implementation was extended to March 1, 2006, under subdivision (d), the Director of Finance shall do all of the following:

(1) Determine whether the department has commenced implementation of Section 4000.38.

(2) If the department has not commenced implementation of Section 4000.38, the Director of Finance shall determine whether the failure to implement was due to circumstances beyond the control of the department.

(f) On April 1, 2006, the Director of Finance shall report to the Governor and the Legislature regarding his or her findings under subdivision (e).

(g) If the report submitted under subdivision (f) states that the department did not implement Section 4000.38 on March 1, 2006, and the failure to implement was due to circumstances beyond the control of the department, the date for implementation of Section 4000.38 is hereby extended from March 1, 2006, to May 1, 2006.

(h) On May 1, 2006, if the date for implementation was extended to May 1, 2006, under subdivision (g), the Director of Finance shall do all of the following:

(1) Determine whether the department has commenced implementation of Section 4000.38.

(2) If the department has not commenced implementation of Section 4000.38, the Director of Finance shall determine whether the failure to implement was due to circumstances beyond the control of the department.

(i) On June 1, 2006, the Director of Finance shall report to the Governor and the Legislature regarding his or her findings under subdivision (h).

(j) If the report submitted under subdivision (i) states that the department did not implement Section 4000.38 on May 1, 2006, and the failure to implement was due to circumstances beyond the control of the department, the date for implementation of Section 4000.38 is hereby extended from May 1, 2006, to July 1, 2006.

(k) On July 1, 2006, if the date for implementation was extended to July 1, 2006, under subdivision (j), the Director of Finance shall do all of the following:

(1) Determine whether the department has commenced implementation of Section 4000.38.

(2) If the department has not commenced implementation of Section 4000.38, the Director of Finance shall determine whether the failure to implement was due to circumstances beyond the control of the department.

(l) On August 1, 2006, the Director of Finance shall report to the Governor and the Legislature regarding his or her findings under subdivision (k).

(m) If the report submitted under subdivision (l) states that the department did not implement Section 4000.38 on July 1, 2006, and the failure to implement was due to circumstances beyond the control of the department, the date for implementation of Section 4000.38 is hereby extended from July 1, 2006, to October 1, 2006.

(n) 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. 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 ensure adequate funding for the operation of state government, it is necessary that this act take effect immediately.

CHAPTER 77

An act to amend Section 10080 of, and to repeal Sections 10002, 10002.5, 10054, 10055, 10056, 10057, 10058, and 10060 of, the Business and Professions Code, to repeal Chapter 9 (commencing with Section 6950) of Part 1 of Division 6 of the Fish and Game Code, to amend Section 54451.5 of, and to repeal Article 3 (commencing with Section 54442) of Chapter 2 of Division 20 of, the Food and Agricultural Code, to amend Sections 7550.5, 8700, 8701, 8702, 8705, 8709, and 12232 of, and to repeal Sections 8704, 8707, 12231, and 65054.5 of, the Government Code, to amend Sections 1347.15, 1367.03, 1367.04, and 1368.2 of, and to repeal Sections 1342.3, 1347, and 1347.1 of, the Health and Safety Code, to amend Sections 154, 261, 262, and 262.5 of, to repeal Section 2158 of, and to repeal and add Section 2157 of, the Streets and Highways Code, and to amend Section 14165.8 of the Welfare and Institutions Code, relating to boards and commissions.

[Approved by Governor July 19, 2005. Filed with
Secretary of State July 19, 2005.]

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

SECTION 1. Section 10002 of the Business and Professions Code is repealed.

SEC. 2. Section 10002.5 of the Business and Professions Code is repealed.

SEC. 3. Section 10054 of the Business and Professions Code is repealed.

SEC. 4. Section 10055 of the Business and Professions Code is repealed.

SEC. 5. Section 10056 of the Business and Professions Code is repealed.

SEC. 6. Section 10057 of the Business and Professions Code is repealed.

SEC. 7. Section 10058 of the Business and Professions Code is repealed.

SEC. 8. Section 10060 of the Business and Professions Code is repealed.

SEC. 9. Section 10080 of the Business and Professions Code is amended to read:

10080. The commissioner may adopt, amend, or repeal rules and regulations that are reasonably necessary for the enforcement of the provisions of this part and of Chapter 1 (commencing with Section

11000) of Part 2 of this division. The rules and regulations shall be adopted, amended, or repealed in accordance with the provisions of the Administrative Procedure Act.

SEC. 10. Chapter 9 (commencing with Section 6950) of Part 1 of Division 6 of the Fish and Game Code is repealed.

SEC. 11. Article 3 (commencing with Section 54442) of Chapter 2 of Division 20 of the Food and Agricultural Code is repealed.

SEC. 12. Section 54451.5 of the Food and Agricultural Code is amended to read:

54451.5. A conciliation service shall be appointed by the department if the parties cannot agree on a conciliator.

SEC. 13. Section 7550.5 of the Government Code is amended to read:

7550.5. (a) For purposes of this section:

(1) "Public agency" means any state or local agency or district, including, but not limited to, a school district, the University of California, the California State University, and the California Community Colleges.

(2) "Written report" means a document that a statute requires to be prepared and submitted to the Legislature, the Governor, or any state legislative or executive body.

(b) Notwithstanding any other provision of law, a public agency may, but is not required to, prepare or submit any written report to the Legislature, the Governor, or any state legislative or executive body unless the report is specified in subdivision (c) or any of the following has occurred:

(1) The report is required, in whole or in part, by a court order, federal law, or federal regulation.

(2) The report is required in the annual Budget Act or in any accompanying supplemental budget report prepared by the Legislative Analyst.

(3) The Legislature expressly provides that, notwithstanding this section, a written report shall be prepared and submitted.

(4) The report is necessary for the preparation of the annual Budget Act or the implementation of that act, as determined by the Department of Finance.

(5) The report is required pursuant to Division 1.2 (commencing with Section 473) of the Business and Professions Code or is required by statute for any entity governed by Division 2, 3, or 8 of the Business and Professions Code.

(c) Reports shall be prepared and submitted pursuant to the following provisions of law:

(1) Sections 806, 4425, 4996.22, 4999.8, 6086.15, 6095, 6145, 6177, 7011.8, 7021, 7139.7, 19441, and 19617.4 of the Business and Professions Code.

(2) Sections 5930, 14030.2, and 14076 of the Corporations Code.

(3) Sections 408, 425, 8007, 8236, 8261, 8278.3, 8359, 8451, 11023, 12141, 12142, 12510, 14502, 14508, 17078.66, 17199.4, 22217, 22218.5, 22311.5, 22324, 22352, 22362, 24400, 25933, 25950, 32296.1, 33053, 33126, 33126.1, 33328, 33595, 35256, 35294.14, 37252.1, 37670, 41020.6, 41320, 41320.3, 41339, 41407, 42263, 42269, 42923, 42925, 44225.6, 44238, 44252.1, 44252.9, 44253.10, 44257.4, 44258.9, 44259.5, 44259.8, 44279.2, 44306, 44329, 44393, 44403, 44507, 44516, 44735, 47602, 47614.5, 47616.5, 47773, 48005.45, 48200.7, 48200.8, 48664, 49082, 49436, 51728, 51745.1, 52042, 52052, 52055.640, 52055.656, 52058, 52171.6, 52184, 52243, 52247, 52314, 52902.5, 54006, 56494, 56867, 58560, 60630, 60800, 60830.7, 60852.5, 60855, 60900, 62000.14, 63053, 64201, 66015.7, 66742, 66743, 66755, 66903, 66941, 67312, 67359, 67359.16, 67380, 69437.7, 69506.5, 69508, 69529.5, 69532, 69561.5, 69563, 69615.4, 69618.8, 69655, 69989, 71020, 71027, 71051, 78032, 78275.5, 79148, 81254, 84040, 84040.5, 84040.6, 84362, 84754, 84758, 87164, 87482.4, 88550, 89030.1, 89343, 89720, 89753, 99105, 99155, 99182, and 99240 of the Education Code.

(4) Sections 3032, 17600, and 17602 of the Family Code.

(5) Sections 411, 2281, 12794.5, 13144, and 13152 of the Food and Agricultural Code.

(6) Sections 965.4, 965.65, 3541.3, 7085, 7299.4, 7299.6, 7504, 8169.5, 8245, 8878.97, 9148.4, 11017.5, 11678, 12010.6, 12017, 12020, 12021, 12080.2, 12170, 12174, 12329, 12439, 12460, 12461, 12461.1, 12463, 12463.1, 12463.3, 12468, 12522, 12741, 12803.2, 13308, 13337, 13405, 14051, 14524.16, 14525.5, 14535, 14536, 14840, 15320, 15323.5, 15335.11, 15363.73, 15399.45, 15901, 16725, 16759, 16855, 17570, 17600, 17601, 19237, 19405, 19683, 19702.5, 19705, 19792.5, 19793, 19795, 19816.20, 19826, 19827.2, 19849.11, 19994.20, 19996.21, 19996.40, 20194, 20208, 20228, 20232, 20233, 20235, 20236, 20237, 20238, 20398, 20405.1, 21499, 22791, 22840.3, 30063, 53084, 53299, 65048, 65400, 68511, 68513, 68563, 68604, 75089.1, and 77209 of the Government Code.

(7) Sections 900, 901, 1266.1, 1276.4, 1316.5, 1357.16, 1367.695, 1371.37, 1371.38, 1371.39, 1374.36, 1380.1, 1438, 1596.872a, 1596.872b, 1797.98b, 1797.121, 1799.204, 11495, 11756.8, 11970.2, 18502.5, 18870.3, 26203, 33426.7, 35815, 40448.5.1, 40452, 42860, 44525.6, 50199.15, 50408, 50452, 50459, 50834, 51005, 51454, 51622, 53305, 53311, 59019, 101950, 104187, 104315, 108923, 115255, 116095, 116355, 116365.5, 127365, 128725, 128735, 128736, 128737, 128740,

128745, 128748, 128750, 128755, 129045, and 129075 of the Health and Safety Code.

(8) Sections 742.435, 1060, 1067.13, 1758.994, 1872.96, 10089.13, 10089.27, 10089.84, 10123.84, 11751.51, 11805, 11860, 12693.92, 12693.93, 12922, 12961, and 12962 of the Insurance Code.

(9) Sections 77, 90.5, 98.75, 111, 147.2, 1143, 3073.5, 3201.5, 3716.5, 3729, 5502, 6330, 7316, 7384, and 7722 of the Labor Code.

(10) Sections 73.5, 179, 974.5, 999.7, and 1012.5 of the Military and Veterans Code.

(11) Sections 628.2, 629.62, 6031.2, 7445, 10359, 13010, 13010.5, 13012, 13012.5, 13014, and 13519.4 of the Penal Code.

(12) Sections 10115.5, 10359, 10722, and 20133 of the Public Contract Code.

(13) Sections 2797, 3258, 4515, 4612, 5090.32, 5653, 21080.5, 30012, 30342, 30519.5, 30533, 36980, 36994, 42885.5, 42889.3, 42889.4, 71211, 71212, 71271, and 71300 of the Public Resources Code.

(14) Sections 316.5, 389, 873, 2881, 3346, 99243, and 132352.6 of the Public Utilities Code.

(15) Sections 1647, 1648, 1649, 6377, 17053.49, and 23649 of the Revenue and Taxation Code.

(16) Sections 164.56, 188.5, and 2154 of the Streets and Highways Code.

(17) Sections 329, 832, 995, 2614, 4901, 9600, 9616, 9616.1, 9617, 9907, 10004, 10205, 10532, 11011, 11014, 12141, 15037, 15064, 15079, and 17002 of the Unemployment Insurance Code.

(18) Sections 1821 and 23249 of the Vehicle Code.

(19) Sections 73502, 73505, 79421, and 81674 of the Water Code.

(20) Sections 209, 4024, 4109.5, 4365.5, 4429, 4430, 4432, 4540, 4565, 4681.1, 4691, 4696.1, 4836, 5613, 5772, 5814, 10090, 10822, 10823, 11329, 11373, 11462, 12301.6, 13913, 14026.5, 14051, 14067, 14085.5, 14100.5, 14120, 14124.12, 14126.80, 14132, 14133.9, 14148.8, 14148.91, 14161, 14165.9, 14459.5, 14459.7, 14501, 15204.4, 15204.8, 16206, 16981, 16996.2, 18236, 19106, 19356.6, and 25003 of the Welfare and Institutions Code.

(21) (A) Statutes of 2003—Section 2 of Chapter 896, Section 1 of Chapter 795, and Section 24.60 of Chapter 157.

(B) Statutes of 2001—Section 53.5 of Chapter 171 and Section 24.60 of Chapter 106.

(C) Statutes of 2000—Section 2 of Chapter 913, Section 3 of Chapter 902, Section 1 of Chapter 457, Section 8 of Chapter 403, and Section 24.60 of Chapter 52.

(D) Section 1 of Chapter 5 of the Statutes of 1999–2000 First Extraordinary Session.

(E) Statutes of 1999—Section 2 of Chapter 973, Section 2 of Chapter 954, Section 2 of Chapter 402, Section 2 of Chapter 337, and Section 1 of Chapter 195.

(F) Statutes of 1998—Section 1 of Chapter 1051, Section 55 of Chapter 329, Section 75 of Chapter 311, and Resolution Chapter 113.

(G) Statutes of 1997—Section 69 of Chapter 854, Section 7 of Chapter 813, Section 13 of Chapter 812, Section 12 of Chapter 812, and Section 2 of Chapter 767.

(H) Statutes of 1996—Section 55 of Chapter 954, and Section 6 of Chapter 69.

(I) Statutes of 1995—Section 7 of Chapter 789.

(J) Statutes of 1992—Section 6 of Chapter 1068.

(K) Statutes of 1991—Section 13 of Chapter 760.

(L) Statutes of 1989—Section 6 of Chapter 1306, Section 10 of Chapter 1071, and Resolution Chapter 174.

(M) Statutes of 1988—Section 2 of Chapter 1495, Section 3 of Chapter 1397, Section 60 of Chapter 973, Section 59 of Chapter 973, and Section 1 of Chapter 659.

(N) Statutes of 1987—Section 7 of Chapter 136.

(22) Statutes of 1969—Section 127 of Chapter 209, as amended by Chapter 155 of the Statutes of 2004.

(23) Items 0250-101-0001, 0450-101-0932, 0820-001-0001, 0840-001-0001, 0845-001-0217, 2240-001-0933, 2240-109-0001, 2240-112-0001, 2400-001-0933, 4170-001-0001, 4280-112-0236, 4440-001-0001, 5100-001-0870, 5100-311-0690, 5180-101-0001, 6110-156-0890, 6110-485-0001, 6870-101-0001, and 8960-011-0001 of Section 2.00 of the Budget Act of 2000.

(24) Section 6 of Article VI of the California Constitution.

(25) All reports pertaining to Item 6610-001-0001 required in the Legislative Analyst's Office's Supplemental Report of the Budget Act of 2002.

(26) Any report required by a bill that was approved by the Senate Committee on Transportation on or after January 1, 1999.

(27) Any report that is required to be submitted to the Joint Legislative Audit Committee.

(28) All reports statutorily required to be prepared by the California Environmental Protection Agency or its boards, departments, or offices.

(29) Any report required by any law enacted on or after January 1, 2003.

(d) This section may not be construed to require resubmission of a one-time report that is required by statute if that report already has been submitted as required.

(e) This section may not be construed to interfere with an exclusive representative's right to request or receive information related to its representation of state and California State University employees under Chapter 10.3 (commencing with Section 3512) and Chapter 12 (commencing with Section 3560). A public agency shall not use this section to justify the denial of information under those provisions.

(f) Paragraph (28) of subdivision (c) shall become operative only if Assembly Bill 2701 of the 2003–04 Regular Session is enacted and becomes operative.

(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. 14. Section 8700 of the Government Code is amended to read:
8700. The Legislature finds and declares the following:

(a) The United States and Mexican economies have become increasingly integrated, particularly since the 1994 adoption of the North American Free Trade Agreement, or NAFTA.

(b) This integration has brought both California and Mexico opportunities and challenges in the areas of economic development, labor relations, and environmental protection.

(c) The California Office of the Southwest Border Regional Conference (formerly commission) was established as part of a joint American border states effort to further and develop favorable relations with the six Mexican border states.

(d) The efforts of the California office of the conference continue to be an essential part of California's interaction with Mexico.

(e) It is important for the state and for the nation that state agencies continue to address important United States-Mexico issues.

(f) The Office of California-Mexico Affairs provides a focal point in state government to serve as a clearinghouse for information and assistance to other state agencies which are involved with Mexico.

SEC. 15. Section 8701 of the Government Code is amended to read:
8701. The following definitions shall govern the construction of this chapter:

(a) "Office" means the Office of California-Mexico Affairs.

(b) "Conference" means the Southwest Border Regional Conference.

SEC. 16. Section 8702 of the Government Code is amended to read:
8702. (a) There is in state government an Office of California-Mexico Affairs. Within this office the operations of the California Office of the Southwest Border Regional Conference shall be continued.

(b) The office succeeds to and is vested with all the duties, powers, purposes, and responsibilities vested in the California office of the conference and previously vested in the Commission of the Californias.

(c) The office shall have possession and control of all records, papers, offices, equipment, supplies, moneys, funds, appropriations, land, and other property, real or personal, held for the benefit or use of the California office of the conference, or previously held for the benefit or use of the commission, in the performance of the duties, powers, purposes, responsibilities, and jurisdiction of the California office of the conference or the commission.

SEC. 17. Section 8704 of the Government Code is repealed.

SEC. 18. Section 8705 of the Government Code is amended to read:

8705. The office shall further and develop favorable relations with the State of Baja California, the State of Baja California Sur, other Mexican states bordering on the United States, and the remaining states and territories of the Republic of Mexico necessary for the completion of the office's tasks. The office shall cooperate with similar organizations and agencies situated within California, the United States, or Mexico, to further economic development, improve working conditions and living standards, and foster the protection and improvement of the environment in Mexico and California. The office shall avail itself of the services of the San Diego State University, which is engaged in educational, cultural, and research activities with Mexico. The office shall be responsible for carrying out the ongoing responsibilities of the Southwest Border Regional Conference.

SEC. 19. Section 8707 of the Government Code is repealed.

SEC. 20. Section 8709 of the Government Code is amended to read:

8709. The office shall be responsible for the establishment of committees in those topic areas deemed necessary by the director. Recommendations of the committees shall not be binding on the Governor or the Legislature but shall only be advisory in nature.

SEC. 21. Section 12231 of the Government Code is repealed.

SEC. 22. Section 12232 of the Government Code is amended to read:

12232. The Secretary of State shall utilize the California State Library to advise, encourage, and coordinate the activities of the county historical records commissions, either designated or appointed by the county boards of supervisors pursuant to Section 26490. The chairman or his or her designee of each county historical records commission may attend an annual meeting with the California State Library, at state expense, to receive advice in the preservation of local government archives and public library collections of historical materials.

SEC. 23. Section 65054.5 of the Government Code is repealed.

SEC. 24. Section 1342.3 of the Health and Safety Code is repealed.

SEC. 25. Section 1347 of the Health and Safety Code is repealed.

SEC. 26. Section 1347.1 of the Health and Safety Code is repealed.

SEC. 27. Section 1347.15 of the Health and Safety Code is amended to read:

1347.15. (a) There is hereby established in the Department of Managed Health Care the Financial Solvency Standards Board composed of eight members. The members shall consist of the director, or the director's designee, and seven members appointed by the director. The seven members appointed by the director may be, but are not necessarily limited to, individuals with training and experience in the following subject areas or fields: medical and health care economics; accountancy, with experience in integrated or affiliated health care delivery systems; excess loss insurance underwriting in the medical, hospital, and health plan business; actuarial studies in the area of health care delivery systems; management and administration in integrated or affiliated health care delivery systems; investment banking; and information technology in integrated or affiliated health care delivery systems. The members appointed by the director shall be appointed for a term of three years, but may be removed or reappointed by the director before the expiration of the term.

(b) The purpose of the board is to do all of the following:

(1) Advise the director on matters of financial solvency affecting the delivery of health care services.

(2) Develop and recommend to the director financial solvency requirements and standards relating to plan operations, plan-affiliate operations and transactions, plan-provider contractual relationships, and provider-affiliate operations and transactions.

(3) Periodically monitor and report on the implementation and results of the financial solvency requirements and standards.

(c) Financial solvency requirements and standards recommended to the director by the board may, after a period of review and comment not to exceed 45 days, be noticed for adoption as regulations as proposed or modified under the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). During the director's 45-day review and comment period, the director, in consultation with the board, may postpone the adoption of the requirements and standards pending further review and comment. Nothing in this subdivision prohibits the director from adopting regulations, including emergency regulations, under the rulemaking provisions of the Administrative Procedure Act.

(d) Except as provided in subdivision (e), the board shall meet at least quarterly and at the call of the chair. In order to preserve the independence of the board, the director shall not serve as chair. The members of the board may establish their own rules and procedures. All members shall serve without compensation, but shall be reimbursed from department funds for expenses actually and necessarily incurred in the performance of their duties.

(e) During the two years from the date of the first meeting of the board, the board shall meet monthly in order to expeditiously fulfill its purpose under paragraphs (1) and (2) of subdivision (b).

(f) For purposes of this section, "board" means the Financial Solvency Standards Board.

SEC. 28. Section 1367.03 of the Health and Safety Code is amended to read:

1367.03. (a) Not later than January 1, 2004, the department shall develop and adopt regulations to ensure that enrollees have access to needed health care services in a timely manner. In developing these regulations, the department shall develop indicators of timeliness of access to care and, in so doing, shall consider the following as indicators of timeliness of access to care:

(1) Waiting times for appointments with physicians, including primary care and specialty physicians.

(2) Timeliness of care in an episode of illness, including the timeliness of referrals and obtaining other services, if needed.

(3) Waiting time to speak to a physician, registered nurse, or other qualified health professional acting within his or her scope of practice who is trained to screen or triage an enrollee who may need care.

(b) In developing these standards for timeliness of access, the department shall consider the following:

(1) Clinical appropriateness.

(2) The nature of the specialty.

(3) The urgency of care.

(4) The requirements of other provisions of law, including Section 1367.01 governing utilization review, that may affect timeliness of access.

(c) The department may adopt standards other than the time elapsed between the time an enrollee seeks health care and obtains care. If the department chooses a standard other than the time elapsed between the time an enrollee first seeks health care and obtains it, the department shall demonstrate why that standard is more appropriate. In developing these standards, the department shall consider the nature of the plan network.

(d) The department shall review and adopt standards, as needed, concerning the availability of primary care physicians, specialty physicians, hospital care, and other health care, so that consumers have timely access to care. In so doing, the department shall consider the nature of physician practices, including individual and group practices as well as the nature of the plan network. The department shall also consider various circumstances affecting the delivery of care, including urgent care, care provided on the same day, and requests for specific providers. If the department finds that health care service plans and health care providers have difficulty meeting these standards, the department may make recommendations to the Assembly Committee on Health and the Senate Committee on Insurance of the Legislature pursuant to subdivision (i).

(e) In developing standards under subdivision (a), the department shall consider requirements under federal law, requirements under other state programs, standards adopted by other states, nationally recognized accrediting organizations, and professional associations. The department shall further consider the needs of rural areas, specifically those in which health facilities are more than 30 miles apart and any requirements imposed by the State Department of Health Services on health care service plans that contract with the State Department of Health Services to provide Medi-Cal managed care.

(f) (1) Contracts between health care service plans and health care providers shall assure compliance with the standards developed under this section. These contracts shall require reporting by health care providers to health care service plans and by health care service plans to the department to ensure compliance with the standards.

(2) Health care service plans shall report annually to the department on compliance with the standards in a manner specified by the department. The reported information shall allow consumers to compare the performance of plans and their contracting providers in complying with the standards, as well as changes in the compliance of plans with these standards.

(g) (1) When evaluating compliance with the standards, the department shall focus more upon patterns of noncompliance rather than isolated episodes of noncompliance.

(2) The director may investigate and take enforcement action against plans regarding noncompliance with the requirements of this section. Where substantial harm to an enrollee has occurred as a result of plan noncompliance, the director may, by order, assess administrative penalties subject to appropriate notice of, and the opportunity for, a hearing in accordance with Section 1397. The plan may provide to the director, and the director may consider, information regarding the plan's overall

compliance with the requirements of this section. The administrative penalties shall not be deemed an exclusive remedy available to the director. These penalties shall be paid to the State Managed Care Fund. The director shall periodically evaluate grievances to determine if any audit, investigative, or enforcement actions should be undertaken by the department.

(3) The director may, after appropriate notice and opportunity for hearing in accordance with Section 1397, by order, assess administrative penalties if the director determines that a health care service plan has knowingly committed, or has performed with a frequency that indicates a general business practice, either of the following:

(A) Repeated failure to act promptly and reasonably to assure timely access to care consistent with this chapter.

(B) Repeated failure to act promptly and reasonably to require contracting providers to assure timely access that the plan is required to perform under this chapter and that have been delegated by the plan to the contracting provider when the obligation of the plan to the enrollee or subscriber is reasonably clear.

(C) The administrative penalties available to the director pursuant to this section are not exclusive, and may be sought and employed in any combination with civil, criminal, and other administrative remedies deemed warranted by the director to enforce this chapter.

(4) The administrative penalties authorized pursuant to this section shall be paid to the State Managed Care Fund.

(h) The department shall work with the patient advocate to assure that the quality of care report card incorporates information provided pursuant to subdivision (f) regarding the degree to which health care service plans and health care providers comply with the requirements for timely access to care.

(i) The department shall report to the Assembly Committee on Health and the Senate Committee on Insurance of the Legislature on March 1, 2003, and on March 1, 2004, regarding the progress toward the implementation of this section.

(j) Every three years, the department shall review information regarding compliance with the standards developed under this section and shall make recommendations for changes that further protect enrollees.

SEC. 29. Section 1367.04 of the Health and Safety Code is amended to read:

1367.04. (a) Not later than January 1, 2006, the department shall develop and adopt regulations establishing standards and requirements

to provide health care service plan enrollees with appropriate access to language assistance in obtaining health care services.

(b) In developing the regulations, the department shall require every health care service plan and specialized health care service plan to assess the linguistic needs of the enrollee population, excluding Medi-Cal enrollees, and to provide for translation and interpretation for medical services, as indicated. A health care service plan that participates in the Healthy Families Program may assess the Healthy Families Program enrollee population separately from the remainder of its enrollee population for purposes of subparagraph (A) of paragraph (1). A health care service plan that chooses to separate its Healthy Families Program enrollment from the remainder of its enrollee population shall treat the Healthy Families Program population separately for purposes of determining whether subparagraph (A) of paragraph (1) is applicable, and shall also treat the Healthy Families Program population separately for purposes of applying the percentage and numerical thresholds in subparagraph (A) of paragraph (1). The regulations shall include the following:

(1) Requirements for the translation of vital documents that include the following:

(A) A requirement that all vital documents, as defined pursuant to subparagraph (B), be translated into an indicated language, as follows:

(i) A health care service plan with an enrollment of 1,000,000 or more shall translate vital documents into the top two languages other than English as determined by the needs assessment as required by this subdivision and any additional languages when 0.75 percent or 15,000 of the enrollee population, whichever number is less, excluding Medi-Cal enrollment and treating Healthy Families Program enrollment separately indicates in the needs assessment as required by this subdivision a preference for written materials in that language.

(ii) A health care service plan with an enrollment of 300,000 or more but less than 1,000,000 shall translate vital documents into the top one language other than English as determined by the needs assessment as required by this subdivision and any additional languages when 1 percent or 6,000 of the enrollee population, whichever number is less, excluding Medi-Cal enrollment and treating Healthy Families Program enrollment separately indicates in the needs assessment as required by this subdivision a preference for written materials in that language.

(iii) A health care service plan with an enrollment of less than 300,000 shall translate vital documents into a language other than English when 3,000 or more or 5 percent of the enrollee population, whichever number is less, excluding Medi-Cal enrollment and treating Healthy Families Program enrollment separately indicates in the needs assessment as

required by this subdivision a preference for written materials in that language.

(B) Specification of vital documents produced by the plan that are required to be translated. The specification of vital documents shall not exceed that of the Department of Health and Human Services (HHS) Office of Civil Rights (OCR) Policy Guidance (65 Federal Register 52762 (August 30, 2000)), but shall include all of the following:

(i) Applications.
(ii) Consent forms.
(iii) Letters containing important information regarding eligibility and participation criteria.

(iv) Notices pertaining to the denial, reduction, modification, or termination of services and benefits, and the right to file a grievance or appeal.

(v) Notices advising limited-English-proficient persons of the availability of free language assistance and other outreach materials that are provided to enrollees.

(vi) Translated documents shall not include a health care service plan's explanation of benefits or similar claim processing information that is sent to enrollees, unless the document requires a response by the enrollee.

(C) (i) For those documents described in subparagraph (B) that are not standardized but contain enrollee specific information, health care service plans shall not be required to translate the documents into the threshold languages identified by the needs assessment as required by this subdivision, but rather shall include with the documents a written notice of the availability of interpretation services in the threshold languages identified by the needs assessment as required by this subdivision.

(ii) Upon request, the enrollee shall receive a written translation of the documents described in clause (i). The health care service plan shall have up to, but not to exceed, 21 days to comply with the enrollee's request for a written translation. If an enrollee requests a translated document, all timeframes and deadline requirements related to the document that apply to the health care service plan and enrollees under the provisions of this chapter and under any regulations adopted pursuant to this chapter shall begin to run upon the health care service plan's issuance of the translated document.

(iii) For grievances that require expedited plan review and response in accordance with subdivision (b) of Section 1368.01, the health care service plan may satisfy this requirement by providing notice of the availability and access to oral interpretation services.

(D) A requirement that health care service plans advise limited-English-proficient enrollees of the availability of interpreter services.

(2) Standards to ensure the quality and accuracy of the written translations and that a translated document meets the same standards required for the English language version of the document. The English language documents shall determine the rights and obligations of the parties, and the translated documents shall be admissible in evidence only if there is a dispute regarding a substantial difference in the material terms and conditions of the English language document and the translated document.

(3) Requirements for surveying the language preferences and needs assessments of health care service plan enrollees within one year of the effective date of the regulations that permit health care service plans to utilize various survey methods, including, but not limited to, the use of existing enrollment and renewal processes, subscriber newsletters, or other mailings. Health care service plans shall update the needs assessment, demographic profile, and language translation requirements every three years.

(4) Requirements for individual enrollee access to interpretation services.

(5) Standards to ensure the quality and timeliness of oral interpretation services provided by health care service plans.

(c) In developing the regulations, standards, and requirements, the department shall consider the following:

(1) Publications and standards issued by federal agencies, such as the Culturally and Linguistically Appropriate Services (CLAS) in Health Care issued by the United States Department of Health and Human Services Office of Minority Health in December 2000, and the Department of Health and Human Services (HHS) Office of Civil Rights (OCR) Policy Guidance (65 Federal Register 52762 (August 30, 2000)).

(2) Other cultural and linguistic requirements under state programs, such as Medi-Cal Managed Care Policy Letters, cultural and linguistic requirements imposed by the State Department of Health Services on health care service plans that contract to provide Medi-Cal managed care services, and cultural and linguistic requirements imposed by the Managed Risk Medical Insurance Board on health care service plans that contract to provide services in the Healthy Families Program.

(3) Standards adopted by other states pertaining to language assistance requirements for health care service plans.

(4) Standards established by California or nationally recognized accrediting, certifying, or licensing organizations and medical and health care interpreter professional associations regarding interpretation services.

(5) Publications, guidelines, reports, and recommendations issued by state agencies or advisory committees, such as the report card to the public on the comparative performance of plans and reports on cultural and linguistic services issued by the Office of Patient Advocate and the report to the Legislature from the Task Force on Culturally and Linguistically Competent Physicians and Dentists established by Section 852 of the Business and Professions Code.

(6) Examples of best practices relating to language assistance services by health care providers and health care service plans, including existing practices.

(7) Information gathered from complaints to the HMO Helpline and consumer assistance centers regarding language assistance services.

(8) The cost of compliance and the availability of translation and interpretation services and professionals.

(9) Flexibility to accommodate variations in plan networks and method of service delivery. The department shall allow for health care service plan flexibility in determining compliance with the standards for oral and written interpretation services.

(d) The department shall work to ensure that the biennial reports required by this section, and the data collected for those reports, are consistent with reports required by government-sponsored programs and do not require duplicative or conflicting data collection or reporting.

(e) The department shall seek public input from a wide range of interested parties through advisory bodies established by the director.

(f) A contract between a health care service plan and a health care provider shall require compliance with the standards developed under this section. In furtherance of this section, the contract shall require providers to cooperate with the plan by providing any information necessary to assess compliance.

(g) The department shall report biennially to the Legislature and advisory bodies established by the director regarding plan compliance with the standards, including results of compliance audits made in conjunction with other audits and reviews. The reported information shall also be included in the publication required under subparagraph (B) of paragraph (3) of subdivision (c) of Section 1368.02. The department shall also utilize the reported information to make recommendations for changes that further enhance standards pursuant to this section. The department may also delay or otherwise phase-in implementation of standards and requirements in recognition of costs and availability of translation and interpretation services and professionals.

(h) (1) Except for contracts with the State Department of Health Services Medi-Cal program, the standards developed under this section shall be considered the minimum required for compliance.

(2) The regulations shall provide that a health plan is in compliance if the plan is required to meet the same or similar standards by the Medi-Cal program, either by contract or state law, if the standards provide as much access to cultural and linguistic services as the standards established by this section for an equal or higher number of enrollees and therefore meet or exceed the standards of the regulations established pursuant to this section, and the department determines that the health care service plan is in compliance with the standards required by the Medi-Cal program. To meet this requirement, the department shall not be required to perform individual audits. The department shall, to the extent feasible, rely on audits, reports, or other oversight and enforcement methods used by the State Department of Health Services.

(3) The determination pursuant to paragraph (2) shall only apply to the enrollees covered by the Medi-Cal program standards. A health care service plan subject to paragraph (2) shall comply with the standards established by this section with regard to enrollees not covered by the Medi-Cal program.

(i) Nothing in this section shall prohibit a government purchaser from including in their contracts additional translation or interpretation requirements, to meet linguistic or cultural needs, beyond those set forth pursuant to this section.

SEC. 30. Section 1368.2 of the Health and Safety Code is amended to read:

1368.2. (a) On and after January 1, 2002, every group health care service plan contract, except a specialized health care service plan contract, which is issued, amended, or renewed, shall include a provision for hospice care.

(b) The hospice care shall at a minimum be equivalent to hospice care provided by the federal Medicare program pursuant to Title XVIII of the Social Security Act.

(c) The hospice care provided under this section is not required to include preliminary services set forth in subdivision (d) of Section 1749. However, an enrollee who receives those preliminary services shall remain eligible for coverage of curative treatment by a health care service plan during the course of preliminary services and prior to the election of hospice services.

(d) The following are applicable to this section and to paragraph (7) of subdivision (b) of Section 1345:

(1) The definitions in Section 1746, except for subdivisions (o) and (p) of that section.

(2) The “federal regulations” which means the regulations adopted for hospice care under Title XVIII of the Social Security Act in Title 42 of the Code of Federal Regulations, Chapter IV, Part 418, except Subparts A, B, G, and H, and any amendments or successor provisions thereto.

(e) The director no later than January 1, 2001, shall adopt regulations to implement this section. The regulations shall meet all of the following requirements:

(1) Be consistent with all material elements of the federal regulations that are not by their terms applicable only to eligible Medicare beneficiaries. If there is a conflict between a federal regulation and any state regulation, other than those adopted pursuant to this section, the director shall adopt the regulation that is most favorable for plan subscribers, members or enrollees to receive hospice care.

(2) Be consistent with any other applicable federal or state laws.

(3) Be consistent with the definitions of Section 1746, except for subdivisions (o) and (p) of that section.

(f) This section is not applicable to the subscribers, members, or enrollees of a health care service plan who elect to receive hospice care under the Medicare program.

SEC. 31. Section 154 of the Streets and Highways Code is amended to read:

154. The department shall encourage the construction and development by counties of portions of the county highways as official county scenic highways and may furnish to the counties any information or other assistance which will aid the counties in the construction or development of such scenic highways.

Whenever the department determines that any county highway meets the minimum standards prescribed by the department for official scenic highways, including the concept of the “complete highway,” as described in Section 261, it may authorize the county in which the highway is located to designate the highway as an official county scenic highway and the department shall so indicate the highway in publications of the department and in any maps which are prepared by the department for distribution to the public which show the highway.

If the department determines that any county highway which has been designated as an official county scenic highway no longer meets the minimum standards prescribed by the department for official scenic highways, it may, after notice to the county and a hearing on the matter, if requested by the county, revoke the authority of the county to designate the highway as an official county scenic highway.

SEC. 32. Section 261 of the Streets and Highways Code is amended to read:

261. The department shall establish and apply pertinent planning and design standards for development of official scenic highways.

In establishing and applying such standards for, and undertaking the development of, official scenic highways, the department shall take into consideration the concept of the “complete highway,” which is a highway which incorporates not only safety, utility, and economy but also beauty. The department shall also take into consideration in establishing such standards that, in a “complete highway,” pleasing appearance is a consideration in the planning and design process. In the development of official scenic highways, the department shall give special attention both to the impact of the highway on the landscape and to the highway’s visual appearance. The standards for official scenic highways shall also require that local governmental agencies have taken such action as may be necessary to protect the scenic appearance of the scenic corridor, the band of land generally adjacent to the highway right-of-way, including, but not limited to, (1) regulation of land use and intensity (density) of development; (2) detailed land and site planning; (3) control of outdoor advertising; (4) careful attention to and control of earthmoving and landscaping; and (5) the design and appearance of structures and equipment.

SEC. 33. Section 262 of the Streets and Highways Code is amended to read:

262. Whenever the department determines that the corridor protection program for any state highway in the state scenic highway system established by this article has been implemented by local governmental agencies and a plan and program has been developed by the department for bringing the highway up to the standards for official scenic highways established by the department, including the concept of the “complete highway,” as described in Section 261, the department shall designate the highway as an official state scenic highway and shall so indicate the highway in any publications of the department or in any maps which are issued by the department to the public.

The department shall cause appropriate signs to be placed and maintained along the portions of the state scenic highway system which the department has designated as official state scenic highways that indicate that the highways are official state scenic highways.

If at any time the department determines that the corridor protection program of local governmental agencies, with respect to any highway which has been designated as an official state scenic highway, no longer adequately carries out responsibility of the local governmental agencies for the protection of the scenic corridor, it may revoke the designation of the highway as an official state scenic highway and remove the signs which so indicate the highway.

SEC. 34. Section 262.5 of the Streets and Highways Code is amended to read:

262.5. (a) Whenever the department determines that any state highway within or traversing United States National Forest lands meets the standards for official state scenic highways, the department shall designate the highway as an official state scenic highway and shall so indicate the highway in any publications of the department or in any maps which are issued by the department to the public.

(b) The department shall cause appropriate signs to be placed and maintained along those portions of the highways which the department has designated pursuant to subdivision (a) as official state scenic highways that indicate that those portions of the highways are official state scenic highways.

(c) If at any time the department determines that a state highway, designated as an official state scenic highway pursuant to subdivision (a), no longer meets the standards for official state scenic highways, it may revoke the designation of the highway as an official state highway and remove the signs which so indicate the highway.

SEC. 35. Section 2157 of the Streets and Highways Code is repealed.

SEC. 36. Section 2157 is added to the Streets and Highways Code, to read:

2157. The Departmental Transportation Advisory Committee is hereby abolished and the department shall succeed to all of its duties and responsibilities.

SEC. 37. Section 2158 of the Streets and Highways Code is repealed.

SEC. 38. Section 14165.8 of the Welfare and Institutions Code is amended to read:

14165.8. The commission shall be reimbursed at the annual salary of fifty thousand dollars (\$50,000), beginning on January 1, 2006. The commission shall set the salary of the executive director and other staff consistent with funds appropriated. The annual compensation provided by this section shall be increased in any fiscal year in which a general salary increase is provided for state employees. The amount of the increase provided by this section shall be comparable to, but shall not exceed, the percentage of the general salary increases provided for state employees during that fiscal year.

SEC. 39. It is the intent of the Legislature that the governance structure of the Office of California-Mexico Affairs, or its successor agency, be determined pursuant to subsequent legislation.
